Stock Code 1711

Everlight Chemical

2022 Annual Report

Everlight Chemical
Industrial Corporation

March 30, 2023

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https://www.ecic.com

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  (03)386-8081
  Plant II: No. 12, Gongye Rd. 3, Guanyin Dist., Taoyuan City
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  (03)483-7682
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  (03)473-7366
  Pharmaceutical Factory: No. 12, Gongye Rd. 3, Guanyin Dist., Taoyuan City
  (03)483-8088
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  (03)483-8088
- Stock Transfer Agency
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  Address: 1F., No.95, Sec. 2, Zhongxiao E. Rd., Zhongzheng Dist., Taipei City
  Website: https://www.emega.com.tw/emegaRegistrar/index.do
  TEL: (02)3393-0898
- CPA for the Financial Reports in the Most Recent Year
  Name: CPA Tang Chia-Chien and Chen Ya-Ling
  Accounting Firm: KPMG
  Address: 68F., No.7, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City
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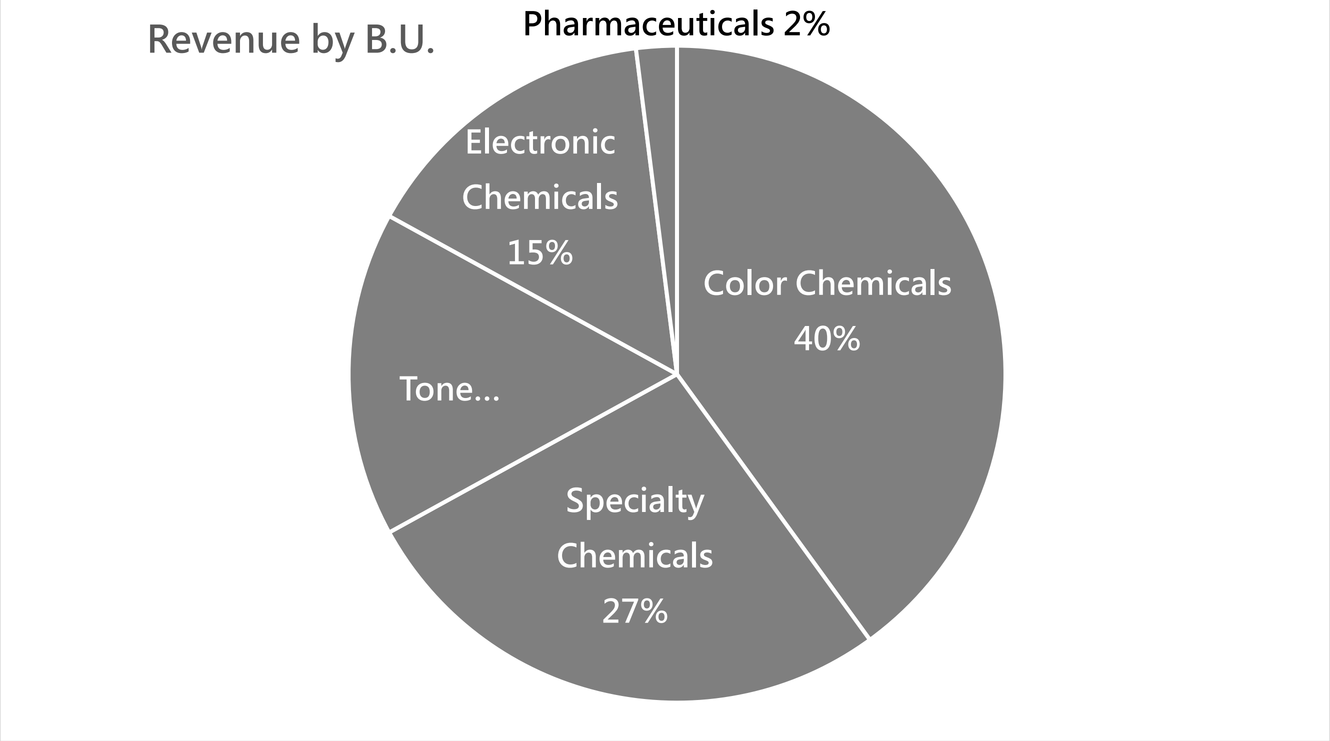
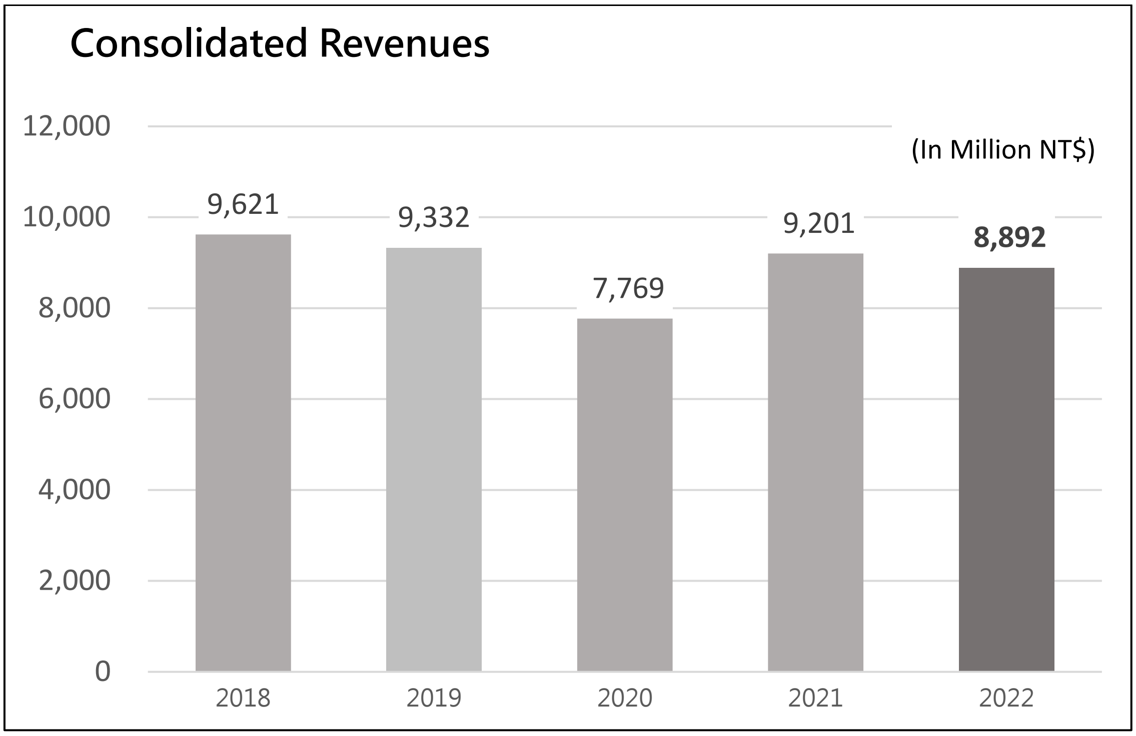
- Transaction location for overseas securities going listed: Not applicable
- Company Website: http://www.ecic.com

Financial Highlights

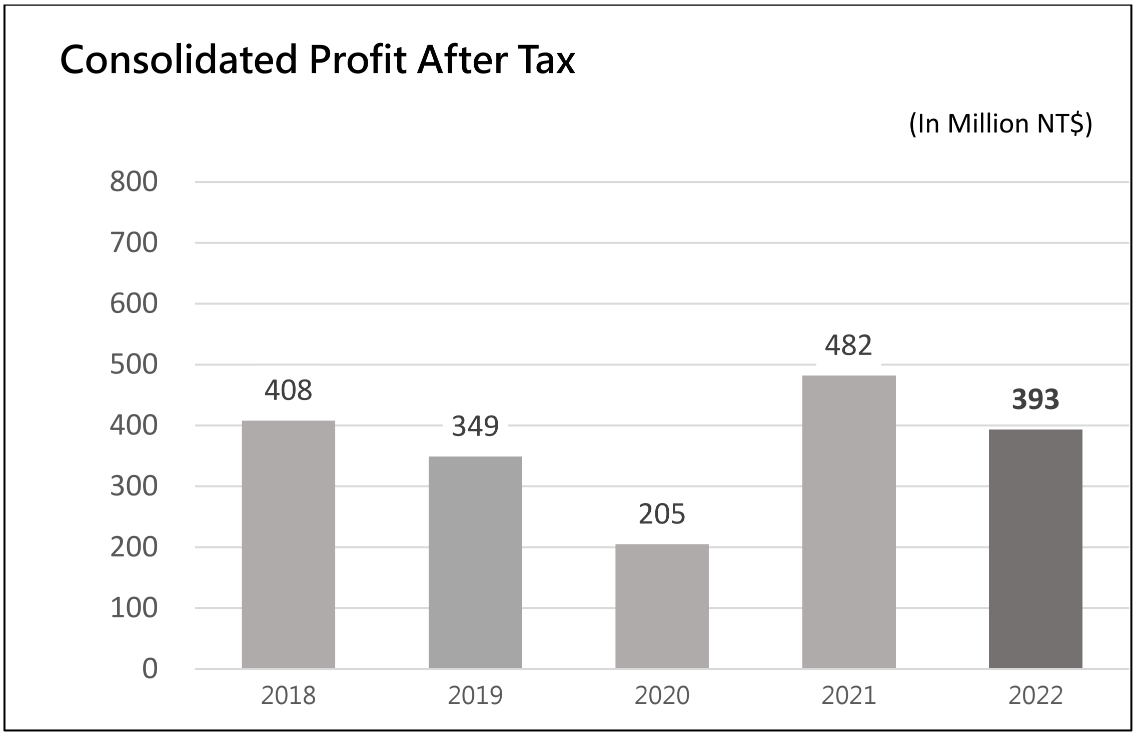


In Million NT$

Item	2021	2022
Revenues	9,201	8,892
Profit After Tax	482	393
Total Assets	14,136	13,133
Shareholder’s Equity	9,106	8,807
Earnings Per Share (in NT$)	0.86	0.68



Consolidated Revenues



Consolidated Profit After Tax

Table of Contents

Letter To Shareholders

Dear shareholders,

We have been through an uneventful and turbulent year in 2022.

For starters, it was the third year for COVID-19 pandemic to ravage the world, followed by the shocking invasion of Ukraine by Russia. The skirmishes between the two countries showed no sign of stopping even as of now and the conflict only exacerbated the impact on the fragile global supply chains and energy systems. In a desperate attempt to mitigate inflation and prevent the bursting of economic bubbles, governments around the world had no choice but to lift interest rates, further weakening the already-sluggish global economy.

Being a member of the global supply chain, our Color Chemicals Business has unfortunately sustained significant losses due to the volatile global economy, with operating revenues falling by as much as 16%. But on the upside, our TTI Toner, Electronic Chemicals and Specialty Chemicals businesses were able to achieve growths of 20%, 7% and 3% respectively. On the whole, the Company's operating revenue for the 2022 only fell by 3% compared to the previous year and came to a total of NTD 8.89 billion; our net income after tax decreased by 19% and came to a total of NTD 390 million. The Company's annual EPS came to NT$0.68.

The following is a review and outlook of each business:

I. Color Chemicals: The operating revenue for color chemicals business came to NTD 3.51 billion, which accounted for 39.5% and translated to an annual decrease of 16%. Reasons for the slump have already been covered in the above section, and such unfavorable circumstances have caused the demand from downstream manufacturers of clothing and shoes to shrink. In light of the build up of cargo as the result of repetitive orders caused by port congestions, orders for the second half of the year have reduced considerably.

Looking forward to the first half of 2023, one can reasonably expect the situation to be an extension of last year's. That said, certain factors have gradually improved, such as the gradual laxation of China's pandemic policies and so forth. And as the pace of our inventory digestion begins to pick up, we can expect gradual recovery on the demand side. In addition, with EU's declaration of its sustainable and circular textile strategy, relevant implementations shall drive up the demand for durable, high color-fastness textile and the Company shall strengthen its offering of differentiated products in response to this trend. While uncertainties remain high for the current year, we shall endeavor to refine our supply chain management and respond to customer demands promptly while optimizing product combinations so that we can boost the sales for differentiated products and products with high profit margins, thus expanding the scales of operation and profit for relevant application sectors.

II. Specialty Chemicals: The operating revenue for special chemicals business came to NTD 2.43 billion, which accounted for 27.3% and an annual growth of 3%. The main reason for the increase in sales during the past two quarters can be attributed to a large increase in global demand (a trend that carried over from the previous year) for coatings, marine coatings, and automotive coatings for industrial and architectural use. However, as global inflation and the impact of the Russo-Ukrainian war began to set in starting from Q3, demand has gradually subsided. Coupled with the unfortunate fire that broke out at the Company's 3rd Plant on March 10, 2022, these factors have affected the supply of some products. Nevertheless, after introducing various solutions and measures, we were not only able to maintain steady supply of products but even managed to break our previous sales record. We shall also strive to expand new markets and products in the fields of engineering plastics and films, and medical materials. By doing this, we will further increase the overall scale of our operations.

III. Toner: The operating revenue for toner business came to NTD 1.4 billion, which accounted for 15.8% and an annual growth of 20%. The primary reason for the significant growth can be attributed to the gradual recovery of commercial activities around the world and increase in market demand. While the colored toner we manufacture is renowned for its outstanding quality, in light of the difficulty in personnel recruitment at Hsinchu Science Park, despite the best effort from our plant personnel to work overtime and modifications made to our black toner equipment to manufacturer colored toner to accommodate the increased demand, we were still unable to meet the demand and secure all the orders that came.

China’s lifting of its zero-COVID policy at the beginning of the year had brought about significant impact on global economy. Just as market demands slowed down due to inflation and rising interest rates, the reopening of toner factories in China has caused market competition to escalate once more.

We shall continue to focus on the sales of products with high profit margins and leverage the complementary strengths of plants in Taiwan and China while replenishing our workforce as quickly as possible so as to boost our operating revenues and profit.

IV. Electronic Chemicals: The operating revenue for electronic chemicals business came to NTD 1.31 billion, which accounted for 14.8% and an annual increase of 7%. The increase is primarily attributed to the increase in OEM profit and the increase in material demand for the testing of new production lines at new semi-conducted plants established overseas. Due to the zero-COVID policy implemented in China, many clients have stopped production or lowered their utilization rates starting from Q2 last year and this has affected the distribution of our products.

For 2023, we shall continue to develop new products and introduce new offerings in new areas of application. For example, the development of thick film photoresists for IC packaging, photoresists for photosensitive polyimide (PSPI), and photoresists with low temperature flexibility. As for the smart mobile application domain, we will also be developing photoresists for automotive display, panel masking gel, automotive and electric vehicle IC process photoresists. Apart from Si-based wafer application, we will also be looking for new opportunities to introduce GaN/SiC third-generation compound semiconductors in relevant processes for automotive power/sensor components, green power conversion systems, high-frequency 5G/6G communication components.

V. Pharmaceuticals: The operating revenue for pharmaceuticals business came to NTD 233 million, which accounted for 2.6% and an annual decrease of 3%. The decrease is due to the shortage of raw materials last year, which affected our production schedules and revenues. However, due to our product combination, the pharmaceuticals business was able to raise its profit margin to reduce its deficit by 23%.

In the near future, the pharmaceuticals business will continue to actively promote its OEM services in order to boost equipment utilization rate. As for our existing feedstock products, we will continue to monitor the profit margins for all products and formulate improvement strategies so as to increase their profits and stop the losses.

As we go into 2023, with the prospect of an economic slump caused by inflation and rising interest rates looming, we shall respond with due prudence and adhere to the operating strategy of “Agile and Robust, Improve and Upgrade” to further bolster the competitiveness and tenacity of our organization so that we can overcome this challenge and create new opportunities.

As always, we would like to thank all our shareholders for their continued support. I hope you all

stay safe and healthy

Chairman：Chen, Chien-Hsin

I. 2022 Operating Performance

(I) Implementation results of operating plan

The Company’s consolidated operating revenue in 2022 was TWD 8,891,702,000 which was a decrease of 3% comparing to previous year; in terms of operating income, the consolidated net income after tax was TWD 392,540,000, and EPS was TWD 0.68, a decreaseof 19% and 21% respectively comparing to previous year.

(II) Budget execution status

Unit: TWD thousand

Account	Plan for the whole year	Actual amount	Achievement rate
Operating revenue	10,000,000	8,891,702	89%
Operating cost	7,575,000	6,896,531	91%
Operating gross profit	2,425,000	1,995,171	82%
Operating expense	1,715,000	1,614,415	94%
Operating profit	710,000	380,756	54%
Net income before tax	750,000	483,834	65%

(III) Analysis on revenue and expense and profitability

Unit: TWD thousand

Item			2022	2021
Revenue and expense	Operating revenue		8,891,702	9,200,988
	Operating cost		6,896,531	6,987,506
	Operating gross profit		1,995,171	2,213,482
	Operating expense		1,614,415	1,660,706
	Operating profit		380,756	552,776
	Net non-operating revenue		103,078	44,664
	Net income before tax		483,834	597,440
	Income tax expense		91,294	115,611
	Net income after tax		392,540	481,829
	EPS (TWD)		0.68	0.86
Profitability Analysis	ROA		3.3%	3.8%
	ROE		4.4%	5.5%
	To paid-in capital	Operating profit	7.0%	10.1%
		Pre-tax income	8.8%	10.9%
	Profit margin		4.4%	5.2%
	EPS (TWD)		0.68	0.86

(IV) R&D status

Developing high-tech, high value-added chemical products, and continuously improving ecological benefits are our R&D goals. R&D expense in 2022 was about TWD 370,000,000, which accounted for 4.1% of operating revenue. The specific results of R&D are as follows:

1. Intellectual property right:

   In 2022, there were 4 patents granted. By the end of Feb. 2023, the cumulative number of patents was 195.

2. New product R&D results of each business:

   In 2022, the completed items of new products developed by each business are: 34 items of color chemicals, 2 items of specialty chemicals,10 items of electronic chemicals,0 items of Pharmaceuticals, 1 items of toner, which are 47 items in total.

II. Summary of 2023 Operation Plan

(I) Operation goals for the current year

The Company adopts “**Agile and Robust, Improve and Upgrade**” as its annual business policy, and implements the following strategies:

1. Agile: Flexible to respond to challenges and quick to respond to needs.
2. Robust: Focus on profitability to maintain robust finance.
3. Improve: Strengthen management strength and enhance work efficiency.
4. Upgrade: Accelerate upgrade and transformation to build competitive advantage.

(II) Expected sales volume and its reference

According to the assessment of industrial environment and future market supply and demand, the expected sales targets of various products of the Company in 2023 are as follows:

Business and product type		Expected sales volume in 2023	Sales volume in 2022
Color chemicals		19,000 tons	16,609 tons
Specialty chemicals		4,800 tons	4,188 tons
Toner		7000 tons	5,777 tons
Electronic chemicals	Photoresist	615 tons	572 tons
	Others	6,850 tons	10,136 tons
Pharmaceuticals	Prostaglandin	26,204 g	19,457 g
	Other material medicines	730 kg	912 kg

(III) Important production and sales policy

1. Sales policy:
   (1) Marketing and promotion of “green chemistry solutions”.
   (2) Master industry trends and quickly respond to product pricing.
   (3) Develop strategic customer management solutions to build longstanding partnerships.
2. Production policy
   (1) Safety: Promote safety culture and reduce disaster risk.
   (2) Innovation: Innovate production technologies, and move towards smart manufacturing.
   (3) Environment: Promote green chemistry, and initiate zero carbon transition.

III. Impacts of External Environment

(I) External competitive environment

1. As the scarcity and fragility of the supply chain has resulted in the increased risk of a broken chain due to the current long chain supply model, the development of “local production and short chain revolution” has been accelerated.
2. Regional supply chain resilience is strengthened through regional trade agreements and bilateral collaboration initiatives. The Southeast Asia area will gradually become Asia’s secondary production center catering to the needs of dispersing production bases.
3. Net zero carbon emission commitment, circular economy, commitment to zero emissions of harmful chemicals to the environment, and other similar initiatives to promote sustainability and environmental protection will affect major global brands and their supply chain manufacturers. They will adjust their strategy and reallocation of resources with low carbon emissions, zero waste and high value becoming the business trend, bringing a new round of competition.

(II) Regulatory environment:

1. Countries have successively promulgated the Chemicals Management Act and strengthened management measures, in order to achieve the vision of the United Nations 2030 Sustainable Development Goals,SDGs.
2. The Taiwan Financial Supervisory Commission will promote the "Corporate Governance 3.0—Sustainable Development Blueprint" three-year plan in 2020, requiring companies to implement corporate governance, create a sound ecosystem for sustainable ESG development, and enhance international competitiveness.

(III) Macroeconomic operating environment:

1. Economic sanctions and counter-sanctions derived from the Russia-Ukraine war have caused a continuous energy and food shortage crisis around the world; they are also the main source of current inflationary pressure. Economics are difficult to be addressed in a short time.
2. The U.S. has been making an effort to increase interest rates in order to reduce inflationary pressure. This has at the same time exported inflation overseas, resulting in significant impact on the global economy and recession is likely to be inevitable.
3. With climate change and global net zero coalition becoming an issue around the world, companies should strengthen their ability to adapt their resilience to a low-carbon transition.

IV. Future Corporate Development Strategies

Everlight Chemical’s vision is to “become the high-tech chemistry industrial group contributing to people’s lives.” To enhance the life quality and health of people, we have strived to research and develop forward-looking chemicals and to produce high-tech products to enable outstanding chemicals to enrich peoples’ lives, contribute to the life quality of our employees, product competitiveness, and sustainable future, and implement the brand promise of “Better Chemistry Better Life”.

Company Profile

I. Date of Establishment: September, 1972

II. Company History:

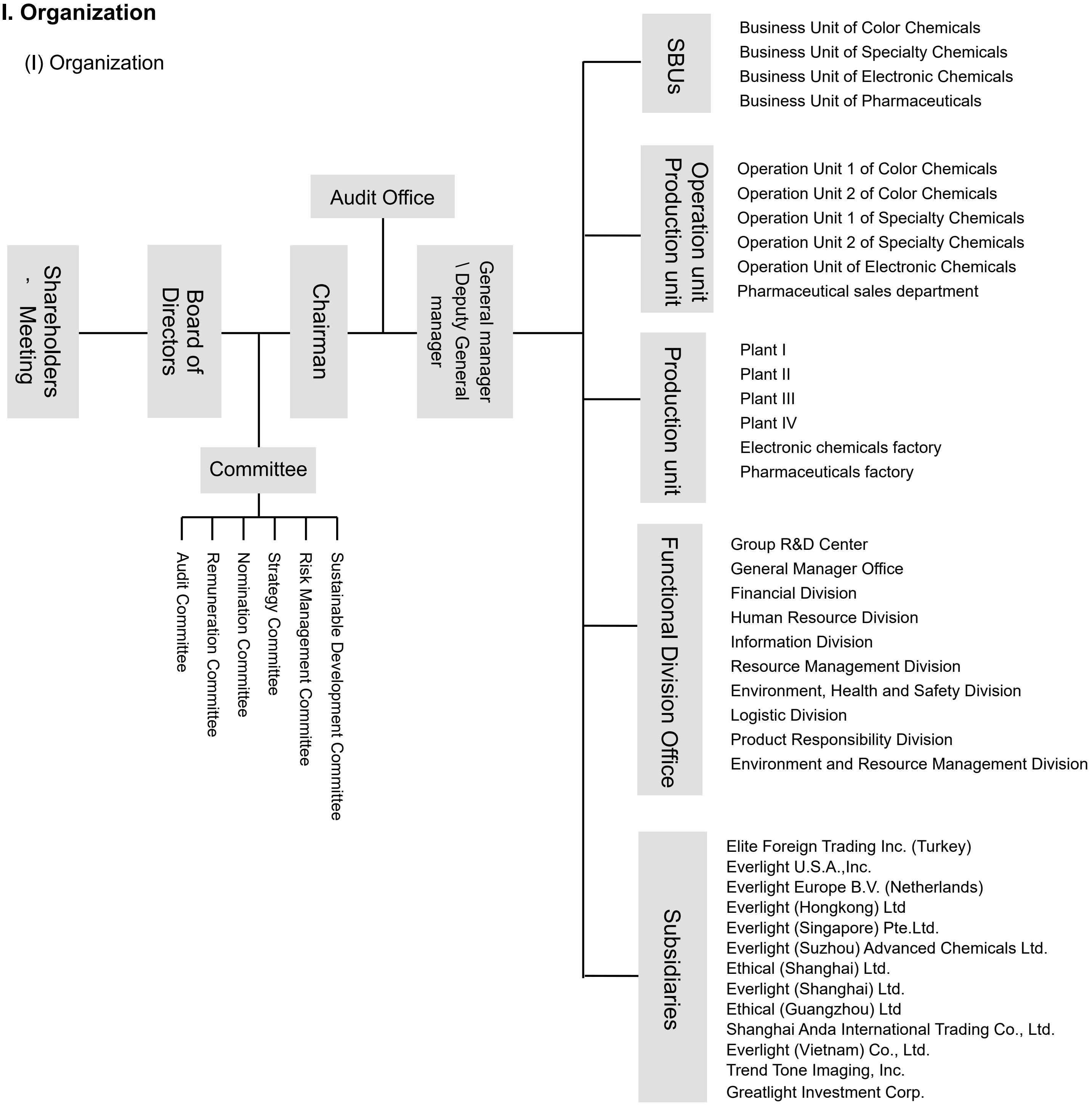
1972· The Company was established with capital amount of TWD 4 million.
1976· Purchased the land of Dayuan Industry Park in Taoyuan City and set up the Plant I.
1986· Purchased the CTCI Building on Dunhua S. Rd. in Taipei City as the Group’s headquarters.
1987· Purchased the land of Guanyin Industry Park in Taoyuan City and set up the Plant II.
1988· Stocks went publicly listed with capital amount of TWD 0.5 billion.
1989· Established the company, Elite in Turkey.
1991· Established Everlight U.S.A.
1992· Purchased the land of Guanyin Industry Park in Taoyuan City and set up the Plant III.
· Established Everlight (Hongkong) Ltd.
1993· Passing the verification of ISO 9002 Quality Management System.
1994· Passing the verification of ISO 9001 Quality Management System.
1995· Won the Excellent Prize of the 3rd Premium Industry and Technology Development Award of MOEA.
1996· Passing the verification of ISO14001 Environment Management System.
· Established Everlight Europe B.V. (Netherlands).
· Established the factory for raw material medicine.
· Won the Excellent Manufacturer Prize of Energy Saving Award of Bureau of Energy, MOEA.
1997· Established the electronic chemicals factory.
· Established Everlight (Singapore) Ltd.
· Merged Trend Tone Imaging, Inc.
· Won the Excellent Manufacturer Prize of Pollution Prevention Award of EPA.
1998· Established Ethical (Shanghai) Ltd.
2000· Won the 8th Premium Industry and Technology Development Award of MOEA.－ Excellent Prize
2001· Passing the verification of OHSAS 1800 Vocational Safety and Hygiene Management System.
2002· Established Ethical (Guangzhou) Ltd.
· Established Business Unit of Nanomaterial.
· The material medicine of Prostaglandin, Misoprostol, passed the inspection of US FDA.
2003· Approved by the MOEA to establish the headquarters of business operation.
· Approved by the MOEA to establish High-Tech Chemicals Research and Development Division.
2004· Won the Outstanding Corporate Citizen Award of MOEA.
· Trend Tone Imaging passing the verification of ISO 9001.
· DailyCare BioMedical Inc. passing the verifications of ISO 9001, ISO 13485, GMP for pharmaceuticals and equipment and CAMCAS.
2005· Established Everlight (Shanghai) Ltd.
2006· Established Everlight (Suzhou) Advanced Chemicals Ltd.
· Won the Industry Innovation Award of MOEA.
2007· The material medicine for cardiovascular disease, Felodipine, passed the inspection of US FDA.
2009· Won the National Invention and Innovation Award of MOEA.
· Won the Safety and Hygiene Role Model Award of MOEA.
· Everlight (Suzhou) Advanced Chemicals Ltd. passing the verification of ISO 9001.
2010· The Plant II, also the bonded factory, went listed and formally began operation.
· Passing the verification of Taiwan Intellectual Property Management System (TIPS).
· Approved by the MOEA to establish Green Energy High-Tech Chemicals Research and Development Division.
2011· Merged Anda Semiconductor Technology (Suzhou) Co., Ltd.
· The material medicine of Prostaglandin, Misoprostol-HPMC, passed the inspection of EU GMP.
· Elected as one of the Top 100 Taiwan Brands.
· The Plant III, also the bonded factory, went listed and formally began operation.
· Established Tianjin Branch of Everlight (Shanghai) Ltd.
· Elected into the special edition of Taiwan Ethical Corporate Management Stories.
· The first company to pass the GMP examination for food additives in Taiwan.
· Purchased the land of Taoyuan Technology Park in Taoyuan City and set up the Plant IV.
2012· Established Qingdao Branch of Everlight (Shanghai) Ltd.
· Established Suzhou Branch of Everlight (Shanghai) Ltd.
· Established Zhuhai Branch of Everlight (Suzhou) Advanced Chemicals Ltd.
· Passing the verification of BS 25999 Business Continuity Management System (BCMS).
· Introduced the inventory of product carbon footprint and passed the inspection of PAS 2050 and ISO/TS 14067.

· Trend Tone Imaging won the Safety and Hygiene Role Model Award of MOEA.
2013· Established Greatlight Investment Corp.
· Won the 1st Potential Mittelstand Award of MOEA.
· The material medicine of Prostaglandin, Bimatoprost and Misoprostol-HPMC, passed the inspection of US FDA.
· Won the Safety and Hygiene Role Model Award of MOEA.
· Passing the verification of ISO/TS16949 Quality Management System.
· Continually won the Excellence in Corporate Social Responsibility Award for seven years.
· Everlight (Suzhou) Advanced Chemicals Ltd. passing the verification of ISO 14001 and OHSAS 18001.
· Trend Tone Imaging passing the verification of TOSHMS CNS15066 and OHSAS 18001.
2014· Passing the CG6008 General-Edition Corporate Governance System Evaluation of Taiwan Corporate Governance Association.
· Passing the verification of ISO 22301 Business Continuity Management System.
· Trend Tone Imaging passing the verification of ISO 14001.
· Trend Tone Imaging passing the greenhouse gas inventory inspection of ISO 14064-1.
2015· Won the National Invention and Innovation Award of MOEA.
· Established Audit Committee and Nomination Committee.
2016· Reactive dye (Everzol Black-B 133%) passed the Material Flow Cost Accounting inspection of ISO 14051 MFCA.
· The Plant III won the Work-Life Balance Award of MOL.
2017· The Plant IV was awarded the Green Building Label certificate from the Ministry of the Interior.
· 2016 CSR Report passed the inspection of British Standards Institution (BSI).
· Won the Taiwan TOP50 Business Sustainability Award and Business Sustainability Report Award.
· Trend Tone Imaging passing the verification of TTQS Talent Quality-Management System.
2018· We signed the Safe Partner Declaration with the Occupational Safety and Health Administration, Ministry of Labor.
· The Plant IV obtained the Certificate of Cleaner Production Assessment and Green Factory Label from the Industrial Development Bureau.
· Passing the verification of Taiwan Intellectual Property Management System (TIPS) Grade A (Version 2016).
· We won the China Dyestuff Centennial Merit Award, Outstanding Entrepreneur Award, Science and Technology Contribution Award and Outstanding Enterprise Award of the China Dyestuff Industry Association.
2019· Won the 1st Green Chemical Application and Innovation Award held by Environmental Protection Agency (EPA).
· Passing the verification of ISO 45001 Occupational Health and Safety Management System
· The administration building of the Plant I was awarded the Green Building Label certificate from the Ministry of the Interior (for the renovation of existing buildings category).
· The Plant I passed the Cleaner Production Assessment by the MOEA.
2020· Won the 2st Green Chemical Application and Innovation.
2021· Passing the verification of ISO 27001 Information Security Management System.
2022· Established Everlight (Vietnam) Co., Ltd.

Corporate Governance

I. Organization

(I) Organization



(II) Business of major department

Department	Responsibility
Audit Office	Internal control audit business
Business Unit of Color Chemicals	Operational business of products related to color chemicals
Business Unit of Specialty Chemicals	Operational business of products related to specialty chemicals
Business Unit of Electronic Chemicals	Operational business of products related to electronic chemicals
Business Unit of Pharmaceuticals	Operational business of products related to pharmaceuticals
Operation Unit 1 of Color Chemicals	Sales business of color chemicals in the Greater China area
Operation Unit 2 of Color Chemicals	Sales business of color chemicals in Europe, USA, Japan, Korea, Asia and Africa area
Operation Unit 1 of Specialty Chemicals	Sales business of UV-stabilizer in the Greater China, East Asia, Southeast Asia, New Zealand and Australia area
Operation Unit 2 of Specialty Chemicals	Sales business of UV-stabilizer in Europe, USA, Middle East, South Asia and Africa area
Operation Unit of Electronic Chemicals	Sales business of electronic chemicals
Pharmaceutical sales department	Sales business of pharmaceuticals
Plant I	Production business of color chemicals and other products
Plant II	Production business of color chemicals and other products
Plant III	Production business of UV-stabilizer and other products
Plant IV	Production business of green materials and other products
Electronic chemicals factory	Production business of electronic chemicals
Pharmaceuticals factory	Production business of pharmaceuticals
Group R&D Center	Business of product development and R&D in applied technology
General Manager Office	Planning for corporate development, and business of legal affairs and projects
Financial Division	Business related to financial, accounting, investment management and shareholder service
Human Resource Division	Business related to human resource
Information Division	IT, information security planning, and related hardware/software maintenance and management services
Resource Management Division	Business of raw material and equipment procurement
Environment, Health and Safety Division	Business of environmental safety
Logistic Division	Business related to delivery management of color chemicals and Specialty Chemicals finished goods
Product Responsibility Division	Business of product safety and Chemical Registration
Environment and Resource Management Division	Businesses related to promoting environmental protection, energy, and resources management.

II. Directors, General ManageVrs, Deputy General Managers, Associates and Managers of Each Department and Branch

(I) Director information

Mar. 27, 2023

Title	Nationality or registration place	Name	Gender	age				Date Elected / Appointed	Term period	Date elected for the 1st time	Shareholding when elected		Share number held currently		Shareholdings of spouse and minor children		Shares held with other person's name		Major working (educational) experience (Note)	Positions concurrently served in the Company and other companies	Other managers, directors or supervisors with relationship of spouse or within the kinship of the second-degree relatives		
				51-60	61-70	71-80	81-90				Share number	Shareholding ratio	Share number	Shareholding ratio	Share number	Shareholding ratio	Share number	Shareholding ratio			Title	Name	Relationship
Chairman	Taiwan R.O.C	Chen, Chien-Hsin	Male	V				July 29, 2021	July 29, 2021-July 28 2024	May 26, 1997	6,730,000	1.22	6,745,000	1.23	500,000	0.09	0	0	Master of Public Health (MPH), Harvard University	Chairman of Everlight Chemical Singapore, Director of companies including Elite Turkey and Good TV Broadcasting Corp, etc.	Director Director and General Manager Associate Manager	Chen, Ding-Chuan Chen, Wei-Wang Jason Ju	Father and son Brothers Brother-in-law
Director	Taiwan R.O.C	Yung-De Investment Co., Ltd.						July 29, 2021	July 29, 2021-July 28 2024	July 29, 2021	37,000,000	6.75	49,000,000	8.94	0	0.00	0	0					
		RepresentativeChen, Ding-Chuan	Male				V	July 29, 2021	July 29, 2021-July 28 2024	Aug. 26, 1972	68,000,000	12.41	58,000,000	10.58	7,000,000	1.27	0	0	Department of International Trade, Tamkang University, Honorary doctorate of Management at Chang, Jung Christian University, Honorary doctorate of Tamkang University, Honorary Doctorate of bussiness at National Taipei University of Business	None	Director Chairman Director and General Manager Associate Manager	Chen, Ding-Chi Chen, Chien-Hsin Chen, Wei-Wang Jason Ju	Brothers Father and son Father and son Father- and son-in-law
Director	Taiwan R.O.C	Chen, Ding-Chi	Male				V	July 29, 2021	July 29, 2021-July 28 2024	Aug. 26, 1972	14,195,254	2.59	13,545,254	2.47	1,331,659	0.24	0	0	Doctor of Education, Cohen University, USA	None	Director Director	Chen, Ding-Chuan Chen, Chien-Ming	Brothers Father and son
Director	Taiwan R.O.C	Chen, Wei-Wang	Male	V				July 29, 2021	July 29, 2021-July 28 2024	May 26, 2000	6,300,000	1.15	6,300,000	1.15	154,350	0.02	0	0	PhD in Industrial and Operations Engineering, University of Michigan, USA	General Manager of Everlight Chemical and Chairman of companies including Everlight (Hongkong) Ltd., Ethical (Guangzhou) Ltd., Everlight U.S.A, and Everlight Europe B.V. (Netherlands), as well as Director of Trend Tone Imaging, Inc., Everlight (Suzhou) Advanced Chemicals Ltd.,Polytronics Technology Corp., Elite, Turkey, Shanghai Anda International Trading Co., Ltd., and Suzhou Sanyi companies.	Director Chairman Associate Manager	Chen, Ding-Chuan Chen, Chien-Hsin Jason Ju	Father and son Brothers Brother-in-law
Director	Taiwan R.O.C	Chen, Chien-Ming	Male	V				July 29, 2021	July 29, 2021-July 28 2024	Jun. 8, 2006	3,923,192	0.71	4,023,192	0.73	0	0	0	0	PhD in Mechanical Engineering, University of Michigan, USA	Director and Deputy General Manager of Trend Tone Imaging, Inc.. and Director of Everlight U.S.A	Director	Chen, Ding-Chi	Father and son
Director	Taiwan R.O.C	Lee, Yung-Long	Male			V		July 29, 2021	July 29, 2021-July 28 2024	May 26, 1994	2,281,007	0.41	2,281,007	0.41	201,672	0.03	0	0	Department of Public Administration, National Chung Hsing University	None	None	None	None
Director	Taiwan R.O.C	Ken, Wen-Yuen	Male		V			July 29, 2021	July 29, 2021-July 28 2024	May 26, 2000	2,951,405	0.53	2,951,405	0.53	0	0	0	0	Master in Science in Computer Science, University of San Francisco	Chairman of Chung Hwa Chemical Industrial Works, Ltd., and Independent Director of via technologies, inc.	None	None	None
Director	Taiwan R.O.C	Chao, Rong-Shiang	Male			V		July 29, 2021	July 29, 2021-July 28 2024	July 29, 2021Jun e 6, 2018	3,740,500	0.68	3,770,500	0.68	680,050	0.12	0	0	EMBA, National Taiwan University	Independent Director of companies including Brillian Network & Automation Co., Ltd., Forward Science Corp., and Member of Remuneration Committee, Marketech International Corp.	None	None	None
Independent Director	Taiwan R.O.C	Wu, Chung-Fern	Female		V			July 29, 2021	July 29, 2021-July 28 2024	June 11, 2015	0	0	0	0	0	0	0	0	PhD in Accounting and Information Management and Systems, UCLA, USA	Professor in Department of Accounting, Independent Director of companies including Chunghwa Precision Test Tech.Co., Ltd., Kinpo Electronics, Inc. and Taiwan sugar co.	None	None	None

Independent Director	Taiwan R.O.C	Yang, Way-Wen	Male	V				July 29, 2021	July 29, 2021-July 28 2024	July 29, 2021	0	0	0	0	0	0	0	0	Doctor of Juridical Science, Duke University	Associate Prof., Department of Law, Kainan University Municipal Advisor, Taipei City Government	None	None	None
Independent Director	Taiwan R.O.C	Chang, Yuan-Jan	Female		V			July 29, 2021	July 29, 2021-July 28 2024	July 29, 2021	0	0	0	0	0	0	0	0	M.S. in Engineering-Economic Systems, Stanford University M.S. in Civil Engineering, Stanford University M.S. in Engineering Management, Southern Methodist University M.S. in Mechanical Engineering, National Chiao Tung University	Senior Vice President of Industrial Technology Investment Corp., Director of Iron Force Industrial Co.,Ltd. and Director/Legal Representative of companies including Jiuding Electric Power Information, Jianlin, Taiwan Electron Optics Instrument, Taisheng International Technology, Xiangcheng Technology, Analytic Ind. Material Technology, Risen Biotech, Bellex International Corp., and Yesheng Technology Corp.	None	None	None

Note1: If experiences related to the current position were undertaken in the accounting firm which takes charge of auditing or in affiliates during the period mentioned above, the titles and responsibilities shall be clarified.

Note2: If the Company Chairman and the general manager, or manager of equivalent position (the highest manager) are the same person, or his or her spouse, or the kinship of the first degree, related information regarding the arrangement in term of reasons, rationale, necessity and response measures (e.g. increase the number of independent directors, and more than half of the directors do not concurrently serve as employees or managers and et cetera) shall be provided.

Table 1: Major Shareholders of Corporate Shareholders

Mar. 27, 2023

Name of Corporate Shareholder	Major shareholders of corporate shareholders and shareholding ratio	
Yung-De Investment Co., Ltd.	Chen, Ding-Chuan	60%
	Wu, Lee-Ji	9%
	Chen, Ru-Aei	6%
	Chen, Chien-Hsin	5%
	Chen, Wei-Wang	5%
	Jason Ju	1%
	Zheng,Ling	1%
	Kuo,Yen-Ju	1%
	Chen,Yu-An	1%
	Chen,Jia-En	1%

Table 2: Significant shareholders of Table 1 who are legal entities: Not applicable.

1.Professional qualifications of directors and information disclosure on the independence of independent directors:

Criteria Name	Professional qualifications and experience (Note 1)	Status of independence (Note 2)	Number of public-listed companies concurrently served as an independent director
Chen, Chien-Hsin	Ability in business operations, chemical, pharmaceutical, risk management, crisis management, and leadership decision-making Currently serving as Chairman of Everlight Chemical Industrial Corporation Past experience: Deputy General Manager of Country Hospital, Chief of Internal Medicine of Puli Christian Hospital, Special Assistant to Chairman of Everlight Chemical Industrial Corporation and Vice Chairman of Everlight Chemical Industrial Corporation		0
Chen, Ding-Chuan	Ability in business operations, chemical, financial analysis, risk management, crisis management, and leadership decision-making Past experience: Chairman of Everlight Chemical Industrial Corporation, Supervisor of Chung Hwa Chemical Industrial Works Ltd.		0
Chen, Ding-Chi	Ability in business operations, chemical, risk management, crisis management, and leadership decision-making Past experience: General Manager and Vice Chairman of Everlight Chemical Industrial Corporation, Director of Good TV Broadcasting Corp.		0
Chen, Wei-Wang	Ability in business operations, technology, chemical industry, risk management, crisis management, leadership and decision making Currently serving as General Manager of Everlight Chemical Industrial Corporation Past experience: Associate Manager and Deputy General Manager of R&D Division of Everlight Chemical Industrial Corporation		0
Chen, Chien-Ming	Ability in business operations, mechanical, technology, chemical industry, risk management, crisis management, leadership and decision making Currently serving as Deputy General Manager of Trend Tone Imaging, Inc. Past experience: Senior Project Engineer of General Motors, Deputy Director of Resource Management Division, General Manager of Everlight U.S.A.		0
Lee, Yung-Long	Ability in business operations, technology, industry, risk management, crisis management, leadership and decision making Past experience: Chairman of Yuda Technology		0
Ken, Wen-Yuen	Ability in business operation, information , technology, chemical industry, risk management, crisis management, leadership and decision making Currently serving as Chairman of Chung Hwa Chemical Industrial Works Ltd. Past experience: General Manager and Deputy General Manager of Chung Hwa Chemical Industrial Works Ltd.,		1
Chao, Rong-Shiang	Ability in business operations, chemical, financial analysis, risk management, crisis management, and leadership decision-making Past experience: Deputy General Manager of Formosa Sumco Technology Corporation		2
Wu, Chung-Fern	Ability in accounting, financial analysis, investment by M&A, risk management and business management education Currently serving as Professor of Department of Accounting at National Taiwan University Past experience: Member of Financial Supervisory Commission, Director of Taiwan Cooperative Financial Holding, Independent Director of Chunghwa Telecom, Director of TWSE	An independent director, meeting the criteria of independence for independent directors	3

Yang, Way-Wen	Ability in judicial affairs, business operations, investment by M&A, risk management and strategy management Currently serving as Associate Professor, Department of Law at Kai Nan College Past experience: Chairman of Star Buck Power Corporation, Independent Director and part-time, Managing Director of Agricultural Bank of Taiwan Corporation	An independent director, meeting the criteria of independence for independent directors	0
Chang, Yuan-Jan	Ability in business operations, technology, chemical industry, investment by M&A, risk management, crisis management, leadership and decision making Currently serving as Senior Deputy General Manager of ITIC Past experience: Independent Director of Iron Force Industrial Co, Senior Strategic Investment Advisor of Lite-On IT Corporation, Senior Deputy General Manager of DelSolar Co., Ltd., Development Manager of AES	An independent director, meeting the criteria of independence for independent directors	0

Note 1: Professional qualifications and experience: No director has been a person of any conditions defined in Article 30 of the Company Act.

Note 2: For independent directors, their state of independence must be specified, including but not limited to whether they, their spouses, second-degree relatives serve as a director, supervisor or employer in the Company or affiliates; the proportion of shares held by the independent director himself/herself, their spouses or second-degree relatives (or in the name of others); whether the independent director serves as a director, supervisor or an employee of a company with which the Company has a specific relationship (refer to Subparagraphs 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and amount of remuneration received for commercial, legal, financial and accounting services provided by the Company or its affiliates in the past two years.

2. Diversity and independence of Board of Directors:

(1) Diversity of Board of Directors:

a. The Company has established the Corporate Governance Principles and Director Election Procedures, which clearly set forth the policy of the diversity of Board of Directors. The Board of Directors ensures that the composition of experts meets business development needs.

b. The Company's 18th Board of Directors has 11 members (including 3 independent directors); those accompanied with operation judgement, business management, crisis handling ability, industry knowledge, international market view and leading and decision-making ability are Chen, Chien-Hsin, Chen, Ding-Chuan, Chen, Ding-Chi, Chen, Wei-Wang, Chen, Chien-Ming, Chao, Rong-Shiang, Ken, Wen-Yuen, Lee, Yung-Long, and Chang, Yuan-Jan; those accompanied with accounting and financial abilities are Chen, Ding-Chuan and Wu, Chung-Fern; the one accompanied with accounting education ability is Wu, Chung-Fern; the one with professional education in law is Yang, Way-Wen; those having contributions to the charity business are Chen, Chien-Hsin, Chen, Ding-Chuan, Chen, Ding-Chi, Chen, Wei-Wang, and Yang, Way-Wen; Wu, Chung-Fern once served as a dedicated commissioner of FSC.

c. The Company's directors with employee status account for 18% of the board; 36% of the 4 directors are over 71 years old, 27% of the 3 directors are between 61 and 70 years old, and 36% of the 4 directors are under 60 years old. In addition, the gender diversity of the Directors is important to the Company. Currently, the target for female Director seats is one, and for the actual status, there is one female Director, which meets the target. It represents 9% of the total number of Directors.

(2) Independence of Board of Directors

a. The 3 independent directors of the Company's Board of Directors account for 27%, with 1 independent director serving for 7-9 years and 2 independent directors serving for 1 to 3 years. Independent directors may not serve for more than 3 consecutive terms.

b. No board member met concerns stated in Subgraphs 3-4, Article 26-3 of the Securities and Exchange Act. Although there are directors who are second-degree relatives of each other: Chen, Ding-Chuan, Chen, Chien-Hsin; Chen and Wei-Wang, accounting for 27%; Chen, Ding-Chi and Chen, Chien-Ming, accounting for 18%; Chen, Ding-Chuan and Chen, Ding-Chi, accounting for 18%. These percentages do not exceed half of the Board of Directors, and has therefore met the criteria of independence.

(II) General Managers, Deputy General Managers, Associates and Managers of Each Department and Branch

Mar.27, 2023

Title (Note 1)	Nationality	Name	Gender	Date Elected / Appointed	Shareholding		Shareholdings of spouse and minor children		Shares held with other person's name		Major working (educational) experience (Note 2)	Positions concurrently served in other companies	Managers with relationship of spouse or within the kinship of the second-degree relatives(Note3)		
					Share number	Shareholding ratio	Share number	Shareholding ratio	Share number	Shareholding ratio			Title	Name	Relationship
General manager	R.O.C	Chen, Wei-Wang	Male	Jan. 1, 2001	6,300,000	1.15	154,350	0.02	0	0	PhD in Industrial and Operations Engineering, University of Michigan, USA	General Manager of Everlight Chemical, Chairman of companies such as Everlight (Hongkong) Ltd., Ethical (Guangzhou) Ltd., Everlight U.S.A., and Everlight Europe B.V. (Netherlands), and Director of companies such as Trend Tone Imaging, Inc., Everlight (Suzhou) Advanced Chemicals Ltd.,Polytronics Technology Corp., Elite, Turkey, Shanghai Anda International Trading Co., Ltd., and Suzhou Sanyi.	Associate Manager	Jason Ju	Brother-in-law
Special Asst. to Chairman	R.O.C	Du, Yi-Zhong	Male	Jan. 1, 2020	13,989	0.00	9,951	0.00	0	0	Master in Chemical Engineering, NTUST	Chairman of companies such as Everlight (Suzhou) Advanced Chemicals Ltd. and Trend Tone Imaging Inc., Director of Greatlight Investment Corp.,	None	None	None
Deputy General Manager	R.O.C	Lin, Zhao-Wen	Male	Jan. 1, 2013	71,691	0.01	270	0.00	0	0	Macromolecule Fiber, NTUST Master	None	None	None	None
Deputy General Manager	R.O.C	Chen, Qing-Tai	Male	Jan. 1, 2020	14,037	0.00	0	0	0	0	Master in Chemical Engineering, National Cheng Kung University	None	None	None	None
Deputy General Manager	R.O.C	Chen, Ke-Lun	Male	Nov.1, 2020	0	0	0	0	0	0	PhD in Chemistry, National Tsing Hua University	Director of Greatlight Investment Corp.	None	None	None
Plant II Factory Director	R.O.C	Yeh, Shun-Xing	Male	Jan. 1, 2020	1,157	0.00	43,792	0.00	0	0	MBA, National Central University	None	None	None	None
Deputy General Manager	R.O.C	Lee, Fu-Xing	Male	Mar. 31, 2020	40,647	0.00	11,850	0.00	0	0	MBA, Saint Louis University, USA	Director of companies such as Everlight U.S.A. Everlight Europe B.V. (Netherlands) and Everlight (Vietnam) Co., Ltd.	None	None	None
Deputy General Manager	R.O.C	Liang,Jen-Yang	Male	Jan. 1, 2023	0	0.00	0	0	0	0	Master in Chemical Engineering, Chung Yuan Christian University	Director of companies such as Everlight U.S.A.and Everlight Europe B.V. (Netherlands)	None	None	None
Associate Manager	R.O.C	Wu, Tian-Wang	Male	Jan. 1, 2002	38,107	0.00	0	0	0	0	Department of Chemistry, Tunghai University	None	None	None	None
Associate Manager	R.O.C	Wu, Yao-Ming	Male	Jan. 1, 2004	3,370	0.00	0	0	0	0	Major in Chemical Fiber, NTUT	None	None	None	None
Associate Manager	R.O.C	Jason Ju	Male	Jan. 1, 2005	300,924	0.05	5,966,000	1.08	0	0	PhD in Environmental Engineering, University of Delaware, USA	Director and General Manager of Everlight (Suzhou) Advanced Chemicals Ltd., Director of companies such as Trend Tone Imaging, Anda Semiconductor Technology (Suzhou), Shanghai Anda International Trading, and Supervisor of Suzhou Sanyi.	General manager	Chen, Wei-Wang	Brother-in-law
Associate Manager	R.O.C	Tseng, Kun-Mu	Male	Jan. 1, 2008	26,053	0.00	0	0	0	0	Major in Chemical Engineering, NTUT	None	None	None	None
Associate Manager	R.O.C	Chen, Xin-Zhi	Male	Jan. 1, 2012	0	0	0	0	0	0	MBA, Chang Gung University	None	None	None	None
Associate Manager	R.O.C	Liao, Nan-Ming	Male	Jan. 1, 2013	7,214	0.00	17,717	0.00	0	0	Major in Fiber, NTUT	Chairman of companies such as Ethical (Shanghai) Ltd. and Everlight (Shanghai) Ltd., and Supervisor of Everlight (Suzhou) Advanced Chemicals Ltd.	None	None	None
Associate Manager	R.O.C	Chen, Yi-Tang	Male	Nov. 16, 2017	1,577	0.00	0	0.00	0	0	Department of Fiber, NTUST	General Manager of Ethical (Guangzhou) Ltd.	None	None	None
Associate Manager	R.O.C	Huang, Tsung-Wen	Male	Jan. 1, 2018	10,000	0.00	0	0	0	0	Master in Chemistry, National Sun Yat-sen University	Factory Director of Everlight (Suzhou) Advanced Chemicals Ltd.	None	None	None
Associate Manager	R.O.C	Chen, Wen-Zheng	Male	Jan. 1, 2020	1,153	0.00	0	0	0	0	PhD in Fibe, University of Manchester,UK	Director of Chung Hwa Chemical Industrial Works, Ltd.	None	None	None
Associate Manager	R.O.C	Xie,Qing-Xiong	Male	Jan. 1, 2022	257	0.00	0	0	0	0	Master in Chemistry, National Chung Hsing University	Deputy General Manager of Everlight (Suzhou) Advanced Chemicals Ltd. and Everlight (Hongkong) Ltd.	None	None	None

Title (Note 1)	Nationality	Name	Gender	Date Elected / Appointed	Shareholding		Shareholdings of spouse and minor children		Shares held with other person's name		Major working (educational) experience (Note 2)	Positions concurrently served in other companies	Managers with relationship of spouse or within the kinship of the second-degree relatives(Note3)		
					Share number	Shareholding ratio	Share number	Shareholding ratio	Share number	Shareholding ratio			Title	Name	Relationship
Associate Manager	R.O.C	Hsiao, Chong-Kun	Male	Jan. 1, 2015	11,063	0.00	2,800	0.00	0	0	MBA, Chinese Culture University	Director and General Manager of Everlight (Vietnam) Co., Ltd. and Director of companies such as Everlight (Hongkong) Ltd., Ethical (Shanghai) Ltd., Everlight (Shanghai) Ltd., and Ethical (Guangzhou) Ltd., etc.	None	None	None
Head of Technical Marketing Division	R.O.C	Lai, Bao-Kun	Male	Jan. 1, 2002	92,288	0.01	381	0.00	0	0	MBA, Yuan Ze University	None	None	None	None
Chief Officer of Plant I	R.O.C	Chen,Kun-Mu	Male	Jan. 1, 2021	10,000	0.00	0	0	0	0	Master in Chemical Engineering, Chung Yuan Christian University	None	None	None	None
Chief Officer of Plant III	R.O.C	Kang, Yuan-Sheng	Male	Jan. 1, 2017	593	0.00	94,148	0.01	0	0	Department of Chemical Engineering, Chung Yuan Christian University	None	None	None	None
Head of Specialty Chemicals Technics Division	R.O.C	Huang, Yao-Xing	Male	Apr.1, 2016	14,087	0.00	0	0	0	0	PhD in Chemistry, National Tsing Hua University	None	None	None	None
Head of Electronic chemicals	R.O.C	Sun,Che-Jen	Male	Jan. 1, 2022	217	0.00	0	0	0	0	Master in Chemistry, National Cheng Kung University	Director and General Manager of Everlight (Suzhou) Advanced Chemicals Ltd. and Director of Shanghai Anda International Trading Co., Ltd.	None	None	None
Head of Electronic chemicals Q&C Division	R.O.C	Liu,Wen-Zhi	Male	Jan. 1, 2022	456	0.00	0	0	0	0	Master in Chemistry, Fu Jen Catholic University	None	None	None	None
Head of Pharmaceutical Chemicals Q&C Division	R.O.C	Chen, Si-Feng	Male	Jun. 1, 2020	7,018	0.00	0	0	0	0	PhD in Chemistry, University of Maryland, USA	None	None	None	None
Head of Resource Management Division	R.O.C	Sung, Bai-Li	Male	Jul. 16, 2012	148,812	0.02	4,534	0.00	0	0	Major in Chemical Engineering, NTUT	None	None	None	None
Head of Product Responsibility Division	R.O.C	Huang,Hui-Ching	Female	Jan. 1, 2020	3,782	0.00	0	0	0	0	PhD in Chemistry, Central University	Chairman of Greatlight Investment Corp.	None	None	None
Audit Office General Auditor	R.O.C	Zhang,Jin-Rong	Male	Jan. 1, 2022	9	0.00	0	0	0	0	Master of Business Administration ,Fu Jen Catholic University	None	None	None	None
Head of Financial Division and Supervisor of Financial and Accounting Department	R.O.C	Weng, Kuo-Pin	Male	Jan. 1, 2010	7,726	0.00	0	0	0	0	Department of Business Administration, Feng Chia University	Director of companies such as Everlight U.S.A., Everlight (Singapore) Ltd., Ethical (Shanghai) Ltd., Everlight (Shanghai) Ltd. and Ethical (Guangzhou) Ltd., and Supervisor of Trend Tone Imaging, Inc., Greatlight Investment Corp.	None	None	None
Corporate governance officer	R.O.C	Lee, Ming-Wen	Male	Jan. 1, 2021	0	0.00	0	0	0	0	Master of Business Administration, Temple University, USA	Chairman of Everlight (Vietnam) Co., Ltd. and Director of companies such as Everlight (Hongkong) Ltd.,Everlight (Singapore) Ltd. Everlight Europe B.V. (Netherlands), Andros Pharmaceuticals Co., Ltd. and Supervisor of Elite, Turkey. Ethical (Guangzhou) Ltd.,	None	None	None

Note 1: Shall include information of general managers, deputy general managers, associate managers, and supervisors of each department and branch. Those whose positions equivalent with general managers, deputy general managers or associate managers shall also be disclosed no matter what the titles are.

Note 2: If experiences related to the current position were undertaken in the accounting firm which takes charge of auditing or in affiliates during the period mentioned above, the titles and responsibilities shall be clarified.

Note3: If the general manager, or manager of equivalent position (the highest manager) and the Company Chairman are the same person, or his or her spouse, or the kinship of the first degree, related information regarding the arrangement in term of reasons, rationale, necessity and response measures (e.g. increase the number of independent directors, and more than half of the directors do not concurrently serve as employees or managers and et cetera) shall be provided.

(III) Remuneration to Directors, General Managers and Deputy General Managers in the Most Recent Year

1. Remuneration paid to directors (including independent directors):

Unit: TWD thousand; thousand shares

Title	Name	Remuneration to directors								Total remuneration (A+B+C+D) and percentage of net income (Note 10)		Remuneration received for concurrently serving as employees								Total remuneration (A+B+C+D+E+F+G) and percentage of net income (Note 10)		Whether receiving remuneration from invested companies other than subsidiaries or parent company (Note 11)
		Remuneration (A)(Note2)		Severance pay and pensions (B)		Remuneration to directors (C) (Note 3)		Business execution expense (D) (Note 4)				Wages, Bonuses and Special Disbursements, etc. (E) (Note 5)		Severance pay and pensions (F)		Remuneration to employees (G) (Note 6)						
		The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company		All companies in the financial statements (Note 7)		The Company	All companies in the financial statements (Note 7)	
																Cash amount	Stock amount	Cash amount	Stock amount			
Chairman	Chen, Chien-Hsin	3,608	3,608	0	0	9,678	9,678	3,919 (Illustration 1)	3,919 (Illustration 1)	17,205 (4.6%)	17,205 (4.6%)	2,515	5,493	108 (Illustration 2)	183 (Illustration 2)	80	0	80	0	19,908 (5.3%)	22,961 (6.1%)	None
Director	Chen, Ding-Chuan																					
Director	Chen, Ding-Chi																					
Director	Chen, Wei-Wang																					
Director	Chen, Chien-Ming																					
Director	Lee, Yung-Long																					
Director	Ken, Wen-Yuen																					
Director	Chao, Rong-Shiang																					
Independent director	Wu, Chung-Fern	0	0	0	0	0	0	2,520	2,520	2,520 (0.7%)	2,520 (0.7%)	0	0	0	0	0	0	0	0	2,520 (0.7%)	2,520 (0.7%)	None
Independent director	Yang, Way-Wen																					
Independent director	Chang, Yuan-Jan																					

1. Please state the policy, system, standards and structure of independent directors' remuneration, and describe the relevance to the amount of remuneration according to the responsibilities, risks, and time invested:
   The remuneration of the independent directors of the company is given to the board of directors after each new board of directors. After deliberation, it will be reported to the board of directors for approval.
2. In addition to those disclosed in the above statements, the remuneration paid to the Company's directors (if serving as non-employee consultants) for providing service to all companies in the financial statements in the most recent year: None.

Illustration 1: Business execution expenses include automobile and fuel expense; if there is a driver accompanied, the remuneration is TWD 1,232,000.
Illustration 2: Severance pay and pensions belong to the expense recognition amount of severance pay and pensions.

Table of Remuneration Range

Range of the Remuneration Paid to Each Director of the Company	Name of Director			
	Total remuneration (A+B+C+D)		Total remuneration (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies in the financial statements (Note 9) (I)	The Company (Note 8)	All companies in the financial statements (Note 9) (J)
< TWD 1,000,000	Wu, Chung-Fern,Yang, Way-Wen, Chang, Yuan-Jan	Wu, Chung-Fern,Yang, Way-Wen, Chang, Yuan-Jan	Wu, Chung-Fern,Yang, Way-Wen, Chang, Yuan-Jan	Wu, Chung-Fern,Yang, Way-Wen, Chang, Yuan-Jan
TWD 1,000,000 (inclusive) ～ TWD 2,000,000 (exclusive)	Chen, Wei-Wang, Chen, Ding-Chuan, Chen, Chien-Ming,Chen, Ding-Chi, Lee,Yung-Long,Ken,Wen-Yuen, Chao, Rong-Shiang	Chen, Wei-Wang, Chen, Ding-Chuan, Chen, Chien-Ming,Chen, Ding-Chi, Lee,Yung-Long, Ken,Wen-Yuen, Chao, Rong-Shiang	Chen, Ding-Chuan, Chen, Chien-Ming, Chen, Ding-Chi, Lee,Yung-Long, Ken,Wen-Yuen, Chao, Rong-Shiang	Chen, Ding-Chuan, Chen, Ding-Chi, Lee,Yung-Long, Ken,Wen-Yuen, Chao, Rong-Shiang
TWD 2,000,000 (inclusive) ～ TWD 3,500,000 (exclusive)				Chen, Chien-Ming
TWD 3,500,000 (inclusive) ～ TWD 5,000,000 (exclusive)			Chen, Wei-Wang	Chen, Wei-Wang
TWD 5,000,000 (inclusive) ～ TWD 10,000,000 (exclusive)	Chen, Chien-Hsin	Chen, Chien-Hsin	Chen, Chien-Hsin	Chen, Chien-Hsin
TWD 10,000,000 (inclusive) ～ TWD 15,000,000 (exclusive)				
TWD 15,000,000 (inclusive) ～ TWD 30,000,000 (exclusive)				
TWD 30,000,000 (inclusive) ～ TWD 50,000,000 (exclusive)				
TWD 50,000,000 (inclusive) ～ TWD 100,000,000 (exclusive)				
> TWD 100,000,000				

Note 1: The names of directors shall be listed separately (for corporate shareholder, the name of the corporate shareholder and its representative shall be listed respectively) and summarized for disclosure of each paid amount.

Note 2: Refer to the remuneration paid to directors in the most recent year (including wage, position bonus, severance pay, and each kind of bonus and reward, etc.)

Note 3: Fill in the director remuneration amount that is resolved to be distributed by the board in the most recent year.

Note 4: Refer to the business execution expense of directors in the most recent year (including transportation, special disbursements, each kind of bonuses, and real objects such as dormitory and company cars, etc.) When houses, automobiles and other transportation tools or personal exclusive expenditure are provided, the characteristics and costs of the assets provided, rent of actual value or evaluated at fair value, fuel expense and other payments shall be disclosed. In addition, if there is a driver accompanied, please clarify the driver's relevant remuneration in footnotes, which is not calculated into total remuneration.

Note 5: Refer to those directors received from serving concurrently as employees (including general managers, deputy general managers, other managers and employees) in the most recent year, including wages, position bonuses, severance pay, each kind of bonuses and rewards, transportation expenses, special disbursements, each kind of bonuses, and real objects such as dormitories and company cars, etc.) When houses, automobiles and other transportation tools or personal exclusive expenditure are provided, the characteristics and costs of the assets provided, rent of actual value or evaluated at fair value, fuel expense and other payments shall be disclosed. In addition, if there is a driver accompanied, please clarify the driver's relevant remuneration in footnotes, which is not calculated into total remuneration. In addition, the wage expense recognized according to IFRS 2 "Share-based Payment", including obtaining employee stock option certificates, employee restricted new shares and participating in share purchases in capital increase by cash, etc., shall be calculated into total remuneration.

Note 6: For the employee remuneration received by directors from serving concurrently as employees (including general managers, deputy general managers, other managers and employees) in the most recent year, the employee remuneration amount resolved to be distributed by the board in the most recent year shall be disclosed.

Note 7: The total remuneration paid to the Company's directors by all companies (including the Company) in the consolidated financial statements shall be disclosed.

Note 8: For the total remuneration paid to each director by the Company, the director's name shall be disclosed in the corresponding ranking.

Note 9: The total remuneration paid to each of the Company's director by all companies (including the Company) in the consolidated financial statements shall be disclosed, and the names of directors shall be disclosed in the corresponding ranking.

Note 10: Net income refers to the net income after tax in the most recent year; for those having adopted IFRS, net income refers to the net income after tax in the individual financial statements in the most recent year.

Note 11: a. This section shall state all forms of remuneration the director has received from the Company's invested businesses other than subsidiaries.

b. For directors who receive remuneration from invested businesses other than subsidiaries, the amount of remuneration from these invested businesses should be added to column I in the table of remuneration ranges, and please change the column name into "All invested businesses" in such cases.

c. The remuneration refers to any returns, compensation (including remuneration to employees, directors and supervisors) and professional fees, etc. which the Company's presidents and vice presidents have received for serving as directors, supervisors, or managers in invested businesses other than subsidiaries.

* The remuneration disclosed in this table is different from the income concept of the Income Tax Act, and thus this table is only for information disclosure but not for taxation.

2. Remuneration to General Managers and Deputy General Managers:

Unit: TWD thousand; thousand shares

Title	Name	Salary (A)		Severance pay and pensions (B)		Bonus and special allowances, etc. (C)		Amount of employee compensation (D)				Total remuneration (A+B+C+D) and percentage of net income (%)		Whether receiving remuneration from invested companies other than subsidiaries or parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
General manager	Chen, Wei-Wang	12,112	12,112	492 (Illustration 1)	492 (Illustration 1)	3,117 (Illustration 2)	3,117 (Illustration 2)	398	0	398	0	16,119 (4.30%)	16,119 (4.30%)	None
Special Asst. to Chairman	Du, Yi-Zhong													
Deputy General Manager	Lin, Zhao-Wen													
	Chen, Qing-Tai													
	Chen, Ke-Lun													
	Yeh, Shun-Xing													
	Lee, Fu-Xing													

Illustration 1: Severance pay and pensions belong to the expense recognition amount of severance pay and pensions
Illustration 2: Bonuses and special disbursements include automobiles and fuel expenses.

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Table of Remuneration Range

Range of the compensation paid to each general manager and deputy general manager of the Company	Name of general managers and deputy general managers	
	The Company	All companies in the financial statements
< TWD 1,000,000		
TWD 1,000,000 (inclusive) ～ TWD 2,000,000 (exclusive)		
TWD 2,000,000 (inclusive) ～ TWD 3,500,000 (exclusive)	Chen, Wei-Wang, Du, Yi-Zhong, Lin, Zhao-Wen,Chen, Qing-Tai, Chen, Ke-Lun, Yeh, Shun-Xing, Lee, Fu-Xing	Chen, Wei-Wang, Du, Yi-Zhong, Lin, Zhao-Wen,Chen, Qing-Tai, Chen, Ke-Lun, Yeh, Shun-Xing, Lee, Fu-Xing
TWD 3,500,000 (inclusive) ～ TWD 5,000,000 (exclusive)		
TWD 5,000,000 (inclusive) ～ TWD 10,000,000 (exclusive)		
TWD 10,000,000 (inclusive) ～ TWD 15,000,000 (exclusive)		
TWD 15,000,000 (inclusive) ～ TWD 30,000,000 (exclusive)		
TWD 30,000,000 (inclusive) ～ TWD 50,000,000 (exclusive)		
TWD 50,000,000 (inclusive) ～ TWD 100,000,000 (exclusive)		
> TWD 100,000,000		

3. Name of managers receiving employee compensation and the distribution status:

Title	Name	Stock amount	Cash amount	Total	Total amount as a percentage of net income (%)
For the name list, refer to the information of general managers, deputy general managers, associate managers and supervisors of each department.		0	1,317	1,317	0.35

Note : According to the Commission’s regulation of Tai-Qai-Zheng-Zi No. 0920001301 published on Mar. 27, 2003, the applicable range for managers is as follows:

(1) General manager and those with equivalent ranking;
(2) Deputy general manager and those with equivalent ranking;
(3) Associate manager and those with equivalent ranking;
(4) Supervisor of Financial Department;
(5) Supervisor of Accounting Department;
(6) Others with rights of management and signing for the Company.

(IV) The comparison analysis of the ratio of remuneration paid from the Company and from all consolidated entities in the most recent two (2) years to the Company's directors, general managers and deputy general managers to net income in the individual financial statement, and the illustration of remuneration policy, standards and packages, procedures of setting remuneration, and the linkage to operating performance and future risk exposure.

(1) The ratio of total director remuneration to net income after tax increased by 1.04%, due to the decrease in net income after tax as compared with the previous year; The retirement of two deputy general manager level managers resulted in a decrease in the total amount of remuneration, and there is no significant change in the overall total amount of remuneration, which is not unreasonable circumstances.

(2) 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.The directors are paid with fixed remuneration instead of variable remuneration.

(3) Article 27 of the company's articles of association stipulates that if the company has a profit in the year, 5% should be allocated as employee compensation. According to the Company's standards of remuneration, the wages and bonuses paid to general managers and deputy general managers is individually examined and discussed by the Remuneration Committee periodically and then sent to the Board of Directors for resolution, considering the manager's position, contribution, performance and responsibility undertaken. Among them, performance is considered for evaluation indicators including professional ability, interpersonal ability, conceptual ability, leadership ability, etc., and is included in the basis of year-end bonus and employee remuneration.

III. Status of Corporate Governance

(I) Operation status of the Board of Directors

In 2022, the Board of Directors has convened 5 meetings (A), and the participation status of directors is listed below:

Title	Name	Attendance in person(B)	By proxy	Rate of attendance in person (%)(B/A)	Notes
Chairman	Chen, Chien-Hsin	5	0	100%	
Director	Chen, Ding-Chuan	4	1	80%	
Director	Chen, Wei-Wang	5	0	100%	
Director	Chen, Chien-Ming	5	0	100%	
Director	Chen, Ding-Chi	5	0	100%	
Director	Lee, Yung-Long	5	0	100%	
Director	Ken, Wen-Yuen	4	1	80%	
Director	Chao, Rong-Shiang	5	0	100%	
Independent director	Wu, Chung-Fern	5	0	100%	
Independent director	Chang, Yuan-Jan	5	0	100%	
Independent director	Yang, Way-Wen	5	0	100%	

Note: Date of election of the 18th term of Directors: 2021/7/29

Other matters that shall be recorded:

1. The following situations did not occur during Board meetings:
   (1) Matters listed in Article 14-3 of the Securities and Exchange Act.
   (2) In addition to matters mentioned above, others that are opposed or reserved by the Independent Directors and have records or written statements.
2. Implementation status of Director's avoidance of conflict of interest:
   (1) On the 5th meeting of the 18th Board - Regarding the motion for remuneration distributed to managers in accordance with the Securities and Exchange Act: As directors Chen, Wei-Wang recused because he concurrently served as a manager. As directors Chen, Ding-Chuan, Chen, Chien-Hsin, and Chen, Wei-Wang were second-degree relatives, they recused themselves from discussion and voting.
   (2) On the 7th meeting of the 18th Board - Regarding the motion for sponsoring the Taiwan Chemical Industry Summit Forum:As director Chen, Wei-wang was involved in the motion, he recused himself from discussion and voting. As directors Chen, Ding-Chuan, Chen, Chien-Hsin, and Chen, Wei-Wang were second-degree relatives, they recused themselves from discussion and voting.
   (3) On the 7th meeting of the 18th Board - Regarding the motion for lifting the prohibition of competition for directors of the Company: As directors Wu, Chung-Fern and Chao, Rong-Shiang were involved in the motion, they recused themselves from discussion and voting.
   (4) On the 9th meeting of the 18th Board - Regarding the motion for year-end bonus of managers as defined in the Securities and Exchange Act: As directors Chen, Wei-Wang recused because he concurrently served as a manager. As directors Chen, Ding-Chuan, Chen, Chien-Hsin, and Chen, Wei-Wang were second-degree relatives, they recused themselves from discussion and voting.
3. For self (or peer) evaluation performance results, please visit the company website.
4. Measures undertaken during the current year and the most recent years in order to strengthen the functions of the Board of Directors and assessment of their implementation:
   (1) Implementation of the project "enhancing the functions of the Board of Directors": a. Streamline statutory reporting and focus on discussions on operations. b. Increase comparison in peers and provide specific figures for decision making. c. An operational policy shall first be submitted to the Strategy Committee for discussion to increase the involvement among directors.
   (2) Enhancing information transparency: 2 investor conferences were held on 2022/4/26 and 8/26. The annual and financial reports in English were uploaded 16 days before the general meeting of shareholders (7 days before the date prescribed by law); the Meeting Handbook in English was uploaded 30 days before the general meeting of shareholders (21 days before the date prescribed by law).

Note: (1) If a director or supervisor resigns before the end of the year, the resignation date shall be indicated in the Remarks field. The actual attendance rate (%) was calculated on the basis of the number of board meetings held during each director's term and the number of meetings actually attended by that director.

(2)If there is a reelection of directors and supervisors before the end of the year, the new and old directors and supervisors must be stated in the Remarks field, and indicated if such director and supervisor is old, new, or reelected, as well as the reelection date. The percentage of actual (proxy) attendance (%) will be calculated based on the number of Board of Directors' meetings held during active duty and the number of actual (proxy) attendance.

The execution status of evaluation on the Board of Directors

Assessment period	Term of assessment	Scope of assessment	Assessment methodology	Content of assessment
Once every year	2022/1/1 ~ 2022/12/31	The Board of Directors, individual Directors, and Functional Committees	The assessment shall be executed by the Secretary of Nomination Committee via internal questionnaire. 1. Self-assessment of the performance evaluation of the Board of Directors: members of Nomination Committee shall individually provide assessment for 45 evaluation items pertaining to five major areas. 2. Self-assessment of Directors on self-evaluation: all Directors shall individually provide assessment for 23 evaluation items pertaining to six major areas. 3. Self-assessment of the performance evaluation of Functional Committees: independent directors shall individually provide assessment for 24 evaluation items pertaining to five major areas.	1. Five major areas of the performance evaluation items of the Board of Directors: (1) Participation level in the Company's operation. (2) Improvement on the quality of decision making of the Board of Directors. (3) Composition and structure of the Board of Directors (4) Election and continued education of the directors. (5) Internal control. 2. Six major areas of self-assessment of directors on self-evaluation: (1) Understanding of the goal and mission of the Company. (2) Understanding of director's responsibilities. (3) Participation level in the Company's operation. (4) Management and communication of internal relationship. (5) Professionalism and continued education of Directors. (6) Internal control. 3. Five major areas of self-assessment on the performance evaluation of Functional Committees (Audit, Nomination, and Remuneration): (1) Participation level in the Company's operation. (2) Understanding of the responsibilities of Functional Committees. (3) Improvement on the quality of decision making of Functional Committees. (4) Composition and structure of Functional Committees. (5) Internal control.

(II) Operation of Audit Committee

The Audit Committee of the Company comprises three Independent Directors. The Audit Committee shall assist the Board in fulfilling its overseeing responsibilities in relation to accounting, auditing, financial reporting process and quality and integrity in financial control.

The Audit Committee held 5 meetings in 2022, and the matters reviewed mainly included:

1. Audit of financial statements and accounting policies and procedures
2. Internal control system and related policies and procedures
3. Significant investment transactions
4. Report on the implementation of integrity management
5. Earnings distribution
6. Legal compliance

7. Whether or not the managerial officer and the Director have transactions with related parties and the possible conflicts of interest?
8. Complaint report
9. Fraud prevention plan and fraud investigation report
10. Information security
11. Corporate risk management
12. Qualifications, independence and performance evaluation of Certified Public Accountants
13. Appointment or dismissal of Certified Public Accountants, or remuneration to there to.
14. Implementation of the responsibilities of the Audit Committee
15. Audit Committee performance evaluation self-assessment questionnaire

Review of financial reports

The Board of Directors prepared the Company's 2021 annual business report, financial statements and proposal for distribution of earnings, in which the Financial Statements have been audited by the commissioned CPAs, Chia-Chien Tang and Ya-Ling Chen of KPMG Taiwan, with an Independent Audit Report being issued. The above-mentioned annual business report, financial statements and proposal for distribution of earnings have been reviewed and determined to be correct and accurate by the Audit Committee.

Evaluate the effectiveness of the internal control system

The Audit Committee assesses the effectiveness of the policies and procedures of the Company's internal control system (including finance, operations, risk management, information security, outsourcing, compliance and other control measures) and reviews the Company's Audit Department and Certified Public Accountant, as well as the management's periodic reports, including risk management and legal compliance. Referring to the internal control system issued by the Sponsoring Organizations of the Treadway Commission (COSO)– the Internal Control — Integrated Framework, the Audit Committee considers that the Company's risk management and internal control system are effective and that the Company has adopted the necessary control mechanisms to monitor and correct violations.

Commissioned Certified Public Accountant

The Audit Committee has been given the duty to supervise the CPA firm to ensure the fairness of the financial statements.

In general, other than tax-related services or specially approved items, CPA firm is not allowed to provide other services of the Company. All services provided by CPA firm are required to be approved by the Audit Committee.

To ensure the independence of the CPA firm, the Audit Committee has drawn up an independent assessment form referring to Article 47 of the Certified Public Accountant Act and the “integrity, Impartiality and objectivity and independence” of the Bulletins No. 10 of the Norm of Professional Ethics for Certified Public Accountant. It evaluates whether or not the CPA firm and the Company are related parties, have business with each other or have a relationship involving financial interests and others based on independence, professionalism and suitability of CPAs. The 9th Meeting of the 3rd Term of the Audit Committee on 2022/12/12 and the 9th Meeting of the 18th Term Board of Directors on 2022/12/16 reviewed and resolved that the two CPAs, Huang,Ming-Hung and Tang,Chia-Chien of KPMG Taiwan both met the standards for the evaluation of independence and are sufficient to act as CPAs for our financial statements.

In the most recent year, the Audit Committee has held the meeting 5 times (A), with the Independent Directors present and in attendance as follows:

Title	Name	Attendance in person (B)	By proxy	Rate of attendance in person (%) (B/A)(Note)	Notes
Convener	Wu, Chung-Fern	5	0	100%	
Commissioner	Chang, Yuan-Jan	5	0	100%	
Commissioner	Yang, Way-Wen	5	0	100%	

Note: The Audit Committee of the Company was established on 2015/6/11 with 3 Committee members. Term of office of the (3rd Term) Commission members: 2021/7/29 to 2124/7/28.

1.Other matters that shall be recorded:

(I) Matters listed in Article 14-5 of the Securities and Exchange Act.

Date of Audit Committee meeting	Contents of the Motion	Resolution results of Audit Committee	The Company's handling of the opinions expressed by Audit Committee
2022/3/21 The 3nd Term The 5th Meeting	Motion for 2021 remuneration distribution of employees and directors	After the chair has inquired all attending commissioners, the motion was passed without objection.	The motion was passed by all attending directors at the Board meeting held on 2022/3/24
	Motion for 2021 business report and financial statements		
	Motion for 2021 earnings distribution		
	Motion for review on the results of the self-evaluation results of internal control		
	Motion for amendment to the Procedure for Shareholders’ Meeting		
	Motion for amendment to the Regulations Governing the Acquisition and Disposal of Assets		
	Motion for amendment to the Corporate Social Responsibility Best Practice Principles		
	Motion for amendment to the Procedures for Ethical Management and Guidelines for Conduct		
	Motion for amendment to the Ethical Corporate Management Best Practice Principles		
	Motion for amendment to internal control system		
2022/5/12 The 3nd Term The 6th Meeting	Motion for the consolidated financial report for 2022 Q1	After the chair has inquired all attending commissioners, the motion was passed without objection.	The motion was passed by all attending directors at the Board meeting held on 2022/5/12
	Motion for amendment to the Subsidiaries Management Measures		
	Motion for amendment to the Procedures for Self-Evaluation of the Internal Control System	The provisions amended according to the proposal of Independent Director Wu were approved, and was submitted to the Board of Directors for discussion.	
2022/8/11 The 3nd Term The 7th meeting	Motion for the consolidated financial report for 2022 Q2	After the chair has inquired all attending commissioners, the motion was passed without objection.	The motion was passed by all attending directors at the Board meeting held on 2022/8/11
	Motion for establishment of a subsidiary in Vietnam		
	Motion for capital increase of the subsidiary in Everlight (Singapore) Pte.Ltd		
	Motion for transferring shares of subsidiary Shanghai Anda International Trading Co., Ltd.		
2022/11/8 The 3rd Term The 8th Meeting	Motion for the consolidated financial report for 2022 Q3	After the chair has inquired all attending commissioners, the motion was passed without objection.	The motion was passed by all attending directors at the Board meeting held on 2022/11/10
	Motion for amendment to the Rules of Procedure for Board of Directors Meetings		
	Motion for formulation of Procedures for Handling Internal Material Information		
	Motion for amendment to the Procedures for the Prevention of Insider Trading		
	Motion for formulation of Procedures for Non-Assurance Services provided by the CPA firm	After the chair has inquired all attending commissioners, the motion was passed without objection after amendment.	
2022/12/12 The 3rd Term The 9th Meeting	Motion for 2023 internal audit plan	After the chair has inquired all attending commissioners, the motion was passed without objection.	The motion was passed by all attending directors at the Board meeting held on 2022/12/15
	Motion for appointment of 2023 CPAs of financial statements and their compensation		
	Motion for amendment to the Self-Disciplinary Measures for M&A Information Disclosure		

	Motion for expansion of L Building of Plant III	After the chair has inquired all attending commissioners, the motion was passed without objection ,but the part related to the gross profit rate in the benefit evaluation, and was submitted to the Board of Directors for discussion.	

(II) Other resolutions not approved by the Audit Committee but agreed by more than two-thirds of all Directors: None.

II. Implementation status of Independent Director’s avoidance of conflict of interest: None.

III. Communication between Independent Directors and internal audit supervisors and accountants is as follows

(I) Independent Directors review monthly internal audit work reports and quarterly audit tracking reports.

(II) The audit supervisor attended the 2022 of Audit Committee for 5 times, and all conducted separate business reports to Independent Directors, and fully communicated the implementation and effectiveness of the audit business.

Date of Audit Committee meeting	Matters of communication	Results
2022/3/21	2021/12/1 ~ 2022/2/28 Internal Audit Business Execution Report.	Acknowledged.
	Proposal for 2021 Management’s Reports on Internal Control to be Discussed.	The motion was passed without objection, and was reported to the Board of Directors for resolution.
2022/05/12	2022/3/1 ~ 4/25 Internal Audit Business Execution Report.	Acknowledged.
2022/08/11	2022/4/26 ~ 7/25 Internal Audit Business Execution Report.	Acknowledged.
2022/11/08	2022/7/26 ~ 10/25 Internal Audit Business Execution Report.	Acknowledged.
2022/12/12	2022/10/26 ~ 11/30 Internal Audit Business Execution Report.	Acknowledged.
	The Company’s 2023 Annual Audit Plan Discussion.	The motion was passed without objection, and was reported to the Board of Directors for resolution.

(III) The accountants attended the 2022 Audit Committee for 5 times to report the review or review results and findings on Financial Statements to the Independent Directors.

Date of Audit Committee meeting	Matters of communication	Results
2022/03/21	Report of the Review on 2021 Financial Statements (separate).	Acknowledged.
2022/05/12	Report of the Review on the First Quarter 2022 Financial Statements.	Acknowledged.
2022/08/11	Report of the Review on the Second Quarter 2022 Financial Statements.	Acknowledged.
2022/11/08	Report of the Review on the Third Quarter 2022 Financial Statements.	Acknowledged.
2022/12/12	2022 Audit Quality Indicator Report.	Acknowledged.

(IV) In normal times, the audit supervisor and the accountant may directly communicate with the Independent Director as necessary, and the communication goes well.

(V) The Company also makes a disclosure of the communication between Independent Directors and internal audit supervisors and accountants on the Company’s website.

(III) The state of the Company's implementation of corporate governance, any departure of such implementation from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and the reason for any such departure

Evaluation Item	Implementation Status			Departure of such implementation from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and the reason for any such departure
	Yes	No	Summary	
I. Does the company follow the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” to establish and disclose its corporate governance practices?	V		The practices were set up on 2010/8/26, , amended on 2022/3/24 and disclosed on the company website and the MOPS.	No discrepancy.
II. Shareholding structure and shareholders’ interests				
(I) Does the company set up internal operation procedures for recommendations, concerns, disputes, and litigation raised by shareholders, and implement such matters in accordance with the procedures?	V		(I) The Company has designated dedicated personnel such as the supervisor of Shareholder Service Room and the Company’s spokesperson, etc., to handle the suggestions of shareholders or problems such as disputes.	No discrepancy.
(II) Does the company have a roster of its major, actual controlling shareholders as well as the ultimate controllers?	V		(II) The Company’s Shareholder Service Room regularly provides reports and statements and relevant information every quarter or during the preparation period of shareholders’ meeting.	No discrepancy.
(III) Has the company built and executed risk management and firewall system between the Company and its affiliates?	V		(III) The Company has formulated “Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises” and “Rules Governing Transfer Pricing in Affiliated Enterprises” to control the transaction management, endorsements and guarantees, fund lending, etc., with its affiliates. In addition, the Company has defined the operation of “Supervision and Management on Subsidiaries” in the “Internal Control System” and “Rules Governing Subsidiaries”, in order to implement its risk control mechanism on subsidiaries.	No discrepancy.
(IV) Has the company established internal rules prohibiting insider trading on undisclosed information?	V		(IV) The Company has formulated “Operating Procedures for Preventing Insider Trading,” “Ethical Corporate Management Principles,” and “Procedures for Ethical Management and Guidelines for Conduct,” and volunteers to instantly publish its revenue and profitability information after clearance every month, which lowers the information gap of shareholders as much as possible and prevents insiders from seizing the opportunities of using unpublished information. The Company will also irregularly conduct reviews to meet the needs of the existing laws and regulations and practical management. The above-mentioned rules can be looked up from the Company’s website.	No discrepancy.
III. Composition and responsibilities of the Board of Directors				
(I) Does the Board of Directors have a diversity policy, specific management objectives and implementation?	V		(I)The Company's policy on diversity of board members, specific management objectives and implementation are described on page 13.	No discrepancy.
(II) Other than the Remuneration Committee and the Audit Committee which are established in accordance with laws, does the company plan to set up other functional committees?	V		(II) The company set up other functional committees including Nomination Committee, Strategy Committee, Risk Management Committee and Sustainable Development Committee.	No discrepancy.
(III) Has the company established methodology for evaluating the performance of its Board of Directors, and conducts performance evaluation annually and regularly, and reported the evaluation result to the Board of Director and used the result as a reference on the consideration of individual directors’ remuneration and reelection nomination?	V		(III) “Regulations for the Board Performance Evaluation” formulation has been adopted by the Company through Board of Directors resolution on 2015/3/26,. Each year, the regular assessments shall be conducted by the Nomination Committee in accordance with the Regulations for the Board Performance Evaluation, and for at least three years conducted by an external institution. It has added the performance evaluation of the Functional Committee since 2018. In March every year, the evaluation result will be reported by the Convener of Nomination Committee to the Board of Directors and serves as a reference for future reelection nomination.	The remuneration of the company's directors depends on the company's annual operating profit.
(IV) Has the company regularly evaluate its auditor’s independence?	V		(IV)Before the Company’s Board of Directors resolve to elect CPAs in the end of each year, the independence and suitability of the certified public accountants by reference to the Audit Quality Indicators (AQIs) will be examined first, in which the Company will check whether they are the Company’s directors, shareholders or receive wages from the Company. At the same time, the CPAs will be checked if they are not stakeholders and have no other financial gains and business relationships with the Company except for receiving the fees for certificating and financial and tax cases. Once all of the above standards have been met and the CPAs have provided the “Confirmation of independence,” the audit on the CPAs’ hiring and fees are then conducted. The most recent evaluation was conducted at the meeting of the Board of Directors on December 15, 2022 and the results showed that the CPAs met the criteria for independence and suitability. The election of the CPAs was approved.	No discrepancy.

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Departure of such implementation from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and the reason for any such departure</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>IV. As a public listed company, has the Company allocated competent managers or sufficient number of managers to be in charge of corporate governance, and designated supervisors thereof to be in charge of corporate governance affairs (including but not limited to providing information required for business execution by directors and supervisors, assisting the Board and supervisors in legal compliance, handling matters related to the Board and shareholder meetings in accordance with laws, and producing handbooks of board meetings and shareholders meetings, and et cetera)?</td><td>V</td><td></td><td>On 2020/12/17, the Board of Directors approved the appointment of Associate Manager Li Ming-Wen as the corporate governance manager. Mr. Li is responsible for protecting the rights and interests of shareholders and strengthening the functions of the Board. Associate Manager Mr. Li has more than 3 years of experience in financial and corporate governance-related affairs in public companies. The main duties of the Corporate Governance Manager is to, in compliance with the law, handle matters associated with meetings of the Board of Directors and shareholders; prepare minutes of meetings of the Board of Directors and shareholders; assist in appointment of directors and their continuous education; and provide the information required for directors in order for them to carry out business and assist directors in regulatory compliance.
Continuous education for the corporate governance manager in 2022:
<table>
<tr><th>Date</th><th>Organizer</th><th>Name of Course</th><th>Hours of Continuous Education</th><th>Total Hours of Continuous Education</th></tr>
<tr><td>2022/07/13</td><td>TWSE</td><td>Seminar on Sustainable Development Path for Industries</td><td>2</td><td rowspan="5">17</td></tr>
<tr><td>2022/09/13</td><td>Taiwan Academy of Banking and Finance</td><td>Analysis of Important Corporate Governance Practice and Decisions</td><td>3</td></tr>
<tr><td>2022/10/12</td><td>Securities and Futures Institute</td><td>Regulatory Compliance of Insider Equity Trading</td><td>3</td></tr>
<tr><td>2022/10/19</td><td>Taiwan Corporate Governance Association</td><td>Governance Summit - Enhancing Functions of Directors to Implement Sustainable Corporate Governance</td><td>6</td></tr>
<tr><td>2022/11/03</td><td>Taiwan Corporate Governance Association</td><td>ESG Trends and Risk Management Seminar of Fubon Insurance</td><td>3</td></tr>
</table></td><td>No discrepancy.</td></tr>
<tr><td>V. Has the company provided proper communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.), and created dedicated sections on its website to address corporate social responsibility issues that are of significant concern to stakeholders?</td><td>V</td><td></td><td>The Company set up a “Stakeholder Engagement” section on the company websitewith specific window and contact information disclosed（ https://esg.ecic.com/index.php/stakeholder/)；maintains proper communication channels with suppliers, clients, banks, investors, local government and social group, etc.; actively contact or exchange visits with the parties thereof, to share various information with the stakeholders; and reply the queries of investors and others in correspondences. The Company publishes quarterly journals of Everlight Chemical and Sustainability Report on a regular basis, sharing the updates of the Company and responding to important issues concerning stakeholders.</td><td>No discrepancy.</td></tr>
<tr><td>VI. Has the company appointed a professional shareholders service agent to process the affairs related to shareholders’ meetings?</td><td>V</td><td></td><td>Yes; since 2015/4/20, the Company’s shareholders’ meeting affairs have been outsourced to Share Transfer Agency Department of Mega Securities Co., Ltd.</td><td>No discrepancy.</td></tr>
<tr><td>VII. Information disclosure
(I) Has the company established a company website to disclose information regarding its financial, operational and corporate governance status?</td><td>V</td><td></td><td>(I) Company website: http://www.ecic.com.tw/</td><td>No discrepancy.</td></tr>
<tr><td>(II) Does the company use other information disclosure channels (e.g. maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, and webcasting investors conference to be put on the company website, etc.)?</td><td>V</td><td></td><td>(II)The Company has set up dedicated personnel in each department for collection the Company’s information and sending to the Company’s spokesperson for disclosure; the “Operation Guidelines for Company Spokesperson and Deputy Spokesperson” have been implemented and operated for many years; before investor conferences, important information is released and published in accordance with regulations, and slides prepared in Chinese and English and videos will be uploaded and disclosed on company website.</td><td>No discrepancy.</td></tr>
<tr><td>(III) Does the Company publicly announce and file the annual financial reports within two months after the accounting year-end, and publicly announce and file the first, second and third quarterly financial reports and the monthly operating status report before stipulated deadlines?</td><td></td><td>V</td><td>(III) The annual, first, second and third quarterly financial reports, and the monthly operating status report are all publicly announced and filed within stipulated deadlines.</td><td>Financial reports are still unable to be made public at earlier dates.</td></tr>
</table>

Evaluation Item	Implementation Status			Departure of such implementation from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and the reason for any such departure
	Yes	No	Summary	
H. Has the company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, rights of stakeholders, training of directors and supervisors, implementation of risk management policies and risk evaluation measures, implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		(I) Employee rights and care: Please refer to the section for labor-employer relationship in the annual report. (II) Investor relationship: 1.The Company published conditions of operation and profitability every month, and has a spokesperson set up for answering the questions asked by shareholders. 2.On the company website (http://www.ecic.com), there is information of investor relationship,ESG sustainability operation and stakeholders, providing information that investors care about. (III) Supplier relationship: The Company establishes long-term, trusting and beneficial relationship with its suppliers based on the Company's quality policy, environmental policy, and safety and hygiene policy; supports the spirit of green procurement and purchases from suppliers doing environmental protection well with priority; integrates the shipping mode of suppliers and utilizes information tools to lower carbon emission of the supply chain, enhance efficiency and transparency of procurement business; holds conferences; video; and educational training programs for suppliers to advocate cyclical economics, green gold vision, sustainability operation and fulfilling CSR; requires contractors to obey the Management Rules in Safety and Hygiene for Contractors, in order to maintain the safety in the work place and the rights of employees. (IV) Rights of related parties: 1.Setting up the Technical Marketing and Service Department, assisting customers in the application of technology and problem solving, and conducting customer satisfaction survey every year. 2.Sticking to the principles of fair competition and reaching business goals with methods not violating business ethics. 3.Others: such as starting up group meetings of risk management to respond to the sudden changes of the economic environment, and continuously communicating with stakeholders such as customers, suppliers, and correspondent banks, etc., in order to maintain the rights of both parties. (V) On-the-job further study of directors: All directors meet the time requirement of on-the-job further study. (VI) Implementation status of risk control policies and risk measuring standards: See the company website. (VII) The Company's purchase of liability insurance for directors: The Company has bought liability insurance for all directors and has reported on the board meeting on 2022/8/11.	No discrepancy.
IX. Please state the corrective actions already taken and also propose the matters to be improved as the first priority and countermeasures against them, based on the corporate governance evaluation results released by the Corporate Governance Center of TWSE in the most recent year. (I) 2021 corporate governance evaluation result: The Company is 6% to 20% in the listed company category; 11%-20% of the non-financial electronics category with net worth of over NT$10 billion in the non-financial electronics category. Improvements made in the year - the annual reports in both Chinese and English were uploaded 16 days prior to the general meeting of shareholders and the head of corporate governance was established. (II) Priorities for improvement in 2022: The Company formulated its Procedures for Handling Internal Material Information and notified directors by SMS that they may not trade the Company's shares during the closed period 30 days prior to the date of the publication of the annual financial report and 15 days prior to the publication of the quarterly financial report; all interim reports were approved by the Audit Committee and submitted to the Board of Directors for discussions; the sustainability report in English was also filed.				

(IV) Remuneration Committee

1.Information on members of the Remuneration Committee and their duties

The Committee is made up of 3 members. For their professional qualifications and experience, as well as status of independence, please refer to page 12. The Committee, faithfully performs the following duties with the care of a good administrator and submits its suggestions to the Board of Directors for discussion.

(1) Establish and regularly review the performance evaluation of the directors, supervisors and company offices as well as the remuneration policy, system, standards and structure.

(2) Regularly evaluate and establish the remuneration to directors, supervisors, company officers.

2. Information about the operations of Remuneration Committee

(1) The Company's Remuneration Committee consists of 3 members.

(2) The term of the commissioners: Committee members is from 2021/7/29 until 2024/7/28. The Committee has convened 3 meetings (A) during the most recent year. The qualification and participation of the commissioners are listed below:

Title	Name	Attendance in person (B)	By proxy	Rate of attendance in person (%) (B/A)	Number of public-listed companies concurrently served as an Remuneration Committee	Notes
Convener	Chang, Yuan-Jan	3	0	100%	0	
Commissioner	Wu, Chung-Fern	3	0	100%	2	
Commissioner	Yang, Way-Wen	3	0	100%	0	

Other items that shall be recorded : none

Operation of the year

Date／Term	Reasons for Discussion	Resolution Results	The Company’s handling of Member’s Opinions
2022/3/21 The 5th Term The 4th Meeting	Motion for 2021 distribution of remuneration to directors	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
	Motion for 2021 employee remuneration of managers as defined in the Securities and Exchange Act	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
2022/8/11 The 5th Term The 5th Meeting	Motion for salary of the general manager of subsidiary Everlight U.S.A.,	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
2022/12/12 The 5th Term The 6th Meeting	Motion for pension payment for Associate Manager Tseng,Kun-Mu	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
	Motion for promotion salary adjustment of the Company’s managerial officers		
	Motion for 2022 Year-end Bonus Distribution of managers as defined in the Securities and Exchange Act		
	Motion for The company's annual high-level bonus distribution plan		
	Motion for salary adjustment of the general manager of subsidiary Everlight (Vietnam) Co., Ltd.		

(V) Nomination Committee

1. Qualifications of the Nomination Committee members and their duties.

   The Committee is made up of 2 members serving a period of 3 years, with Mr. Yang, Way-Wen serving as the convener. At least 2 meetings are held each year and meetings may be convened as needed. All proposed recommendations shall be submitted to the Board of Directors for discussion. Main duties of the Committee

   (1) Develops the criteria required by board members and senior managers to source, vet and nominate candidates.

   (2) Construct and develop the organizational structure of the Board of Directors and committees, conduct performance evaluations of Board of Directors, committees, Directors and senior managers, and evaluate the independence of Independent Directors.

   (3) Set up with regular reviews on the continuing education plan for Directors and the succession plan for Directors and senior managers.

   (4) Lay down the Company’s Code of Practice on Corporate Governance.

2. Professional qualifications and experience of the Nomination Committee and its state of operations:

(1) The Company's Nomination Committee is made up of 5 members. For their professional qualifications and experiences, please refer to page 12-13.

(2) The term of the commissioners: Committee members is from 2021/8/12 until 2024/7/28. The Nomination Committee has convened 3 meetings (A) during the most recent year. The qualification and participation of the commissioners are listed below:

Title	Name	Attendance in person (B)	By proxy	Rate of attendance in person (%) (B/A)	Notes
Convener	Yang, Way-Wen	3	0	100%	
Commissioner	Chen, Chien-Hsin	3	0	100%	
Commissioner	Chen, Ding-Chuan	3	0	100%	
Commissioner	Wu, Chung-Fern	3	0	100%	
Commissioner	Chang, Yuan-Jan	3	0	100%	

Other matters that shall be recorded:

Date／Term	Reasons for Discussion	Resolution Results	The Company’s handling of Member’s Opinions
2022/3/21 The 3nd Term The 4th meeting	Implementation results of the 2021 Board performance evaluation	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
	Motion for amendment to Corporate Governance Best-Practice Principles	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
	Motion for reappointment of chairman of Ethical (Shanghai) Ltd. and Everlight (Shanghai) Ltd.,	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
	Motion for extension of General Manager’s term of office of chairman of Ethical (Shanghai) Ltd. and Everlight (Shanghai) Ltd.	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
2022/8/11 The 3rd Term The 5th Meeting	Motion for appointment of directors and company officers of the subsidiary in Vietnam	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
	Motion for appointment of the general manager of subsidiaries Anda Semiconductor Technology (Suzhou) and Shanghai Anda International Trading	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
	Motion for reappointment of the general manager of subsidiary Everlight U.S.A.	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
2022/12/12 The 3rd Term The 6th Meeting	Motion for promotion of the Company’s managers	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
	Motion for appointment of general managers of subsidiaries of Ethical (Shanghai) and Everlight (Shanghai)	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
	Motion for amendment to Corporate Governance Best-Practice Principles	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.

(VI) Implementation of sustainable development promotion and any differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof

Promotion Items	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	yes	no	Summary	
一、Has the Company constructed a governance structure to promote sustainable development and established a dedicated (part-time) unit for the promotion of sustainable development, which is managed by senior management through the authorization of and supervised by the board of directors?	V		1.The board of directors of the company is the highest governance body. The "Social Responsibility Committee" was established in 2012 and will be renamed the "Sustainable Development Committee" (ESG Committee) in 2022. It is a professional unit responsible for promoting sustainable development. The chairman is authorized to coordinate the company's sustainable development direction and set goals. The ESG Committee is chaired by the Chairman. Set up a governance team, an environmental team and a social team,which are supervised by three senior executives. 2. The ESG Committee holds regular meetings twice a year to review the progress of ESG projects, the operation/performance of each Team, and discuss ESG-related issues. The executive secretary reports the ESG promotion plan and implementation results to the board of directors every year. 3. The ESG Committee identifies sustainability issues concerning the Company's operations and stakeholders every two years and proposes corresponding strategies or concrete improvement approaches to be submitted to the Board of Directors. The Board of Directors supervises the subsequent implementation of sustainable management matters and follows up on their effectiveness, while urging the ESG team to make adjustments when necessary.	No discrepancy.
二、Has the Company adhered to Materiality Principles to conduct risk assessment son environmental, social and corporate governance issues related to its operations and established relevant risk management policies or strategies? (Note2)	V		1. The information disclosed covers the Company's sustainable development performance in key locations for the entirety of 2022. The risk evaluation boundary is based on the Company's existing locations in Taiwan, China, the Americas and Europe. Based on the degree of influence in the production nature of subsidiaries on materiality topics, Everlight (Suzhou) Advanced Chemicals and Trend Tone Imaging have been included in the scope. 2. In accordance with the Materiality Principle, the Company conducts risk evaluations on important issues, and formulates risk management strategies and action plans according to risk after evaluation has taken place. Please see the following Table (Table 1).	No discrepancy.
III. Environmental Issues (I) Does the Company have an appropriate environmental management system established in accordance with its industrial characteristics?	V		1. All Company locations including the parent company (Plants I-IV) and subsidiaries (Trend Tone Imaging, Everlight (Suzhou) Advanced Chemical) have established an ISO 14001 environmental management system appropriate to their industries. Third-party certification has been maintained through continuous improvements to the applicability, completeness and validity of the environmental management system. The validity and scope of third-party assurance statements are collated in the table below. The Company has also obtained other third party and brand-name vendor certification including bluesign® and the Zero Discharge of Hazardous Chemicals (ZDHC) program. Related information is disclosed in the Sustainability Report and the corporate website. 2. ISO 14001 Environmental Management System	No discrepancy.

<table>
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<table>
<tr><th>Certification Unit</th><th>Effective period</th><th>Scope</th></tr>
<tr><td>DNV</td><td>2022/11/21
｜
2025/11/21</td><td>Everlight Chemical Plants I-IV, Everlight (Suzhou) Advanced Chemical</td></tr>
<tr><td></td><td>2022-/7/17
｜
2025/7/17</td><td>Trend Tone Imaging, Inc.</td></tr>
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<td>II) Is the company committed to enhancing the utilization efficiency of resources and using renewable materials with low impact on the environment?</td>
<td>V</td>
<td></td>
<td>The energy management policy of the Company is Improve energy efficiency to realize net zero emissions and sustainable development.
The ISO 50001 energy management system was introduced by the Company in 2022 to make further improvements with third-party assurance planned for 2023.
The introduction of the energy management system is expected to improve energy utilization efficiency. Key performance metrics included >1% savings in electricity consumption and energy intensity, with both meeting their 2022 targets.
<table>
<tr><th>Performance Metric</th><th>2021 Outcomes</th><th>2022 Outcomes</th><th>2022 Targets</th><th>Status</th></tr>
<tr><td>Electricity savings (%)</td><td>1.2</td><td>1.1</td><td>>1</td><td>Achieved</td></tr>
<tr><td>Energy Intensity (GJ/NT$Million of production)</td><td>80</td><td>72</td><td><85</td><td>Achieved</td></tr>
</table>
The Company is reducing the use of raw materials, using renewable bio-materials, and engaging in recycling to reduce our environmental burden and impact. “Atomic utilization rate” was set as the performance metric for production processes and our annual completion rate was as shown in the table below. The Company is also developing products and technologies aligned with green chemistry, and the Cyclical Economy Promotion Committee was formed to continue promoting and developing various circular economy activities.
<table>
<tr><th>Performance Metric</th><th>2021 Outcomes</th><th>2022 Outcomes</th><th>2022 Targets</th><th>Status</th></tr>
<tr><td>Atomic utilization rate (%)</td><td>67.1</td><td>70.9</td><td>>66.6</td><td>Achieved</td></tr>
</table>
</td>
<td>No discrepancy.</td>
</tr>
<tr>
<td>III) Does the Company assess the present and future potential risk and opportunities of climate change and adopt countermeasures related to climate issues?</td>
<td>V</td>
<td></td>
<td>1. The Company formed a Climate Change Taskforce in 2021, which is part of the ESG Committee’s Environmental Team responsible for the identification of risks and opportunities and recommendations for management. Climate risk identification was carried out by the Climate Change Taskforce based on the TCFD framework, chemical industry case studies from the WBCSD, and the nature of the chemical industry. Short, medium and long-term climate risk and opportunity topics were summarized using the risk matrix. please refer to Company website
2. We invested in resources in 2022 and commissioned experts to evaluate the specific carbon reduction targets and paths for the next 10 years. The medium</td>
<td>No discrepancy.</td>
</tr>
</table>

and long-term targets of cutting carbon emissions recommended by the experts are 24% less compared to 2021. At present, we are in the process of evaluation and confirmation.

3. The following performance metrics were used for responding to climate-related risks and opportunities:

Risk Type	Risk Source	Risk Topic	Corresponding Opportunities and Response Strategies	Performance Metric	**2023 Targets**
Transformation Risk	Changes in carbon policy and regulatory changes	Carbon tax/ carbon fee policy	1. Introduction of energy management system. 2. Introduction of total carbon inventory for carbon risk management. 3. Development of sustainable products. 4. Replacement of old, worn and energy-intensive equipment. (1) Use low-carbon energy. (2) Improve energy utilization efficiency. (3) Reduce GHG emission intensity. 5. Improve waste recycling rate. 6. Improve water recovery rate.	Progress on “external verification of ISO 50001 Energy Management System” in 2023Q3.	100%
		Regulation of existing products and services		Progress on “organizational inventory and external verification” of parent company in 2023Q3. Progress on “external verification of carbon footprint for designated products” in 2023Q4	100% 100%
	Reputation risk	Shift in consumer preferences		Proportion of turnover from sustainable products	≧ 58%
	Technology	Failure to replace existing products and services with lower-emission versions		GHG emission intensity (tCO_2e/$million output)	≦ 8.7
	Market	Shift in customer behavior		Water recovery rate R2	≧ 84%
		Increase in raw material costs		Waste recycling rate	≧ 71 %
Substantive risk	Immediate	Increase in severity of severe	Strengthen the storm water drainage	Frequency of standing water	0 incidents

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<table>
<tr><td></td><td></td><td>weather events (e.g., typhoons, flooding)</td><td>capacity of factories and improvement of organizational resilience|</td><td>due to precipitation</td><td></td></tr>
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<td></td>
</tr>
<tr>
<td>(IV) Has the Company made an inventory of its total GHG emission volume, water consumption and waste volume for the past two years and established relevant management policies for GHG reduction, water conservation and waste management?</td>
<td>V</td>
<td></td>
<td>
The data on all Scope 1 and Scope 2 GHG emissions produced by Company locations as well as GHG emission intensity for the past two years are shown in the table below. The data encompassed all Group production locations (Everlight Chemical’s Plants I-IV , Trend Tone Imaging and Everlight (Suzhou) Advanced Chemicals).
(1)GHG emissions volume and intensity:
<table>
<tr><th>Year</th><th>Scope</th><th>Total tCO_2e</th><th>GHG emission intensity tCO_2e/$million output</th></tr>
<tr><td>2021</td><td>Scope 1</td><td>19,141</td><td>2.1</td></tr>
<tr><td></td><td>Scope 2</td><td>63,672</td><td>6.8</td></tr>
<tr><td></td><td>Total</td><td>82,813</td><td>8.9</td></tr>
<tr><td>2022</td><td>Scope 1</td><td>15,764</td><td>1.8</td></tr>
<tr><td></td><td>Scope 2</td><td>57,042</td><td>6.5</td></tr>
<tr><td></td><td>Total</td><td>72,806</td><td>8.3</td></tr>
</table>
(2) The Company understands that water is a finite resource. Improvement of water recycling rate has therefore been one of our key management strategies in recent years. Total water withdrawals in recent years were as follow:
<table>
<tr><th>Year</th><th>Total water withdrawal Million liters</th><th>Water recovery rate %</th></tr>
<tr><td>2021</td><td>824.5</td><td>86</td></tr>
<tr><td>2022</td><td>721.5</td><td>93</td></tr>
</table>
Water withdrawal in 2022 was lower than 2021. Water recycling rate also reached 93%, an improvement of 7% over 2021 that met our annual target.
(3)Total volume of waste
<table>
<tr><th>Year</th><th>Hazardous waste(tons)</th><th>Non-hazardous waste (tons)</th><th>Total (tons)</th><th>Waste recovery rate (%)</th></tr>
<tr><td>2021</td><td>1,971.2</td><td>9,344.3</td><td>11,315.5</td><td>71</td></tr>
<tr><td>2022</td><td>1,693.4</td><td>8,804.0</td><td>10,497.4</td><td>72</td></tr>
</table>
Waste reduction and circular economy improvement measures reduced waste production by 7% in 2022 compared to 2021. Waste recycling rate also increased from 71% in 2021 to 72% in 2022.
</td>
<td>No discrepancy.</td>
</tr>
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<td>IV. Social Issues
(II) Does the Company have the relevant management policies and procedures stipulated in accordance with the applicable laws and regulations and international conventions on human rights?</td>
<td>V</td>
<td></td>
<td>In response to international trends and corporate governance development, and in accordance with the 4 workplace core principles and rights of the International Labour Organization (ILO), we adhere to our corporate cultural core and business concepts, the foundation of developing into a happy company, follow local regulations where we operate, and promulgated the “Everlight Chemical Human Rights Policy” on 2019/8/16. Our global operating bases around the world are required to follow local laws and we conduct regular supplier surveys. On our 3,000 procurement contracts each year, we require suppliers to make sure that there is no “child labor” and only after the supplier signs the reply is a qualified supplier.
We provide education and training via the Company's monthly meeting, human resources website and quarterly newsletters. In 2012, a total of 1,128 employees received a “Human Rights Policy Advocacy” course, with a course completion rate of 100%, for a total of 56 training hours.</td>
<td>No discrepancy.</td>
</tr>
</table>

<table>
<tr><th></th><th></th><th></th><th></th><th></th></tr>
<tr><td>(II) Has the Company established and implemented reasonable employee welfare measures (including wages, leaves and other benefits) to reflect its operational performance/successes in employees’ remuneration?</td><td>V</td><td></td><td>1. The Company's leave system for employees is handled in accordance with the regulations stipulated in the Labor Standards Act. A Welfare Committee is also in place. For welfare measures, please refer to Labor Relations. In a bid to promote workplace diversity and equal promotion opportunities for both genders, we have gradually increased the ratio of female managers. In 2022, female managers will account for 16% of the total number of managers.
2. We take part in salary surveys in the market on a regular basis so as to maintain our overall salary competitiveness. Furthermore, the Company has also established relevant procedures including Procedures for Remuneration, Procedures for Year-End Bonuses, Procedures for Performance Bonuses, and Procedures for Production Bonuses to ensure the Company’s management performance is duly reflected in employees’ remunerations.</td><td>No discrepancy.</td></tr>
<tr><td>(III) Does the company provide employees with a safe and healthy working environment, and regular safety and health training?</td><td>V</td><td></td><td>1.The company provide employees with a safe and healthy working environment, and regular safety and health training, please refer to Labor Relations.
2. The operating headquarters of Everlight Chemical group, Plants I-IV of Everlight Chemical and the subsidiary of Trend Tone Imaging, and Everlight (Suzhou) Advanced Chemicals have all obtained ISO 45001:2018 certification, which was certified by a third party on August 13, 2021. The certification is continuously effective.
3. In 2022, the total fatal and serious injury (FSI) index was 0.01 but did not include 1 case of disabling injury during employee commute to and from work. The injury was of the crush type and a total of 4 work days were lost by 1employee, or 0.05% of total employees at the end of 2022. An investigation attributed the accident to the top cover of the pulverizer being too carry to move by hand. Manual lifting has been replaced by chains, to improve work safety and lower the risk of back injury.</td><td>No discrepancy.</td></tr>
<tr><td>IV) Has the Company established effective career development training plans?</td><td>V</td><td></td><td>Training courses were arranged and implemented for employees through the education and training system in accordance with the annual training plan including: Orientation training (including general and specialist subjects) and in-service training (including inspiration education, grade-based training, and specialist training). In addition to pre-employment training courses, we have also adopted the “mentor-apprentice” system in which new employees are taught professional knowledge and skills by assigned senior employees. Moreover, new blood is able to learn the required functions through personal instructions and audio-visual aids.
Employees may be designated by the Company to study domestically or abroad if necessary for their work or function. A total of 37 employees have pursued master’s degree or PhD degrees or attended on-the-job training courses so far. In 2022, 6 colleagues took part in online courses (including 4 colleagues pursuing master’s degrees or PhD degrees. Most chose business management and professional courses for their continuing education.
2022 employee training implementation
<table>
<tr><th>Item</th><th>Manager</th><th>Non-manager</th></tr>
<tr><td>Number of people</td><td>617</td><td>1,215</td></tr>
<tr><td>Total hours</td><td>43,068</td><td>82,250</td></tr>
<tr><td>Average hours/persons</td><td>70</td><td>68</td></tr>
</table></td><td>No discrepancy.</td></tr>
<tr><td>(V) In terms of customer health and safety, customer privacy ,marketing and labeling</td><td>V</td><td></td><td>We have set up review operations of “Hazardous Chemical Control Procedures” and “Chemical Registration Review Procedures” from the use of raw</td><td>No discrepancy.</td></tr>
</table>

issues for the company's products and services, has the company adhered to pertinent regulations and international standards and established relevant policies and grievance procedures for the protection of consumers or customer rights?			materials, R&D and production stages to the final sales of products in order to continue to update, follow up and ensure compliance. For example, management laws and regulations for chemicals in different countries, such as REACH SVHC, RoHS standards, safety requirements of multinational brands and customers, including ZDHC MRSL, Bluesign BSS/BSBL, in order to fulfill our commitment to product safety and chemical safety management. Chemical safety data sheet and product labeling are vital information provided to ensure the safety and health of users. We label chemical products according to Taiwan Regulations for the Labeling and Hazard Communication of Hazardous Chemicals, GHS and REACH CLP regulations in order to meet the regulatory requirements of each country. We have product warranty opening operating processes in place and are striving to obtain third-party environmental product certifications. In doing so, we ensure that customers use our products with peace of mind. Customers may also obtain a product safety certificate from the Company through a built-in process, or report a non-conformity of chemical safety to the Company. The Product Responsibility Division and the security units of quality assurance unit of each business division assist sales colleagues in handling customer grievances and customer complains, protecting their rights and interests.	
(VI) Has the company established supplier management policies that require suppliers to comply with pertinent regulations relating to issues of environmental protection, occupational safety and health, labor rights and so forth and report their status of implementation?	V		The procurement policy of the Company is defined by "Compliance, green procurement, and the building of supplier partnerships based on ethical principles." Supplier management policy is aimed at "helping suppliers to fulfill their corporate social responsibilities, follow labor rights standards, and to achieve win-win through solid EHS measures, stable quality, punctual delivery, competitive prices and quality services in the provision of raw materials." Our "Material Supplier Assessment Form" incorporates environmental protection (based on the requirements of the ISO 14001 system), Occupational Health and Safety Management System (based on the requirements of the ISO 45001 system), fulfillment of corporate social responsibility, corporate risk identification, business continuity and so on are all part of the scoring criteria. The scoring results provide an important basis for the screening of new critical suppliers; we are continuing to implement the "Everlight Chemical Green Partner (EGP) certification system as well ans suppliers are encouraged to participate so that we can take the green supply chain to a the next level. In addition, suppliers are also required to sign the Hazardous Substance Free (HSF) statement. Risk assessment, supplier review and management are employed to examine the social responsibility and environmental performance of key suppliers. Suppliers also receive assistance on raising their awareness of social responsibility and standard of' environmental management. A variety of opportunities and channels are used by the Company to educate suppliers about environmental responsibility, supplier social responsibility standards, and the establishment of green supply chains including supplier education and training (Zoom video conferencing), supplier interviews (Zoom video conferencing), inspections, supplier visits, and procurement web pages. In 2022, 32 key manufacturers were reviewed on their environmental, social, and CSR performance with the following results:	No discrepancy.

			(1) ISO 14001 certified: 28 companies (2) ISO 45001 certified: 19 companies (3) CSR reports issued or declarations of CSR compliance on corporate website: 26 companies (4) Investigation into violation of occupational safety and health laws and regulations: 2 company/violation (5) Investigation into violation of labor laws and regulations: 0 companies/violations	
V. Has the company referred to internationally adopted reporting guidelines or initiatives in the preparation of its Sustainability Report and other reports that disclose non-financial information of the company? Has the aforementioned report been assured or guaranteed by a valid 3rd-party validation organization?	V		1. The Sustainability Report prepared by the Company was structured in accordance with GRI Standards 2021 issued by the Global Reporting Initiative (GRI). Disclosures also took the SASB requirements for the chemical engineering industry into account. 2. The Company commissioned BSI Taiwan to conduct third-party assurance of the 2022 Sustainability Report in accordance with the AA1000AS v3 standard. The accounting firm KPMG was also commissioned to carry out limited assurance on the contents of the seven assurance indicators required by the competent authority in accordance with Bulletin No.1 “Assurance engagements other than audits or reviews of historical financial information” issued by the Accounting Research and Development Association of the R.O.C. to provide assurance that the contents and quality of this report satisfies the requirements of the competent authority.	No discrepancy.
VI. If the company has established sustainable development best practice principles based on the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies ”, please describe any discrepancy between the policies and their implementation: The company has promulgated the "Sustainable Development Code of Practice" in accordance with the " Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies ", and there has been no difference in implementation so far.				
VII. Other important information that helps understand the promotion of sustainable development implementation: At Everlight Chemical, we are keen to learn from international rating institutions (e.g., Sustainalytics、FTSE Russell). We continue to improve ESG risk ratings and engage in effective sustainable performance communication with outside stakeholders through coaching by external experts on enhancing the disclosure of relevant information (e.g., quality management system certification, environmental management system certification, inclusion/diversity policies, hazardous waste management, sustainable products and services, etc.), continuously improve ESG risk ratings, and effectively communicate sustainable performance with external stakeholders.				

Note 1:If “Yes” has been checked as the status of operation, please describe the adopted material policy/strategy/measure and it state of implementation. If “No” has been checked, please provide a reason for its absence and describe the Company’s plan to adopt relevant policy/strategy/measure in the future.

Note 2: Material principles refer to issues pertaining to environment, society and corporate governance that stand to create significant impact on the company’s investors and other stakeholders.

(Table 1)

Major Issues	Risk Assessment Projects	Risk Management Strategy
Environment (E)	Environmental protection and management	1. The Company’s environmental policy is “Prepare environmental risks against environmental sustainability” and we have adopted the following actions: 1) Implement ISO 14001 environmental management system. Each year, we set implementation plans and target values, and regularly follow up and review the progress of each program. By doing this, we are able to ensure the achievement of our target. 2) Process is continuously improved to increase resource utilization rate according to the 12 Principles of Green Chemistry. 3) Promote industrial waste reduction (including waste resources, air pollutants, waste), implement pollution prevention, improve recovery rates, and reduce overall emissions. 4) In line with government policies, the Company actively promotes various energy-saving and carbon-reduction measures with the goal of “saving >1% electricity per year”. 5) Research and develop environmental protection technology to improve the efficiency of pollution treatment. 6) Continue to develop products that are friendly to the environment and reduce the impact of product applications on the environment. 7) Implement education and training to enhance the environmental protection

Major Issues	Risk Assessment Projects	Risk Management Strategy
		awareness and ability of all employees. 2. The Company takes GHG emission issues very seriously, and monitors the GHG emissions of all plants as a proactive approach to manage carbon. Furthermore, we continue to improve the performance GHG emissions in all plants and subsidiaries in accordance with the ISO14064-1 standard. 3. We have introduced the TCFD framework to construct the Company's climate risk identification process. In addition, we also organize education and training to strengthen our personnel's understanding of and abilities on climate change impact. According to the results of interdepartmental discussions on risks and opportunities, 4 risks and 2 opportunities have been identified. 4. We continue to promote the "Everlight Chemical Green Partner Certification System" and conduct green supply chain management while facilitating green procurement. As well as this, our suppliers are required to place emphasis on corporate governance responsibility. 5. Plan and implement the annual internal audit plan and conduct an audit on the Company's compliance with all relevant environmental regulations. In doing so, operational process compliance is ensured. 6. Continue to monitor and disclose regulatory compliance situations and provide a description in accordance with GRI standards.
Society (S)	Occupational safety and health management	1. The Company places a high significance on occupational safety and health, and has imposed a safety and health policy of "respect for life, pursue zero disasters", while implementing the requirements of the occupational safety and health management system, setting various management indicators and target values, and continuing to eradicate hazards and reducing EHS risks to protect employees' and workers' physical and mental health while promoting industrial safety. 2. The company's operating headquarters and all production plants including subsidiaries have passed the ISO 45001 occupational safety and health management system certification, and through annual internal regular audits and third-party audits, the continuous effectiveness of the system is ensured. 3. Each year, fire training/drills and occupational safety education and training are organized to develop employee's emergency response abilities and self-safety management.
	Product management	1. The Company has established "Hazardous Chemical Substance Management" and "Product Safety Assurance System and Management Process, to make products compliant with national registration regulations and GHS labeling requirements in various countries. The Company also promises to implement "Zero Discharge of Hazardous Substances" to ensure safe product transportation and use. 2. The Company's quality policy is "caring for customers to jointly create value", and we continue to implement the requirements of the "Quality Management System (ISO 9001 and IATF 16949)" to continuously improve product quality and customer satisfaction.
Corporate Governance (G)	Social Economy and Legal Compliance	1. The Company's core culture is "upright operation, loving management." Through the establishment of a corporate governance organization, implementation of internal control mechanisms, and annual "ethical management" and "whistleblowing system" training, the awareness of personnel is strengthened, to ensure that employees and various operations actually comply with relevant laws and regulations. The Company also rents "Regulations Cloud" software to effectively grasp the latest requirements due to changes in laws and regulations. 2. The Company has passed the Business Continuity Management System Certification of ISO 22301,and through annual internal regular audits and third-party audits, the continuous effectiveness of the system is ensured. 3. The company attaches great importance to information security, formulated the "Information Security Management Policy", and passed the ISO 27001 Information Security Management System Certification in 2021; and through annual internal regular audits and third-party audits, the continuous effectiveness of the system is ensured. 4. The company passed the Taiwan Intellectual Property Management System (TIPS) A-level verification in 2018, and re-verified every two years to ensure the effectiveness of the TIPS system. In addition to implementing various intellectual property management regulations, complying with government regulations, and respecting the intellectual property rights of others, at the same time, ensure that key technologies such as patents, trademarks, copyrights, and trade secrets are properly protected.
	Strengthen Board functions	1. In 2021, the Company appointed a corporate governance manager to provide directors with information needed in order to carry out their duties and the necessary assistance to enhance the efficiency of the Company's Board of Directors. 2. To plan for related continuous education issues for directors and provide them with the

Major Issues	Risk Assessment Projects	Risk Management Strategy
		latest regulations, system development and policies each year. 3. To conduct a self-evaluation on the performance of the Board as a whole, each Board member and functional committee. Additionally, a third-party evaluation is performed by an outside agency every 3 years and the results of all evaluations are disclosed on the company website.
	Stakeholder communication	1. As the Company values stakeholder interaction and communication, a sustainability issues questionnaire is conducted every 2 years to collect and analyze important stakeholder concerns. The Company publishes an annual Sustainability Report and discloses material topics. Information is also updated on the official website and other social media. 2. According to the types of stakeholders, we have established various communication outlets and frequencies, such as website, telephone, email, meeting visits, and activity participation to engage in proactive communication.

(VI) Implementation Status of ethical corporate management and Departure of such implementation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reason for any such departure

Evaluation Item	Implementation Status			Departure of such implementation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reason for any such departure
	Yes	No	Summary	
I. Formulation of ethical corporate management policies and projects				
(I) Has the Company enacted ethical management policies as per the motion passed by the Board, and stated in its Memorandum or external correspondences about the said policies, practices and the commitment of the Board and higher management in actively implementing the policies?	V		(I)The Company has issued the "Ethical Corporate Management Principles" and "Procedures for Ethical Management and Guidelines for Conduct," and detailed the policy of the Company's ethical corporate management in the annual report and CSR report. With the business philosophy of integrity, transparency and responsibility, the Company developed a policy based on honesty and establish a good corporate governance and risk control mechanism to create an operating environment of sustainable development; the Board of Directors and the management level actively implement the commitment of ethical corporate management policies, and require all employees of the Group to abide by. In accordance with the Ethical Corporate Management Best Practice Principles, all 11 directors of the Company have signed the “Declaration of Compliance with the Ethical Corporate Management Policy” and “Director Confidentiality Agreement”. All 30 company officers have signed the “Declaration of Compliance with the Ethical Corporate Management Policy” and “Company Officer Confidentiality Agreement”.	No discrepancy.
(II) Has the Company established evaluation mechanism for unethical conduct, analyzed and assessed operating activities that may contain a higher risk of unethical conduct on a regular basis, and provided solutions for prevention of unethical conduct, which at least comprise preventive measures for conducts as listed in Article 7 Section 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”?	V		(II) The Company has established a risk evaluation mechanism for unethical conduct, analyzed and assessed operating activities that may contain a higher risk of unethical conduct on a regular basis, and provided solutions for prevention of unethical conduct.	No discrepancy.
(III) Has the Company specified relevant operating procedures, behavioral guidelines, disciplinary actions for violations and appeal system in the solutions for the prevention of unethical conduct established, implemented	V		(III) The Company has specified relevant operating procedures, behavioral guidelines and Reporting System for Violation of Ethical Corporate Management Regulations in the solutions for the prevention of unethical conduct established, and implemented accordingly as stipulated. Those who are found to have violated the regulations are punished according to the	No discrepancy.

Evaluation Item	Implementation Status			Departure of such implementation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reason for any such departure
	Yes	No	Summary	
accordingly, and review the aforementioned solution on a regular basis?			Company's rules. The aforementioned solution is reviewed on a regular basis.	
II. Implementation of ethical corporate management				
(I) Does the company evaluate the integrity of all counterparts it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?	V		(I) The Company has assessed the integrity record of the counter party. The terms of ethical behavior are specified in the signed contract. If any act of dishonesty is involved, the Company may terminate or dissolve the terms of the contract at any time.	No discrepancy.
(II) Does the company set up a unit dedicated to or tasked with promoting the company's ethical standards that reports directly to the Board of Directors with periodical updates (at least once a year) on ethical corporate management policies, solutions for the prevention of unethical conduct and the status of supervision and execution thereof?	V		(II) The Human Resources Department is responsible for the promotion of the integrity management system and the prohibition of dishonest practices, and reports to the Board of Directors on a regular basis (at least once a year) and makes recommendations for improvement to ensure the implementation of integrity management.	No discrepancy.
(III) Does the company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	V		(III) The Company has formulated a policy to prevent conflicts of interest to identify, supervise and manage the risks of conflicts of interest that may lead to dishonest behavior. It has also provided appropriate channels for directors and managers and other stakeholders attending the Board of Directors to actively explain whether they have potential conflicts of interest with the Company.	No discrepancy.
(IV) Has the company implemented the ethical management by establishing an effective accounting system and internal control system, and had the internal audit unit devised relevant audit plans according to the evaluation result on risk of unethical conduct, as well as executing the said plan to inspect the compliance of solutions for the prevention of unethical conduct, or appointed an external auditor to conduct audits?	V		(IV) In response to the risk of higher dishonest behavior, the Company has established an effective accounting and internal control system. The internal audit department shall prepare an annual audit plan based on the risk assessment results, and report to the Board of Directors and the management level about the audit results and subsequent improvement plans, in order to implement audit effectiveness.	No discrepancy.
(V) Does the company provide internal and external ethical conduct training programs on a regular basis?	V		(V) The company regularly organizes internal integrity management education training and publicity every year, and arranges relevant personnel to receive external training as needed. On August 11, 2022, the Principles of Ethical Corporate Governance Best Practice and the complaint system were disseminated to all directors. In 2022, 20 monthly publicity sessions will be held in the form of lectures and short videos, and 1,650 employees will be trained. The cumulative training hours are 137.5 hours, and the course completion rate is 100%.	No discrepancy.
III. The operating status of the company's reporting system				
(I) Does the company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?	V		(I) The Company has issued a "Reporting System for Violation of Ethical Corporate Management Regulations," which specifies the details of the reporting hotline：+886-2-2326-3502 and mailbox：informant@ecic.com.tw, and clearly designates dedicated personnel as the responsible person of Ethical Management Team. Also set up the Audit Committee mailbox：AuditCommittee@ecic.com.tw.	After discussion, the Company temporarily excludes reward measures.
(II) Does the company establish standard operating procedures for investigating complaints received,	V		(II) The system of the preceding paragraph clearly defines the procedures for handling reports and the confidentiality measures for relevant personnel.	No discrepancy.

Evaluation Item	Implementation Status			Departure of such implementation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reason for any such departure
	Yes	No	Summary	
take follow-up measures after investigation, and implement confidentiality protocol? (III) Does the company adopt proper measures to protect a complainant from improper treatment for the filing of the complaint?	V		(III)The Company shall keep the identity of the complainant and the contents of the report confidential, and promise to protect the complainant from being improperly treated due to their report.	No discrepancy.
IV.Strengthening information disclosure (I) Does the company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and the Market Observation Post System (MOPS)?	V		The Company has disclosed the Ethical Corporate Management Best Practice Principles on the company website and MOPS, and has disclosed the promotion results on the company website.	No discrepancy.
V. If the company has established corporate governance policies based on the “Corporate Conduct and Ethics Best Practice Principles for TWSE/GTSM-Listed Companies,” please describe any discrepancy between the policies and their implementation: No discrepancy.				
VI. Other important information for facilitating better understanding of the company’s implementation of Code of Ethics and Business Conduct: None.				

(VII) If the Company has formulated Corporate Governance Principles and relevant regulations and articles, it shall disclose inquiry methods：

Yes; please refer to the section of corporate governance on the company website (https://ecic.com/governance/regulation/) or Corporate Governance / Rules for Formulating Relevant Regulations of Corporate Governance on the MOPS (http://mops.twse.com.tw/mops/web/t100sb04_1).

(VIII) Other important information that is enough to enhance the understanding of the operation of corporate governance shall be disclosed together：

The Company is a co-founder and permanent member of Taiwan Corporate Governance Association. The Chairman serves as the Supervisor of the Association. All directors of the Company are members of the Director and Supervisor Club founded by Taiwan Corporate Governance Association and definite members of the Association. They actively participate in various courses and forum activities of the Association to enhance their corporate governance concepts and grow from exchanging the experiences of corporate governance practices.

(IX) Execution status of internal control system

1. Statement of internal control:

Everlight Chemical Industrial Corporation
Statement of Internal Control System

Date: March 16, 2023

Based on the findings of the self-auditing, the Company states the following with regard to its internal control system during the year 2022:

I. The Company knows that the board and the management are responsible for establishing, implementing, and maintaining the internal control system. The Company has established the system. It aims at providing reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations (including profitability, performance, and the safeguard of assets), reliability, timeliness and transparency of reporting, and compliance with all the applicable laws and regulations.

II. The internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its above 3 stated objectives. Moreover, the effectiveness of the internal control system may change due to changes in the environment and situations. Nevertheless, the internal control system of the Company contains self-monitoring mechanisms, and corrective action is taken whenever a deficiency is identified.

III. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the “Regulations Governing the Establishment of Internal Control Systems of Public Companies” (herein below, the Regulations). The criteria adopted by the “Regulations” identify five components of internal control based on the process of management control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring. Each component further contains several items. Please refer to the “Regulations” for details.

IV. The Company has evaluated the design and operating effectiveness of its internal control system according to the above-mentioned Regulations.

V. Based on the findings of the evaluation mentioned above, the Company believes that, on December 31, 2022, its internal control system (including the supervision on and management of subsidiaries), as well as the design and operations of internal control systems for understanding its operational effectiveness and efficiency, the achievement level of objectives, reliability, timeliness, transparency and regulatory compliance in reporting, and compliance with the applicable laws and regulations, were effective, and the Company can provide reasonable assurance that the above-stated objectives would be achieved.

VI. This Statement is an integral part of the Company’s annual report and prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This statement was passed by the Company’s board in their meeting held on March 16, 2023, with none of the 11 attending directors expressing dissenting opinions, and all of them affirming the content of this Statement.

Everlight Chemical Industrial Corporation

Chairman: Chen, Chien-Hsin

General manager: Chen, Wei-Wang

2. While entrusting an accountant to review the internal control system on project basis, the review report shall be disclosed: None.

(X) In the most recent year, up to the publication date of the annual report, where legal punishment imposed on the Company and its internal personnel, or the punishment imposed by the Company on its internal personnel due to violation of internal control regulations, which would affect the shareholders’ interests and the share price significantly, should have the content of the punishments, the main wrongdoings and improvements thereafter disclosed: None

(XI) Important resolutions of board meetings and shareholders' meetings and the execution status of the resolved matters of shareholders' meetings in the most recent year and up to the publication date of the annual report

1. Resolutions of the Board of Directors:

(1) Resolutions by the Board of Directors on March 24, 2022:

Approved (1) Motion for reporting matters at the 2022 general meeting of shareholders, (2) Motion for 2020 remuneration distribution of employees and directors, (3) Motion for 2021 distribution of remuneration to directors (4) Motion for 2021 employee remuneration of managers as defined in the Securities and Exchange Act, (5) Motion for 2021 financial statements (6) Motion for 2021 earnings distribution, (7) June 22, 2022 was set as the ex-dividend date for cash dividends to shareholders, distributed on July 14, 2022, (8) Motion for review of self-evaluation result for the 2020 internal control, (9) Motion for amendment to the Rules of Procedure for Shareholders' Meeting, (10) Motion for amendment to the Procedures for Acquisition or Disposal of Assets, (11) Motion for amendment to the Articles of Incorporation, (12) Motion for amendment to Corporate Governance Best-Practice Principles, (13) Motion for amendment to the Corporate Social Responsibility Best Practice Principles, (14) Motion for amendment to the Procedures for Ethical Management and Guidelines for Conduct, (15) Motion for amendment to the Ethical Corporate Management Best Practice Principles, (16) Motion for amendment to internal control system, (17) Motion for amendment to agenda of the 2022 general meeting of shareholders, (18) Motion for reappointment of chairman of Ethical (Shanghai) Ltd. and Everlight (Shanghai) Ltd., (19) Motion for extension of General Manager's term of office of chairman of Ethical (Shanghai) Ltd. and Everlight (Shanghai) Ltd.

(2) Resolutions by the Board of Directors on May 12, 2022:

Approved the (1) motion for the consolidated financial report for 2022 Q1, (2) motion for amendment to the Procedures for Self-Evaluation of the Internal Control System, (3) motion for amendment to the Subsidiaries Management Measures, (4) motion for change in pharmacists of the Company's API factory.

(3) Resolutions by the Board of Directors on August 11, 2022:

Approved the (1) motion for the consolidated financial report for 2022 Q2, (2) motion for establishment of a subsidiary in Vietnam, (3) motion for appointment of directors and company officers of the subsidiary in Vietnam, (4) motion for capital increase of the subsidiary in Singapore, (5) motion for transferring shares of subsidiary Shanghai Anda International Trading, (6) motion for appointment of the general manager of subsidiaries Anda Semiconductor Technology (Suzhou) and Shanghai Anda International Trading, (7) motion for reappointment of the general manager of subsidiary Everlight U.S.A., (8) motion for appointment of the directors of the Company's investment Andros Pharmaceuticals, (9) motion for sponsoring TCIA Forum, (10) motion for lifting the prohibition of competition for directors of the Company.

(4) Resolutions by the Board of Directors on November 10, 2022:

Approved the (1) motion for the consolidated financial report for 2022 Q3, (2), (3) motion for formulation of Procedures for Handling Internal Material Information, (4) motion for amendment to the Procedures for the Prevention of Insider Trading, (5) motion for formulation of Sustainable Development (ESG) Policy, (6) motion for formulation of Procedures for Non-Assurance Services provided by the CPA firm.

(5) Resolutions by the Board of Directors on December 15, 2022:

Approved the (1) motion for the operational plan and operating budget, (2) motion for 2023 internal audit plan, (3) to open an account with DBS Bank (Taiwan) for loan and foreign exchange and derivative credit facilities for the Group, (4) motion for the group's total quota of bank loans for 2023, (5) motion for appointment and remuneration of the CPAs auditing 2023 financial statements, (6) motion for convening of general meeting of shareholders on May 25, 2023, (7) period and place to receive proposals of the shareholders for the 2023 general meeting of shareholders, (8) motion for expansion of L Building of Plant 3, (9) motion for amendment to Corporate Governance Best-Practice Principles, (10) motion for amendment to the Self-Disciplinary Measures for M&A Information Disclosure, (11) motion for pension payment for assistant manager Tseng, Kun-Mu, (12) motion for promotion of personnel above the assistant manager level, (13) motion for appointment of general managers of subsidiaries of Ethical (Shanghai) / Everlight (Shanghai), (14) motion for appointment of directors and supervisors of subsidiary Shanghai Anda International Trading, (15) motion for appointment of directors and supervisors of the investment business Anda Semiconductor

Technology (Suzhou), (16) motion for salary and remuneration adjustment for general manager of subsidiary Everlight Vietnam, (17) motion for year-end bonus for company officers pursuant to the Securities and Exchange Act.

(6)Resolutions by the Board of Directors on March 16, 2023:

Approved the (1) Motion for reporting matters at the 2023 general meeting of shareholders, (2) motion for 2022 remuneration distribution of employees and directors, (3) motion for 2022 distribution of remuneration to directors (4) motion for 2022 employee remuneration of company officers pursuant to the Securities and Exchange Act, (5) motion for 2022 financial statements (6) motion for 2022 earnings distribution, (7) June 21, 2023 was set as the ex-dividend date for cash dividends to shareholders, to be distributed on July 13, 2023, (8) Motion for review of self-evaluation result for the 2022 internal control, (9) motion for amendment to the Articles of Incorporation, (10) motion for amendment to the agenda of the 2023 general meeting of shareholders, (11) motion for amendment to the Corporate Governance Best-Practice Principles, (12) motion for amendment to the Sustainable Development Best-Practice Principles, (13) motion for amendment to the Corporate Social Responsibility Best Practice Principles, (14) motion for amendment to the Procedures for Financial Operations Between Affiliates, (15) motion for amendment to the Rules of Procedure for Long-Term Equity Investments, (16) motion for pension payment of Division Chief Lai, (17) motion for appointment of general manager of Trend Tone Imaging, (18) motion for reappointment of director of a subsidiary.

2. Resolutions of the 2022 general meeting of shareholders and implementation:

(1)Approved the 2021 financial statements.

(2Approved the motion for amendment to the Rules of Procedure for Shareholders' Meeting and motion for amendment to the Procedures for Acquisition or Disposal of Assets, which is disclosed on the company website and implemented as amended.

(3) Approved the motion for amendment to the Articles of Incorporation; the change of registration was approved by the Ministry of Economy on June 14, 2022.

(XII) Recorded or written statements made by any director who specified dissent to important resolutions passed by the Board of Directors during the most recent year and up to the date of publication of the annual report: None.

(XIII) A summary of the resignation status of Chairman, General Manager, Accounting Supervisor, Financial Supervisor, Internal Audit Supervisor, managing supervisors and R&D Supervisor in the most recent year, up to the publication date of the annual report: None.

IV. Information of CPA's Professional Fees

Unit: TWD thousand

Name of the accounting firm	Name of the CPA	Audit period of CPA	Audit fee	Non-audit fee	Total	Notes
KPMG	Tang Chia-Chien Ya-Lin Chen	Jan. 1, 2022~Dec. 31, 2022	3,000		4,260	
	Chen,Tsai-Feng Lin,Chia-Yen Tang Chia-Chien			960		
KPMG Business Management Co., Ltd.	Yu, Ji-Long	Jan. 1, 2022~Dec. 31, 2022		300		

Note: Non-audit services:NT$350,000 for tax visa; NT$580,000 for transfer pricing service; NT$300,000 for IT system maintenance and technical support; and NT$30,000 for human resources.

(I) Whether there is any change of accounting firm and the audit fee paid in the replacement year is less than that paid in the preceding year: None.

(II) Whether the ratio of audit fee for the preceding year decreases by 10% or more: None.

V. Information of changing accountants: None.

VI. Disclosure of any instance of the Company's chairman, general manager, and finance or accounting manager having held a position in the CPA firm or its affiliates in the most recent year: None.

VII. Equity transfer and equity pledge changes of directors, managers and shareholders with shareholding exceeding 10% in the most recent year and up to the date when this annual report is printed

(I) Equity changes of directors, managers and major shareholders: Unit: shares

Title (Note 1)	Name	2022		The current year as of Mar. 30, 2023		Notes
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged	
Chairman	Chen, Chien-Hsin	15,000	0	0	0	
Director	Yung-De Investment Co., Ltd.	6,000,000	0	0	0	
	RepresentativeChen, Ding-Chuan	(5,000,000)	0	0	0	major shareholder
Director and General Manager	Chen, Wei-Wang	0	0	0	0	
Director	Chen, Ding-Chi	(650,000)	0	0	0	
Director	Chen, Chien-Ming	100,000	0	0	0	
Director	Lee, Yung-Long	0	0	0	0	
Director	Ken, Wen-Yuen	0	0	0	0	
Director	Chao, Rong-Shiang	0	0	0	0	
Independent director	Wu, Chung-Fern	0	0	0	0	
Independent director	Yang, Way-Wen	0	0	0	0	
Independent director	Chang, Yuan-Jan	0	0	0	0	
Special Asst. to Chairman	Du, Yi-Zhong	0	0	0	0	
Special Asst. to Chairman	Liao, Ming-Zhi	0	0	0	0	
Deputy General Manager	Tsai, Kuang-Feng	0	0	0	0	
Deputy General Manager	Lin, Zhao-Wen	0	0	0	0	
Deputy General Manager	Chen, Qing-Ta	0	0	0	0	
Deputy General Manager	Chen, Ke-Lun	0	0	0	0	
Factory Director of the 2rd Plant	Yeh,Shun-Xing	0	0	0	0	
Deputy General Manager	Lee, Fu-Xing	0	0	0	0	
Deputy General Manager	Liang,Jen-Yang	0	0	0	0	New in office on 2023/1/1
Associate Manager	Wu, Tian-Wang	0	0	0	0	
Associate Manager	Wu, Yao-Ming	0	0	0	0	
Associate Manager	Jason Ju	19,100	0	0	0	
Associate Manager	Tseng, Kun-Mu	0	0	0	0	Retired on 2023/1/1
Associate Manager	Chen, Xin-Zhi	0	0	0	0	
Associate Manager	Liao, Nan-Ming	0	0	0	0	
Associate Manager	Chen, Yi-Tang	0	0	0	0	
Associate Manager	Huang, Tsung-Wen	0	0	0	0	
Associate Manager	Chen, Wen- Zheng	0	0	0	0	
Associate Manager	Xie,Qing-Xiong	0	0	0	0	
Associate Manager	Hsiao, Chong-Kun	0	0	0	0	
Head of Technical Marketing Division	Lai, Bao-Kun	0	0	0	0	
The 1rd Plant Factory Director	Chen,Kun-Mu	0	0	0	0	

Title (Note 1)	Name	2022		The current year as of Mar. 30, 2023		Notes
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged	
The Plant III Factory Director	Kang, Yuan-Sheng	0	0	0	0	
Head of Specialty Chemicals Technics Division	Huang, Yao-Xing	0	0	0	0	
Head of Electronic chemicals	Sun,Che-Jen	0	0	0	0	
Head of Electronic chemicals Q&C Division	Liu,Wen-Zhi	0	0	0	0	
Head of Pharmaceutical Chemicals Q&C Division	Chen, Si-Feng	0	0	0	0	Retired on 2022/3/31
Head of Resource Management Division	Sung, Bai-Li	0	0	0	0	
Head of Product Responsibility Division	Huang,Hui-Ching	0	0	0	0	
Audit Office General Auditor	Zhang,Jin-Rong	0	0	0	0	
Head of Financial Division and Supervisor of Financial and Accounting Department	Weng, Kuo-Pin	0	0	0	0	
Corporate governance officer	Lee, Ming-Wen	0	0	0	0	

Note 1: Those with more than 10% shareholding of the Company shall be noted as a major shareholder, and shall be listed separately.

Note 2: If the counter party of equity transfer or equity pledge is a related party, the following table shall be filled in.

(II) Information of stock transfer

Name	Reasons for transfer	Transfer date	Counter parties	Relationship with the Company's directors, supervisors and shareholders with shareholdings of 10% and more	Share number (shares)	Transfer price
Chen, Ding-Chi	Gift	2022/7/12	Li,Chun-Chu	husband and wife	500,000	-
			Chen, Chien-Ming	Father and son	100,000	17.90
			Chen, Yi-jun	Father and Daughter	50,000	

(III) Information of equity pledge: Not applicable.

VIII. Information of the shareholders with top 10 shareholding ratio and are related to each other or spouses or within the kinship of second-degree relatives

Ex-dividend date: Mar. 27, 2023

Rank	Name (Note 1)	Shareholding held by the person		Shareholdings of spouse and minor children		Total shares held with other person's name		Disclosure of information on related parties, spousal relationship or relations within second degree of kinship, among the top ten shareholders, including their names and relationships (Note 3)		Notes
		Share number	Shareholding ratio	Share number	Shareholding ratio	Share number	Shareholding ratio	Name	Relationship	
1	Chen, Ding-Chuan	58,000,000	10.58%	7,000,000	1.27%	0	0	Chen, Ding-Chi Wu, Lee-Ji Chen, Chien-Hsin Chen, Wei-Wang Chen, Ru-Aei	Brothers Spouse Father and son Father and son Father and daughter	
2	Yung-De Investment Co., Ltd.	49,000,000	8.94%	0	0	0	0	None	None	Representative, Chen, Ru-Aei
3	Chen, Ding-Chi	13,545,254	2.47%	1,331,659	0.24%	0	0	Chen, Ding-Chuan Chen, Chien-Ming	Brothers Father and son	
4	Wu, Lee-Ji	7,000,000	1.27%	58,000,000	10.58%	0	0	Chen, Ding-Chuan Chen, Chien-Hsin Chen, Wei-Wang Chen, Ru-Aei	Spouse Mother and son Mother and son Mother and daughter	

Rank	Name (Note 1)	Shareholding held by the person		Shareholdings of spouse and minor children		Total shares held with other person's name		Disclosure of information on related parties, spousal relationship or relations within second degree of kinship, among the top ten shareholders, including their names and relationships (Note 3)		Notes
		Share number	Shareholding ratio	Share number	Shareholding ratio	Share number	Shareholding ratio	Name	Relationship	
5	Chen, Chien-Hsin	6,745,000	1.23%	500,000	0.09%	0	0	Chen, Ding-Chuan Wu, Lee-Ji Chen, Wei-Wang Chen, Ru-Aei	Father and son Mother and son Brothers Brother and sister	
6	Chen, Wei-Wang	6,300,000	1.15%	154,350	0.02%	0	0	Chen, Ding-Chuan Wu, Lee-Ji Chen, Chien-Hsin Chen, Ru-Aei	Father and son Mother and son Brothers Brother and sister	
7	Chen, Ru-Aei	5,966,000	1.08%	300,924	0.05%	0	0	Chen, Ding-Chuan Wu, Lee-Ji Chen, Chien-Hsin Chen, Wei-Wang	Father and daughter Mother and daughter Brother and sister Brother and sister	
8	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	5,648,200	1.03%	0	0	0	0	None	None	
9	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	5,142,329	0.93%	0	0	0	0	None	None	
10	Chen, Chien-Ming	4,023,192	0.73%	0	0	0	0	Chen, Ding-Chi	Father and son	

Note 1: The top 10 shareholders shall all be listed. For those corporate shareholders, the name of the corporate shareholder and the name of the representative shall be listed separately.

Note 2: The shareholding is calculated as the ratio of the shares held with the person, his or her spouse, minor children or others.

Note 3: The relationship between the above-mentioned shareholders (including legal and natural persons) shall be disclosed in accordance with Regulations Governing the Preparation of Financial Reports by Issuers.

IX. Comprehensive Shareholding Ratio

Shareholdings of the same investment business by the Company, the Company's directors and managers, and businesses directly or indirectly controlled by the Company, and the comprehensive shareholding ratio:

Dec. 31, 2021 Unit: shares; %

Re-invested business (Note)	The Company's investment		Investment by directors, managers and directly- or indirectly-controlled businesses		Comprehensive investment	
	Share number	Shareholding ratio	Share number	Shareholding ratio	Share number	Shareholding ratio
Elite, Turkey	21,900	50%	0	0%	21,900	50%
Everlight U.S.A.	300,000	100%	0	0%	300,000	100%
Everlight (Hongkong) Ltd.	1,000,000	100%	0	0%	1,000,000	100%
Everlight Europe B.V. (Netherlands)	500	100%	0	0%	500	100%
Everlight (Singapore) Ltd.	24,800,000	100%	0	0%	24,800,000	100%
Trend Tone Imaging, Inc.	44,906,400	76%	5,022,748	9%	49,929,148	85%
Greatlight Investment Corp.	10,000,000	100%	0	0%	10,000,000	100%
Good TV Broadcasting Corp	1,900,000	22%	0	0%	1,900,000	22%
TAK Technology Co.,Ltd.	4,856,000	17%	1,602,480	6%	6,458,480	22%

Note: The investment made with Equity Method by the Company.

Capital Overview

I. Capital and Shares

(I) Source of capital

1. Shares and types of share in the most recent year and up to the publication date of the annual report:

Unit: shares; TWD thousand

Month/Year	Issuing price	Authorized capital		Paid-up capital		Notes		
		Share number	Dollar amount	Share number	Dollar amount	Source of capital	Paid in properties other than cash	Others
Aug., 2016	10	800,000,000	8,000,000,000	547,752,226	5,477,522,260	Stock dividends from retained earnings 26,083,440 shares	None	Note 1

Note 1: No.10501200760 has been completed registration on Aug.18, 2016.

Unit: shares

Share type	Authorized capital			Notes
	Outstanding shares	Unissued shares	Total	
Registered common shares	547,752,226	252,247,774	800,000,000	Shares of listed companies

2. Relevant information of summary reporting system: Not applicable.

(II) Composition of shareholders:

Stop transfer day: Mar. 27, 2023

Shareholder structure / Amount	Government agency	Financial institution	Other corporations	Individual	Foreign institution and individual	Total
Number of shareholders	0	9	192	69,066	128	69,395
Shareholding	0	1,216,830	62,789,698	439,068,173	44,677,525	547,752,226
Shareholding ratio	0.00%	0.22%	11.46%	80.16%	8.16%	100.00%

(III) Distribution of shares

1. Common stock:

Stop transfer day: Mar. 27, 2023

Shareholder ownership	Number of shareholders	Shareholding	Shareholding ratio
1 ~ 999	30,699	2,916,103	0.53%
1,000 ~ 5,000	28,835	62,275,460	11.37%
5,001 ~ 10,000	5,041	39,938,600	7.29%
10,001 ~ 15,000	1,525	19,405,944	3.54%
15,001 ~ 20,000	1,005	18,688,531	3.41%
20,001 ~ 30,000	832	21,252,283	3.88%
30,001 ~ 40,000	353	12,561,766	2.29%
40,001 ~ 50,000	254	11,701,696	2.14%
50,001 ~ 100,000	439	31,302,594	5.71%
100,001 ~ 200,000	201	27,925,337	5.10%
200,001 ~ 400,000	104	29,280,688	5.35%
400,001 ~ 600,000	32	15,019,067	2.74%
600,001 ~ 800,000	17	11,840,554	2.16%
800,001 ~ 1,000,000	13	11,576,326	2.11%
1,000,001 above	45	232,067,277	42.38%
Total	69,395	547,752,226	100.00%

2. Preferred stock: Not applicable.

(IV) List of major shareholders: shareholders with shareholding ratio above 5%

Stop transfer day: Mar. 27, 2023

Shares Name of major shareholders	Share amount	Shareholding ratio
Chen, Ding-Chuan	58,000,000	10.58%
Yung-De Investment Co., Ltd.	49,000,000	8.94%

Note: Information of the shareholders with top 10 shareholding ratio, please refer to page 45.

(V) Information of market price per share, net worth, earnings and dividends

Unit: TWD

Year Item			2022	2021	The current year as of Feb. 28, 2023 (Note 8)
Market price per share(Note 1)	Highest		29.25	32.45	19.35
	Lowest		16.4	15.10	18.30
	Average		21.49	20.74	18.79
Net worth per share (Note 2)	Before distribution		15.44	16.08	—
	After distribution		—	15.58	—
EPS	Weighted average shares (thousand shares)		547,752	547,752	—
	EPS (Note 3)	Before retroactive adjustment	0.68	0.86	—
		After retroactive adjustment	—	0.86	—
Dividends per share	Cash dividends		0.35	0.5	—
	Stock grants	Stock dividends from retained earnings	—	—	—
		Stock dividends from capital reserve	—	—	—
	Accumulated undistributed dividend (Note 4)		—	—	—
Analysis of return on investment	P/E Ratio (Note 5)		32	24	—
	P/D Ratio (Note 6)		61	41	—
	Cash dividend yield (Note 7)		0.02	0.02	—

*If new shares of capital increase are issued by earnings or capital surplus, the market price adjusted retrospectively by the issued shares and cash dividends shall also be disclosed.

Note 1: The highest and lowest market price of common shares in each year are listed, and the average market price each year is calculated according to the trading value and volume each year.

Note 2: Please refer to the shares issued at the end of the year and fill in based on the distribution resolved by the shareholders' meeting next year.

Note 3: If there are any numbers not needed to be retrospectively adjusted due to conditions such as stock grants, the EPS before and after adjustment shall be listed.

Note 4: If the issuing condition of equity securities contains the requirement that the undistributed dividends in the current year may be accumulated to the year with earnings, the accumulated undistributed dividends as of the current year shall be disclosed.

Note 5: PE ratio = Average closing price per share of the current year / EPS.

Note 6: PD ratio = Average closing price per share of the current year / cash dividends per share.

Note 6: Cash dividend yield = cash dividends per share / average closing price per share of the current year.

Note 8: Net worth per share and EPS shall be filled in with the data audited by the CPA in the most recent quarter and up to the date when the annual report was printed; the remaining columns shall be filled in with the data in the current year and up to the date when the annual report was printed.

(VI) Dividend policy and its implementation status

The Company's dividend policy is in line with the needs of the Company's various business development investments and takes into account the interests of shareholders. In no other special circumstances, the distributed dividends are no less than 50% of the earnings after-tax after deducting legal reserve.

The annual cash dividend is not less than 25% of the total dividends.

The above dividend policy was passed by the resolution of 2017 Shareholders' Meeting.

On March 16, 2023, the board of directors decided to distribute cash dividends of TWD 0.35 per share to shareholders.

(VII) The impact of the stock grants proposed by the shareholders' meeting on the Company's operating performance and EPS: The Company has no share dividends distributed, and thus is not applicable here.

(VIII) Remuneration to employees and directors

1. The percentages or ranges of remuneration to employees and directors listed in the Articles of Incorporation:

   If the Company has profits in the current year, it shall appropriate 5% as employee remuneration and no more than 2% as director remuneration. However, when the Company still has accumulated losses, the amount for compensation should be retained in advance.

   The parties whose remuneration is paid with stocks or cash defined in the preceding paragraph include the employees of the subordinate companies that are reported to and passed by the Board of Directors.

2. If there is any difference between the estimated basis of remuneration to employees and directors, the calculation basis for the number of shares distributed to employees as remuneration, the actual distribution amount and the estimated numbers in the current period, please state the method of accounting treatment:
   (1) The estimated amount of the remuneration paid to employees and directors in the current period is based on the basis set out in the preceding paragraph, and the distributed amount has been passed by the resolution of the Board of Directors.
   (2) Not applicable. The remuneration to employees and directors are all distributed with cash this period.

3. The remuneration distribution passed by the Board of Directors:
   (1) Amount of remuneration to employees and directors distributed with cash or shares If there is any discrepancy with the estimated amount in the expense recognition year, the difference amount, reasons for the difference and the handling situation shall be disclosed:
   The remuneration amount paid to employees and directors proposed to be distributed in the current period is the same with the estimated amount in the recognition year.
   (2) The amount of employee remuneration paid by stocks and its proportion to the summation of net income after tax in individual financial reports and total amount of employee remuneration in the current period: Not applicable.

4. The actual distribution status of remuneration to employees and directors in the previous year (including number of shares, amount and stock price); if there is any discrepancy with the recognized remuneration to employees and directors, the difference amount, reasons for the difference and the handling situation shall be stated:

   The amount of employee remuneration in 2021 was TWD 29,772,350 and the amount of director remuneration was TWD 11,908,940, which are the same as the original estimated amount recognized as expenses.

(IX) Conditions that the Company buys back its shares: None.

II. Issuance of corporate bonds: None.

III. Issuance of preferred stocks: None.

IV. Issuance of GDRs: None.

V. Issuance of employee stock warrants: None.

VI. Issuance of new restricted employee shares: None.

VII. Issuance of New Shares Upon any Merger and Acquisition With Other Companies: None.

VIII. Implementation of Capital Allocation Plans: None.

Operational Highlights

I. Contents of Business

(I) Scope of business

1. Everlight Chemical is engaged in the research and development, production and sales of specialty chemicals; product applications include textiles, electronics, optoelectronics, automobiles, people's livelihood, medicine and other industries. The company's products are divided into five categories. The main R&D and production bases are mainly in Taiwan, and the products are sold all over the world.

2. Business percentages in 2022:

Business and product type		Sales volume	Sales amount (TWD thousand)	Percentage
Color chemicals		16,609 tons	3,513,805	39.5%
Specialty chemicals		4,188 tons	2,426,714	27.3%
Toner		5,777 tons	1,404,281	15.8%
Electronic chemicals	Photoresist	572 tons	522,729	14.8%
	Others	10,136 tons	791,371	
Pharmaceuticals	Prostaglandin	19,457 g	207,631	2.6%
	Other material medicines	912 kg	25,171	
Total			8,891,702	100.0%

3. Current product items and new products planned to be developed:

Product type	Current products	New products planned to be developed
Color chemicals	● Textile dye ● Leather dye ● High-purity dye used in ink jet printing ● High-purity dye used in digital textile printing ● Ink of digital textile printing ● Metal dye ● Paper dye ● Functional chemicals used in textile ● Solar energy dye	● Increasing items of each type of existing products
Specialty chemicals	● UV-absorber ● Hindered amine light stabilizer ● Formulated product ● Functional Masterbatches ● Antioxidants ● High-molecular polymerizable dye	● Increasing items of each type of existing products
Toner	● Colored toner ● Black toner ● Toner finished cartridges、bottled and bagged etc. ● Carrier and developer ● Ceramic toner	● Increasing items of existing products ● Enhancing the applicable range of existing products ● Electronic Paper Pigment

Product type	Current products	New products planned to be developed
Electronic chemicals	Use in IC, LCD, LED and TP industry ● Photoresist ● Developer ● Slurry ● Wet chemicals ● Functional ink of thermosetting and UV curing ● Electronic functional chemicals ● Photosensitive polyimide	● Increasing items of each type of existing products
Pharmaceuticals	● Material medicine for Prostaglandin ● Other material medicines	● Increasing the items of material medicine for Prostaglandin ● Materials medicines for the elderly uses and other purposes

(II) Industry overview

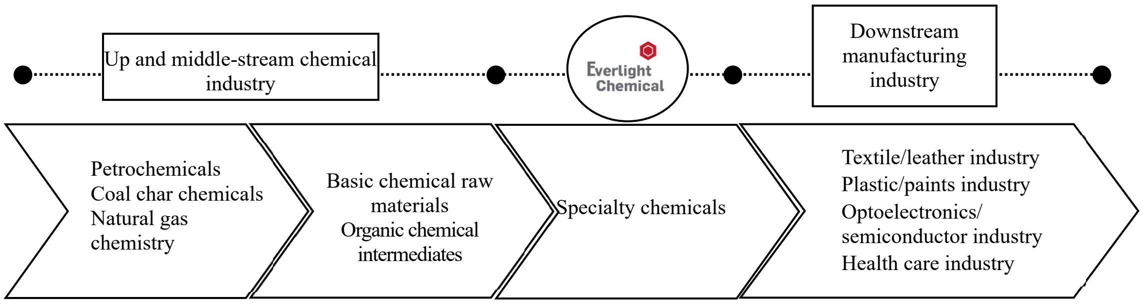
1. The current condition and development of the industry

Chemicals can be broadly classified into three categories: bulk chemicals, fine chemicals and specialty chemicals. Specialty chemicals are mainly used in processes or final products for the purpose of improving product characteristics, and are mostly high value-added products. The products of Everlight Chemical are all specialty chemicals. The demand for global specialty chemicals is growing steadily.

High value is the development direction of Taiwan's chemical industry. The so-called high value development includes the development of existing chemical products in the direction of high value, the development of high-priced or high value-added products, or the development of advanced materials, etc. The key to high value development is to master the core technology, key materials and intellectual property rights, as well as the ability to continuously innovate.

2. Relevance between the up, middle and downstream of industry

The direct upstream of the specialty chemicals industry is basic chemical raw material and organic chemical intermediate, and the next upstream is petrochemical, coal char chemical and natural gas chemistry. The specialty chemicals industry is the most technical and innovative field in the chemical industry, and is also a key industry directly supporting the manufacturing of electronics, optoelectronics, pharmaceuticals, and textile, etc., in the chemical industry. The development of specialty chemicals industry not only requires the strengthening of the upstream chemical industry supply chain and the effective grasping the source of key raw materials, but also needs the crossing of the gap between downstream and other industries and the development of application technology, in order to establish a bridge of technical communication with customers.



3. Product development trends and competition situations

All the products of the Company belong to the "specialty chemicals" with the characteristics of small amount, various type and high value-added, which are generally in a fully-competitive market with many manufacturers. The followings are the development trends of the products in the top four business divisions with the highest operating revenue:

In the Color Chemical business, the dye industry is developing steadily in the direction of environmental protection, energy saving, emission reduction, and green dyeing and finishing. Aside from supply and demand issues of raw materials affecting the price fluctuations of the dye market, post-pandemic era positive and negative developments will change or affect the growth of the downstream textile market. Reactive dye development continues to provide overall solutions for special fastness and differentiated commodity demand. For example: Launch a series of Everzol ERC Dyes and continue to research and develop products to be applied in Everzol ERC Solution (high efficient energy-saving washing process) and to help printing operators reduce resource consumption and save costs, achieving the ultimate green dyeing. Black MWF dyes and textile fastness that meet requirements of multiple wash fastness, cotton knitted fabric in the cold pressure dyeing application process. In the dyeing of nylon fabrics, we continue to develop high-fastness bright color series acidic dye products, such as Everset PA and Everacid S,X-Type, and propose corresponding solutions for recycled nylon dyeing issues. To meet environmental protection and energy saving demands in the market, a series of high purity dyes and inks will be launched for digital textile printing. For the PUR business, we have adhesives for industrial textiles for high temperature lamination with high-viscosity and high bonding strength, and for fabric membranes for low temperature lamination with moderate bonding strength, and PUR glue with resistance to yellowing and fluorescent effects, allowing Evereco PUR series to be widely used in industrial and textile garments, making our product variety more exhaustive.

In the Specialty Chemical industry, the main development direction of polymer additives is the formulation technology to increase the weather resistance, yellowing resistance, easy processing and recyclability of polymer materials. The most potential growth applications include automotive component related industries, green energy, photovoltaic industry, composite materials, and beauty care products, etc.

In the toner business, with the popularity of color machines, color toner will become the mainstream of the market. Capital investment, technological innovation and upstream and downstream integration are the key to beating competitors. Black toner continues to maintain product competitiveness on the market by production management, simplified process and tightly-control costs. We have made a breakthrough in the application technology of ceramic toner and shipped in small quantities.

In the Electronic Chemicals business, focus will be placed on the development of key process materials for the display, optoelectronics and semiconductor industries as physical activities have increased after the ease of the pandemic. With respect to the development of the semiconductor industry, 5G applications drive the integration of AI and IoT with wearables, in-vehicle applications, and smart home applications. In recent years, we have strengthened the development of thick-film photoresist for IC packaging processes and the demand for photosensitive polyamides and broad photoresists for power semiconductor bonding processes key processes. As these are widely used in power control components with high voltage, high frequency and high temperature IC process and sensor component manufacturing, the demand for MEMS process materials will continue to increase. With the development of the optoelectronics industry, alongside the display of high-end smartphones will be dominated by AMOLEDs accompanied with LTPS and in-cell (on-cell) touch. We will develop low-temperature curing flexible process photoresist to drive low-temperature process to enhance the LCD industry competitiveness. As new Micro/Mini LED displays require high resolution and high temperature resistant processes. Based on this, Everlight Chemical has launched high-end positive and negative photoresists to meet the industry demand, with related key products binging commercialization opportunities for the Electronic Chemicals Division.

(III) Overview of technology and R&D

The R&D expenses devoted and successfully developed technology or products in 2022 and up to the publication date of the annual report:

Amount: TWD thousand

Item / Year		2022	The current year until Feb. 28, 2023
R&D expense devoted		368,250	51,553
R&D results:			
Patent	Patents granted	4 items	0 items
	Accumulated patents	195 items	195 items
New products developed		47 items	6 items

(IV) Development programs for long- and short-term business

1.Long-term development program:

Everlight Chemical's vision is to "become the high-tech chemistry industrial group contributing to people's lives." To enhance the life quality and health of people, we have strived to research and develop forward-looking chemicals and to produce high-tech products to enable outstanding chemicals to enrich peoples' lives, contribute to the life quality of our employees, product competitiveness, and sustainable future, and implement the brand promise of "Better Chemistry Better Life".

2.Short-term development program:

(1) Manpower stabilization and cultivation program.
(2) Establishment of automation and smart plants.
(3) Global production partner network project.
(4) Carbon inventory and carbon reduction roadmap.
(5) Sustainable products inventory and development blueprint.

II. Market and Production Profile

(I) Market analysis

1. Sales areas of major products:

Unit: TWD thousand

Sales areas	2022		2021	
	Dollar amount	Percentage (%)	Dollar amount	Percentage (%)
Asia	4,569,167	51	4,915,443	53
Taiwan	1,647,159	18	1,608,795	18
Europe	1,382,675	16	1,495,350	16
Americas	1,044,136	12	972,915	11
Other areas	248,565	3	208,485	2
Total	8,891,702	100	9,200,988	100

2. Market share and supply and demand and growth of the market in the future:

Color Chemicals: In 2022, due to negative factors such as global inflation and Russia-Ukraine war, the global dyestuff market suffered a decline to 1.48 million and the Company's market share was approximately 1.02%. If inflation slows down and the war gradually calms down, global demand for dyestuff is expected to return to normal in 2024 with a compound growth rate of 4.00% by 2026. in the past decade, the dye capacity of Mainland China and India in the same industry has expanded rapidly and the supply is sufficient. Overall, the market situation is oversupply. However, the supply side of the dye and intermediate industry in the Mainland China has been tightening due to strengthening of chemical safety enforcement brought about by safety accidents, and high environmental compliance requirements. In the long run, there is an opportunity for supply and demand to reach a balance gradually. In the future, dye products will be researched and developed in the direction of high exhaustion, high fixation, water-saving and toxic-free due to the awareness of environmental protection.

Specialty Chemicals: In 2022, the global market for UV absorbers and light stabilizers totaled approximately TWD 38.9 billion, and the market share of Everlight Chemical was approximately 6.2%. The global compound annual growth rate is estimated to be 5.6% in the next five years. The main growth momentum comes from the demand for various types of plastics, including packaging materials, automotive plastics and agricultural films. The second largest growth momentum comes from the coatings industry, such as industrial coatings and construction coatings. Due to the high technical threshold, additive manufacturers are concentrated in a few developed industrial countries. Emerging markets and new application areas have become the most important growth opportunities.

Toner business: In 2022, the global impact of the pandemic outbreak weakened, students began to return to school and people began to go back to work at their companies. The global production volume of toner and demand for toner in the AM (after market) are expected to show slight growth. With the total after market value maintained at 62,000 tons, the Company’s market share is approximately 9%. Given the rise of color printers in the past two years, demand for color toner in the market has gradually increased. Along with the continuous expansion of equipment capacity of Chinese manufacturers, there is an oversupply situation of black toner. In 2022, the Company focused on the profitability of sales of toner products, in particular color toner in an effort to improve profits. Although market demand for color toner is going strong in China, there is room for growth. The primary growth opportunities in the future will be expanding the European and U.S. markets and the development of color toner customers as well as small package products.

Electronic Chemicals: In 2022, the global semiconductor photoresist and process chemicals market size was about NTD 160 billion. There will be about 5~6% annual growth rate over the next 3 years The Company's market share has not reached 1%. In the future, electronic consumer products will develop towards the mobile device with a rapid response speed, so FOWLP, FOPLP packaging technology will become the mainstream of the latter segment packaging, and then drive the demand for thick film light resistance and chemical amplified photoresist to grow. The optoelectronics industry is focusing on the development of flexible low-temperature, high-end process materials and high-end photoresists for Mini/Micro LEDs as growth opportunities.

3. Niche for competition:
   (1) Through the promotion of corporate brand and brand management, the Company’s market competitiveness will be strengthened.
   (2) Continuing to accumulate autonomous key technologies, and continuously developing new products to meet the needs of customers.
   (3) The global logistic, marketing channel and technical service network have been established to provide fast and immediate service and increase customer satisfaction, in order to build long-term and stable partnerships.
   (4) Technological innovation, competitiveness enhancement and profitability:
      ① Differentiating products and technologies to increase the market share of products.
      ② Promoting niche and superior products to increase added value.
   (5) Promote full range of online services including online streaming seminars, product marketing and promotion.
4. Favorable and unfavorable factors of development vision and responding measures:
   (1) Favorable factors:
      ① Regional and national chemical-related regulations have been promulgated. Governments such as China have greatly improved the implementation of environmental protection regulations, resulting in higher environmental protection costs, rising entry thresholds and operating costs of the chemical industry. The survival space of low-cost competitors in developing countries will be compressed.
      ② Governments around the globe pay attention to the development of high-tech chemical materials that are environmentally sustainable.
      ③ The growth momentum of polymer materials driven by the application of innovation industries: for example, materials needed for smart cars, green electricity and other industries.
      ④ The price of color machines has decreased, and the color toner market has become more popular.
   (2) Unfavorable factors:
      ① Global inflation has hit the economy, protectionism has risen, and market uncertainty has increased.
      ② The tightening of Chinese environmental protection policies, imposing limitation on chemical industrial park, and forcing factory relocation and close-down, give rise to uncertainty in raw material supply and price increase. The management of supply chain is made more difficult and the control of costs become harder as well.
      ③ Taiwan's major trade competition countries have actively negotiated regional and bilateral free-trade agreements, which has certain degree of influence on Taiwan's export competitiveness.
      ④ Large-scale international chemical counterparts continue to conduct M&As, and the Chinese counterparts are actively expanding capacity to occupy market share with low prices.

⑤ The exchange rate has large variations, which causes the exchange gains and losses to fluctuate greatly.

⑥ Some emerging and developing countries are economically and financially unstable, or even bankrupt, resulting in a significant increase trade and payment risks.

(3) Response measures:

① Developing towards "high-tech knowledge industry" and "green economy industry," we will promote high-tech chemicals of environmental green energy with the core of R&D advantage, technology application and manufacturing capabilities.

② We will grasp the opportunity of global supply chain transfer due to China-US trade war and regionally politically conflicts, progressively developing the potential market.

③ Accelerating the expansion of service energy, extending to the upstream and downstream of the value chain, and becoming a multi-dimensional chemical company with equal emphasis on production and service.

④ Effectively grasp the current situation of trading countries and customers and adequately adjust trading terms and credit facilities to further reduce account risks.

⑤ Integrating the R&D, sales and production resources of the cross-strait toner business.

(II) Important uses of main products and their production process:

1. Important uses of main products:

Product type	Product name	Purposes
Color chemicals	Textile dye	For cotton, hemp, rayon, wool, silk and nylon
	Leather dye	For leather and fur
	High-purity dye used in ink jet printing	For office supplies, advertisement printing, labeling, and packaging materials
	High-purity dye used in digital textile printing	For textile printing, leather printing, wallpaper, and outdoor advertising
	Digital textile printing Printing ink	
	Metal dye	For aluminum metal, 3C housing, bicycle, and screw
	Paper dye	Used in the paper industry
	Functional chemicals used in textile	Used in the textile/leather industry
	Solar energy dye	For solar sensitized dye batteries
Specialty chemicals	UV-absorber	For coatings, adhesives, plastics, polyurethanes, elastomers and cosmetics
	Hindered amine light stabilizer	
	Functional Masterbatches	
	Antioxidants	
	Formulated product	
	High-molecular polymerizable dye	For polyurethane foams, adhesives and elastomers
Toner	Colored toner	For color laser printers, color printers and multifunction printers
	Black toner	For black and white laser printers, black and white printers and multifunction printers
	Toner finished cartridges	For color / black and white printers and multifunction printers
	Carrier and developer	
	Ceramic toners	Used for coloring ceramic ware
Electronic chemicals	Photoresist	Used in yellow lithography process such as IC, LCD, LED, TP and IC assembly
	Developer	For rinsing imaging process
	Slurry	For substrate flattening process
	Wet chemicals	Used in semiconductor and substrate surface cleaning, and process such as electroplating
	Functional ink of thermosetting and UV curing	Used in surface coating for substrates such as metals and glass
	Electronic functional chemicals	Functional chemicals for the electronic assembly industry

Product type	Product name	Purposes
Pharmaceuticals	Material medicine for Prostaglandin	Treatment of gastric ulcer, glaucoma, pulmonary hypertension, induction of labor, sexual dysfunction, chronic idiopathic constipation, improvement of local ischemic symptoms of tissues, animal reproductive management, etc.
	Other material medicines	Treatment of high blood pressure, glaucoma, lowering intraocular pressure, actinic keratosis, Parkinson’s disease, cancer, central nervous system, etc.

2. Production process:

The production process of the Group's main products can be roughly divided into the following three categories:

(1) Production process based on chemical reaction:

Material → Intermediate → Semi-finished product → Finished product

Step 1: the basic raw material is formed into an intermediate through one or more chemical reactions.

Step 2: the intermediate is then converted into a semi-finished product by chemical changes.

Step 3: the semi-finished product is made into a product through different processes, such as refining, purification, drying, crushing, and batching, etc.

Products that fall into this type of production process include: various type of dyes, light stabilizers, yellowing resistance agents, and pharmaceuticals, etc.

(2) Production process based on formula mixing:

Main ingredients → Formula mixing → Filtering → Finished good replenishing

Step 1: precisely putting in the required raw materials.

Step 2: mixing and performing a process inspection.

Step 3: conducting precision filtering through the various stages and performing a process inspection.

Step 4: the finished product is replenished and packaged, and then inspected.

Products that fall into this type of production process include: electronic chemicals, inkjet ink dyes, etc.

(3) Production process of toner:

Main ingredients → Formula mixing → Extrusion → Milling →

Mixing → Finished good - replenish

Step 1: precisely putting in the required raw materials.

Step 2: mixing the raw materials with a mixer.

Step 3: the mixing of raw material is carried out by the extruder, so that the raw materials are uniformly dispersed, and then a process inspection is performed.

Step 4: grinding toner to the required particle size and a process inspection is performed.

Step 5: mixing toner and external additives into the mixer, and performing a process inspection.

Step 6: the finished product is replenished and packaged, and then inspected.

Products that fall into this type of production process include: colored toner, black toner, and ceramic toners, etc.

(III) Supply of main raw materials

The main raw materials of various specialty chemicals of the Company are organic chemical intermediates (benzene and naphthalene series, etc.) and basic chemicals (acid, alkali, salt, and solvent, etc.). Mainland China, India and Taiwan are the main sources of the materials. The supply capacity and prices of raw materials are mainly affected by the following factors: due to the tightening of environmental protection and the inspection on environmental protection and work safety is very strict in China and India and due to work safety incidents, production capacity is limited and production costs and supply risks have also increased. Severe smog in China, compulsory application of low-sulfur fuel at all ports, and the COVID-19 pandemic resulting in logistics congestion in countries around the world, resulting in longer voyages and higher freight transportation costs. Although the pandemic outbreak eased, China was still under strict control. With restrictions being lifted in December 2022, the pressure on the congested ports of China's cargo logistics congestion was truly alleviated. The war between Russia and Ukraine began in 2022 and is still ongoing. This has led to a global energy crisis, inflation, reduced consumer problem and other economic issues, affecting the supply chain of raw materials from European sources. In response to this, strategies for early procurement and development of courses must be adopted.

The main raw materials of toner are polymer materials such as acrylic and polyester resins, magnetic iron oxide, carbon black, and color pigments etc. Japan, Europe and the United States are the main sources of supply. Due to an increase in crude oil prices and shipping costs, prices for various raw materials have risen drastically. As a result, we have been importing China-made resins and magnetic iron oxide to balance the price increase. In the future, we will also work with Taiwan manufacturers to improve the problem of long supply chain.

(IV) The name of the customer who has once accounted for more than 10% of the total purchase (sales) of goods in any of the year within the most recent two (2) years, the amount and proportion of the purchase (sales), and the reasons for the increase or decrease: there were no such matters in the most recent two (2) years.

(V) Production volume and value in the most recent two (2) years

Unit: TWD thousand

Year Production volume and value Business and product type		2022			2021		
		Production capacity	Production amount	Production value	Production capacity	Production amount	Production value
Color chemicals		38,560tones	17,583tones	2,797,843	37,780tones	20,979tones	3,125,911
Specialty chemicals		5,000tones	4,241tones	1,867,111	5,000tones	4,899tones	1,890,127
Toner		9,800tones	6,172tones	1,166,520	10,500tones	5,759tones	1,022,687
Electronic chemicals	Photoresist	1,135tones	556tones	345,369	900tones	621tones	394,014
	Others	18,000tones	9,953tones	639,956	18,000tones	9,998tones	591,194
Pharmac euticals	Prostaglandin	51,000g	23,242g	195,418	51,000g	22,623g	180,877
	Other aterial medicines	3,000kg	1,017kg	19,453	3,000kg	638kg	15,466
Total				7,031,670			7,220,276

Note 1: Capacity refers to the quantity that can be produced using existing production equipment under normal operation after the Company has evaluated factors such as necessary stoppages and holidays, etc.

Note 2: The production value is calculated at cost.

(VI) Sales volume and value in the most recent two (2) years

Unit: TWD thousand

Year Sales volume and value Business and product type		2022				2021			
		Domestic sales		Abroad sales		Domestic sales		Abroad sales	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Color chemicals		2,512tones	379,384	14,097tones	3,134,421	2,734tones	429,034	17,998tones	3,766,496
Specialty chemicals		487tones	291,076	3,701tones	2,135,638	545tones	303,044	4,076tones	2,061,864
Toner		92tones	38,815	5,685tones	1,365,466	83tones	38,681	5,719tones	1,131,686
Electronic chemicals	Photoresist	418tones	221,782	154tones	300,947	416tones	231,562	168tones	282,405
	Others	8,773tones	706,261	1,363tones	85,110	8,719tones	598,483	1,961tones	116,615
Pharmaceuticals	Prostaglandin	385g	2,647	19,072g	204,984	317g	3,268	23,801g	222,441
	Other material medicines	145kg	7,194	767kg	17,977	162kg	4,723	802kg	10,686
Total			1,647,159		7,244,543		1,608,795		7,592,193

Note: In 2022, the Company's consolidated domestic and foreign sales ratio was 19%: 81%.

III. Information of the employees of the Company and affiliates

Year		2022	2021	The current year as of Mar. 29, 2023
Employee number	Company	309	304	308
	Factory	1,511	1,444	1,456
	Total	1,820	1,748	1,764
Average age		40.6	41.3	40.6
Average service years		11.9	12.2	11.8
Percentages distribution of education (%)	PhD	2	2	2
	Master	22	23	22
	College	57	56	57
	Below (and include) high school	19	19	19

IV. Information of Environmental Protection Expenditure

(I) In the most recent year, up to the publication date of the annual report, losses incurred due to pollution:

1. losses incurred due to pollution (including damages): None.
2. Violation of environmental protection law:
   (1) On January 13, 2022, the EPA inspected the 2021 balance amount of toxic chemical substances in the Business Unit of Pharmaceuticals at Plant 2. It was found that there was an error in the balance amount of toxic chemical substances, violating the Toxic and Concerned Chemical Substances Control Act. A fine of NT$60,000 was imposed by letter Fu-Huan-Kong-Zi No.1110038081 dated February 16, 2022.
   (2) On March 10, 2022, a fire broke out at Plant III , causing air pollution, violating the Air Pollution Control Act. A fine of NT$120,000 was imposed by letter Fu-Huan-Qi-Ji-Zi No.1110133423 dated May 19, 2022.
   (3) Subsidiary Trend Tone Imaging did not submit the approval documents to change its person in charge within the deadline. This violated the Toxic and Concerned Chemical Substances Control Act. A fine of NT$60,000 was imposed by letter Fu-Shou-Huan-Zong-Zi No.1110035259 dated February 23, 2022.

(II) Estimated amount of current and future possible losses and countermeasures

Plant III was announced as the “Soil and Groundwater Pollution Remediation Site” on December 9, 2016. Its remediation plan was approved by the Taoyuan City Government on January 16, 2020. An annual budget of more than NT$30 million is expected to be invested in remediation work. As the fire incident at Plant III in 2022 may affect the restoration of some parts of the site, in addition to the proposed amount, approximately 35 million is to be added to strengthen the restoration, which is to be completed in June 2025 as originally planned.

V. Labor Relations

(I) Employee welfare measures, on-the-job further study, training, retirement system, working environment of the Company and personal safety protection of employees and its implementation, as well as the agreement between labor and employer and the maintenance measures of various employees' rights and interests

1. Welfare measures

   The Company focuses on the care of employees, and provides employees with complete salary, reward, bonus and welfare system, so that employees can contribute their efforts in the workplace. Meanwhile, in order to honor the long-term contribution of senior staff and excellent employees to the Company, they will be given commemorative gold coins and awarded trophies respectively. General health checkups for employees and physical examinations for senior staff will be conducted regularly every year. Relevant welfare measures include the followings:

   (1) Rewards: year-end bonus / holiday gift / Labor Day bonus / birthday gift

   (2) Subsidies: wedding gift / maternity allowance / child education award and subsidy / travel subsidy / injury relief payment / death subsidy

   (3) Insurance: labor insurance / health insurance / employee group insurance / voluntary group insurance / business travel insurance

   (4) Systems: factory uniform / food stipend / performance bonus / proposal bonus / club activity/ death benefit

   (5) Equipment: nursing room / staff dorms / staff transportation vehicle / staff restaurant / gym / basketball court / library / special store

   (6) System of day-offs (vacations): pre-borrowed annual leave / paternity leave / family care leave / menstrual leave / nursing leave

2. Educational training

   The company has been promoting character education for employees for a long time, and based on character education, it has created a platform for lifelong learning and growth. In management, the supervisors embrace the service spirit of "servant," educate the staff full-heartedly and practice what they preach, in order to deepen the integration and cooperation of employees into the Company's business philosophy and corporate culture. Based on job functional structure, Everlight Chemical conducts talent selection, talents education, talents exertion and performance management. According to the annual training plan, the Company compares the structure with the education and training system (including inspiration training, orientation education, class training, professional training, and project training). The Company provides education and training for employees, in the hope of balancing the sustainable development of talents in the fields of production, R&D, marketing, and management. In addition, employees may be designated by the Company to study domestically or abroad (including retrieving master’s degree or PhD degree or professional technical study) if necessary for their work or tasks.

3. Retirement system

   The Company established the "Labor Pension Reserve Supervision Committee" in accordance with the Labor Standards Act, which monthly appropriates pension reserve into the account in Taiwan Bank; employees who meet retirement criteria may be distributed with pension fund, of which the pension base is calculated according to the service years. The Company will reimburse the pension fund by 6% in accordance with laws and remit it into the personal account of an employee who satisfies the new system of retirement. In addition, the Company has also formulated the “Application Rules for Early Retirement of Employees”. Any qualified employees can be retired early if approved by the Company.

4. Working environment and employee personal safety protection and its implementation

   The Company manages the corporation with the truth-love inspired by the Bible, shapes the working environment in which employees can exert their abilities, and motivates employees to achieve the mutual goals.

Adhering to the core values of decent management and love management, the Company holds gratitude worships every year to let employees feel a warm and grateful culture. The Company's introduction of the project, "Character First," has entered 24 years, which enables employees to cultivate good character in their work, in families and in lives and to regard character as the goal of lifelong learning.

The Company incorporates related regulations of Act of Gender Equality in Employment into the Work Rules and have reported to Taipei City Government for examination.

The Company adheres to an occupational safety and health policy of “respect for life, pursue zero disasters,” and has been certified pursuant to laws, and implements an Occupational Health and Safety Management System (ISO 45001:2018, valid until October 24, 2022), to ensure employee safety and safeguard company assets through a management spirit that subscribes to the Plan-Do-Check-Action (PDCA) cycle.

In accordance with clauses in ISO 45001-6.1 regarding addressing risks and opportunities, we have established control procedures for hazard identification, risk and opportunity evaluation, which are carried out on a regular basis or implemented when there are any changes. Each hazard operational activity is identified step by step by all workers through work arrangement means, social factors, organizational leadership and culture, routine and non-routine activities, past events, potential emergencies, personnel, and changes using the job safety analysis (JSA) method. Afterwards, risks are classified and combined with 5 major control levels, including elimination, substitution, engineering control, administrative control, and personal protective equipment. By taking this approach, high-risk matters can be focused in order to propose improvement measures to eliminate hazards and reduce occupational safety and health risks.

In order to provide a safe and healthy workplace, the Company adopts personal safety protection measures for employees, including formulating work safety regulations and training methods, implementing health protection and promotion measures (For example, an annual employee health examination is performed and managed by level. Health care professionals are hired or contracted to perform services on site, hazard prevention programs for material, human factors, workplace abuse, abnormal workloads are implemented. As well as these, we also facilitate occupational safety protection on night workers, senior and middle-aged workers, and have introduced the GreenScreen® for Safer Chemicals evaluation method to help identify chemicals of high concern to further select safer alternatives, while also adopting respiratory protection programs, and organizing physical and mental health activities, and providing fitness equipment), organizing regular emergency response drills, rewarding health and safety proposals, implementing environmental satisfaction surveys, promoting 5S and zero-disaster activities, safety inspections by senior managers, among other things, to prevent accidents and reduce occupational injuries.

In addition to the occupational safety and health committee’s quarterly meeting, each plant discusses various safety and health issues, and also implements safety and health promotion at the plant’s monthly meeting. The scope includes changes in regulations, defects of self-management, internal and external occupational safety accident cases, safety and health management plans and other matters.

(1) Zero-disaster exercise

Introducing zero-disaster activities. Every day before the start of work, the operation site supervisor will lead colleagues to carry out health confirmation, operational hazards and countermeasures, pointing and calling for single focus, to increase the alertness of employees during operations and reduce mistakes in the work.

(2) Emergency response

Every year, we hold regular training and drills for self-defense firefighting teams, toxic and chemical disaster drills, and specific chemical disaster drills as required by law, and continue to improve and conduct occasional training to ensure that the company can minimize disaster losses in emergency situations. In addition, during the severe period of the COVID-19 epidemic, relevant epidemic prevention contingency meetings were implemented to ensure that operations will not be affected.

(3) Monitoring of operation environment

The Company improves the working environment based on the characteristics of the job site, in order to provide a safe and comfortable working environment. To prevent occupational hazards and protect employees' health, the Company teaches and requires workers to properly wear and use personal protective equipment to reduce the exposed harm to an acceptable level.

The Company entrusts qualified institutions to carry out regular operation environment monitoring in accordance with the “Measures for Implementing Labor Operation Environmental Monitoring”. The monitoring contents are all in accordance with statutory requirements (about chemical and physical factors). The unit may also propose an assessment for operations with concern of hazards. If there is any abnormality in the monitoring result, we will improve and correct it immediately to protect the safety of employees.

(4) External training

In accordance with the "Occupational Safety and Health Education and Training Rules," the personnel for special operations of the Company have completed safety and health education and training for special operations, and obtained operational qualification certificates/licenses. The Company also actively dispatches staff to participate in seminars related to occupational safety and health affairs, and strengthens and cultivates the safety and health awareness of personnel, The Company also actively participates in the operations of the Industrial Zone Safety and Health Promotion Association, to learn from the safety management experience of other factories. In the regards to managing contractors, the workers of contractors entering the Company's plants require safety and health training, and they are required to observe the Company's safety and health regulations, to ensure the safety of contracted work. Under the continuous deepening of various business concepts, the Company's corporate value has been significantly improved, which has also been positively recognized by all the staff and customers.

5. Negotiation between labor and employer and the status of each measure for maintaining employee rights:

Business trade unions have been established and will hold labor-management consultation meetings quarterly according to regulations, coordinating the management-union relation, promoting cooperation between management and labor, and improving work efficiency.

(II) In the most recent year and up to the publication date of the annual report, losses due to labor-employer disputes (including violation of Labor Standard Act found in labor inspection, should have details of date of penalty, serial number of penalty, article of statute violated, content of article of statute violated and content of wrongdoings documented), estimated amount of current and future possible losses and response measures:

1. The subsidiary company Trend Tone Imaging has been found to violate labor standard laws during a labor inspection

Item	Disposition date	Disposition no.	Violation of laws and regulations	Content that violates laws and regulations	Disposition content
1	2022/04/13	Zhu-Huan-Zi No. 110012016	Article 32, Paragraph 2 of the Labor Standards Act	Labor overtime	Fine of NT$50,000
2	2022/05/24	Zhu-Huan-Zi No. 110016767			Fine of NT$100,000
3	2023/02/01	Zhu-Huan-Zi No. 120003653			Fine of NT$150,000

2. Countermeasures

(1) Use the electronic system to automatically notify the relevant supervisors to collect overtime working hours, and strengthen the assistance in task allocation of various departments

(2) The number of legal overtime hours shall be reported to the Science and Technology Management Bureau in advance according to the law for future reference.

VI. Cyber Security Management

In an attempt to implement the protection management of information security and personal data, we formed an Information Safety and Personal Information Management Committee in 2016. Each year, an information security management review meeting is held with the General Manager acting as the management representative responsible for the effectiveness of the information security management system. The Committee is made up of first-level managers of each business division, functional unit, plant and audit unit with the top manager of the Information Division serving as the executive secretary to assist the management representative in the planning, management and execution of the information security management system. In doing this, the management system is in line with the requirements of international standards listed in external reference documents, and regularly report information security implementation to the Board Of Directors every year.

At Everlight Chemical, we understand that information security is an important issue for the sustainability of a company. To ensure the confidentiality, integrity and availability of information, we have formulated an information security management policy as “implementation of protective measures to ensure information security”. In August 2021, we passed ISO 27001:2013 Information Security Management System certification. Through the introduction of ISO27001 management system, we continue to reinforce our response in the event of an emergency, regulatory compliance while also strengthening risk evaluation and management of information assets.

In an effort to strengthen our information security protection capabilities, we have performed the following information security management programs and investment of resources:

1. Each year, an external professional information security vendor is entrusted to perform vulnerability scanning and conduct risk analysis and vulnerability repair.
2. Perform network protection equipment replacement and social engineering attack drills to reduce the risk of network attacks.
3. Plan and build an IDC computer room to improve remote support capabilities.
4. Strengthen user and privileged account management by regularly reviewing accounts, changing passwords and account password error alerts.
5. Regularly perform information security-related disaster drills to improve response capabilities.
6. Manage flash drive use to reduce the risk of computer virus and data leakage.
7. Plan computer replacement and install protection programs for operating systems that are no longer supported.
8. Join the information security joint defense organization, provide information security incident consulting and coordination services, and effectively receive and transmit information security information.
9. In 2022, the Company promoted information security to all employees through 1 monthly meetings, 2 emails, and 3 hours of education and training for colleagues of the Information Division.

For 2022 and as of the publication date of the annual report, no major information security incidents occurred.

VII. Important Contracts

The contracts that are still valid and will expire in the most recent year as of the date of publication of the annual report are as follows:

Contract characteristics	Litigant	Begin and End Date of contract	Main content	Restrictive covenant
Engineering contrac	Miura Taiwan Eng Co., Ltd.	2021.12-2022.2	Boiler replacement project at Plant II	None
Engineering contrac	SenseWin Co., Ltd.	2022.3 - 2022.6	Process equipment improvement / dust collector establishment at crushing area at Plant I	None
Engineering contrac	Hong-Gang Machinery Co., Ltd.	2022.5-2022.11	Installation of NF machine at Plant II	None
Engineering contrac	DayLight Refrigeration Equipment Co., Ltd.	2022.8 - 2022.12	Ice making machine/equipment replacement outside Plant I	None
Equipment contract	Dong Jing Power Co., Ltd.	2022.5 - 2022.12	Plant II bought back solar power system	None
Equipment contract	Waters Asia Ltd., Taiwan Branch	2022.6 - 2022.12	Liquid chromatography–mass spectrometry systems for pharmaceutical plants	None
Engineering contract	Tian Cherng Packing Machinery Corporation	2022.5 - 2022.12	Automatic unstacking and wrapping system at Logistic Division	None
Engineering contract	The GoldenTek.	2022.3－2022.2	Replacement of ice making machines at Plant II	None
Engineering contract	Applied Catalyst Technology Inc.	2022.8－2023.3	Ozone catalyst and chemical mixing system at Plant IV	None
Equipment contract	Lai Yi Corporation Co., Ltd.	2022.1 - 2023.3	Glass Reactor at Plant II	None
Engineering contrac	Hong Yang Air-Conditioning Engineering Co., Ltd.	2022.10－2023.4	C-beam and wave plate renewal/repair of Plant I	None
Engineering contrac	Ettech System Technology Co., Ltd.	2022.12－2023.5	Program control system construction project/CSTR-F180 continuous production project at Plant I	None
Procurement contracts	IBM Taiwan Corporation	2022.12 – 2025.12	Implementation of SAP application system.	None
Engineering contrac	Sinotech Environmental Technology Ltd.	2020.4 – 2025.7	Soil remediation at Plant III	None
Procurement contracts	Hua Ya Automobile Co., Ltd	2016.4 –2026.4	Procurement of steam at Plant III	None

Financial Information, Financial Performance, And Risk Management

I. Condensed Balance Sheet and Comprehensive Income Statement Data in the Most Recent five (5) Years

(I) Condensed Balance Sheet and Comprehensive Income Statement Data

Condensed Balance Sheet - Consolidated

Unit: TWD thousand

Year Item		Financial data in the most recent 5 years (Note 1)				
		2022	2021	2020	2019	2018
Current assets		6,904,206	7,036,850	6,344,115	6,302,008	6,577,789
Property, plant and equipment (Note 2)		4,541,097	4,891,430	5,265,817	5,527,737	5,754,565
Intangible assets		151,334	115,756	119,744	122,455	131,270
Other assets (Note 2)		1,535,866	2,092,234	1,496,713	1,671,162	1,394,402
Total assets		13,132,503	14,136,270	13,226,389	13,623,362	13,858,026
Current liabilities	Before distribution	2,769,249	3,417,561	3,029,687	3,982,351	4,070,946
	After distribution	—	3,691,437	3,194,013	4,146,677	4,344,822
Non-Current liabilities		1,556,557	1,612,435	1,808,319	1,502,292	1,873,884
Total liabilities	Before distribution	4,325,806	5,029,996	4,838,006	5,484,643	5,944,830
	After distribution	—	5,303,872	5,002,332	5,648,969	6,218,706
Equity attributable to owners of the parent company		8,455,072	8,806,140	8,087,304	7,823,140	7,599,139
Capital stock		5,477,522	5,477,522	5,477,522	5,477,522	5,477,522
Capital surplus		474,558	474,558	474,558	474,558	473,558
Retained earnings	Before distribution	2,432,588	2,248,765	2,019,285	1,901,498	1,797,826
	After distribution	—	1,974,889	1,854,959	1,737,172	1,523,950
Other equity		70,404	605,295	115,939	(30,438)	(149,767)
Treasury stock		—	—	—	—	—
Non-controlling interests		351,625	300,134	301,079	315,579	314,057
Total equity	Before distribution	8,806,697	9,106,274	8,388,383	8,138,719	7,913,196
	After distribution	—	8,832,398	8,224,057	7,974,393	7,639,320

* If the Company has prepared individual financial statements, it shall also prepare the individual condensed balance sheets and comprehensive income statements for the most recent five (5) years separately.

* If the financial information prepared based on IFRSs refers to that for less than the most recent five (5) years, the Company shall also prepare the financial information based on the R.O.C. Financial Accounting Standards as shown in the following Table (2): Not applicable.

Note 1: The years of which data has not been audited by the CPA shall be noted.

Note 2: Those who have applied for asset revaluation in the current year shall list the date of processing and the value of revaluation.

Note 3: As of the date when the annual report is printed, companies that have been listed or whose stocks have been traded in the securities firm's business locations shall be disclosed together if they have the latest financial data audited by the CPA.

Note 4: For the above figures referred to as the number after distribution, please fill in according to the resolution of the shareholders' meeting of the next year.

Note 5: Financial data shall be listed with the corrected or restated numbers and be noted with the circumstances and reasons once the Company has been notified by the competent authority to make corrections or restatements by itself.

Condensed Balance Sheet - Individual

Unit: TWD thousand

Year Item		Financial data in the most recent 5 years				
		2022	2021	2020	2019	2018
Current assets		4,772,605	5,111,590	4,518,431	4,389,443	4,678,231
Property, plant and equipment		3,687,171	3,967,108	4,244,980	4,407,578	4,532,783
Intangible assets		148,171	110,565	112,489	113,779	120,734
Other assets		3,017,438	3,459,076	2,881,641	3,046,677	3,051,516
Total assets		11,625,385	12,648,339	11,757,541	11,957,477	12,383,264
Current liabilities	Before distribution	1,925,031	2,456,307	2,094,534	2,922,645	3,004,070
	After distribution	—	2,730,183	2,258,860	3,086,971	3,277,946
Non-Current liabilities		1,245,282	1,385,892	1,575,703	1,211,692	1,780,055
Total liabilities	Before distribution	3,170,313	3,842,199	3,670,237	4,134,337	4,784,125
	After distribution	—	4,116,075	3,834,563	4,298,663	5,058,001
Equity attributable to owners of the parent company		—	—	—	—	—
Capital stock		5,477,522	5,477,522	5,477,522	5,477,522	5,477,522
Capital surplus		474,558	474,558	474,558	474,558	473,558
Retained earnings	Before distribution	2,432,588	2,248,765	2,019,285	1,901,498	1,797,826
	After distribution	—	1,974,889	1,854,959	1,737,172	1,523,950
Other equity		70,404	605,295	115,939	(30,438)	(149,767)
Treasury stock		—	—	—	—	—
Non-controlling interests		—	—	—	—	—
Total equity	Before distribution	8,455,072	8,806,140	8,087,304	7,823,140	7,599,139
	After distribution	—	8,532,264	7,922,978	7,658,814	7,325,263

Condensed Comprehensive Income Statement - Consolidated

Unit: TWD thousand

Year / Item	Financial data in the most recent 5 years (Note 1)				
	2022	2021	2020	2019	2018
Operating revenue	8,891,702	9,200,988	7,769,066	9,332,076	9,621,019
Operating gross profit	1,995,171	2,213,482	1,568,822	2,037,340	2,165,218
Operating income	380,756	552,776	204,636	403,633	507,464
Non-operating revenue and expense	103,078	44,664	60,140	52,437	12,080
Net income before tax	483,834	597,440	264,776	456,070	519,544
Net income of going-concern operation unit	392,540	481,829	205,022	349,237	407,920
Loss from discontinued unit	—	—	—	—	—
Net income (loss)	392,540	481,829	205,022	349,237	407,920
Other comprehensive income (Net amount after tax)	(427,365)	407,333	208,968	132,755	(263,835)
Total comprehensive income	(34,825)	889,162	413,990	481,992	144,085
Net income attributable to owners of the parent company	374,432	472,970	213,279	362,447	401,983
Net income attributable to non-controlling interests	18,108	8,859	(8,257)	(13,210)	5,937
Comprehensive income attributable to owners of the parent company	(77,192)	883,162	428,490	496,877	138,502
Comprehensive income attributable to non-controlling interests	42,367	6,000	(14,500)	(14,885)	5,583
EPS	0.68	0.86	0.39	0.66	0.73

* If the Company has prepared individual financial statements, it shall also prepare the individual condensed balance sheets and comprehensive income statements for the most recent five (5) years separately.

* If the financial information prepared based on IFRSs refers to that for less than the most recent five (5) years, the Company shall also prepare the financial information based on the R.O.C. Financial Accounting Standards as shown in the following Table (2): Not applicable.

Note 1: The years of which data has not been audited by the CPA shall be noted.

Note 2: As of the date when the annual report is printed, companies that have been listed or whose stocks have been traded in the securities firm's business locations shall be disclosed together if they have the latest financial reports audited by the CPA.

Note 3: Loss from discontinued unit is listed with the net value after deducting income tax.

Note 4: Financial data shall be listed with the corrected or restated numbers and be noted with the circumstances and reasons once the Company has been notified by the competent authority to make corrections or restatements by itself.

Condensed Comprehensive Income Statement - Individual

Unit: TWD thousand

Year / Item	Financial data in the most recent 5 years				
	2022	2021	2020	2019	2018
Operating revenue	6,782,782	7,509,370	6,085,544	7,203,554	7,405,726
Operating gross profit	1,387,213	1,614,716	1,097,126	1,410,577	1,495,962
Operating income	265,176	450,009	210,185	354,298	427,447
Non-operating revenue and expense	184,834	103,757	51,657	94,773	66,464
Net income before tax	450,010	553,766	261,842	449,071	493,911
Net income of going-concern operation unit	374,432	472,970	213,279	362,447	401,983
Loss from discontinued unit	—	—	—	—	—
Net income (loss)	374,432	472,970	213,279	362,447	401,983
Other comprehensive income (Net amount after tax)	(451,624)	410,192	215,211	134,430	(263,481)
Total comprehensive income	(77,192)	883,162	428,490	496,877	138,502
Net income attributable to owners of the parent company	—	—	—	—	—
Net income attributable to non-controlling interests	—	—	—	—	—
Comprehensive income attributable to owners of the parent company	—	—	—	—	—
Comprehensive income attributable to non-controlling interests	—	—	—	—	—
EPS	0.68	0.86	0.39	0.66	0.73

(II) Name of CPA and audited opinions

Year	Name of CPA		Audited opinions
2018	KPMG	Ya-Ling Chen Chun-Hsiu Kuang	Unqualified opinion
2019-2022	KPMG	Chia-Chien Tang Ya-Ling Chen	Unqualified opinion

II. Financial analysis for the most recent 5 years

(I) Financial analysis - consolidated financial statements

Analysis items (Note 3) \ Year (Note 1)		Financial analysis for the most recent 5 years				
		2022	2021	2020	2019	2018
Financial Structure (%)	Debt ratio	33	36	37	40	43
	Long term fund to property, plant and equipment ratio	228	219	194	174	170
Liquidity analysis (%)	Current ratio	249	206	209	158	162
	Quick ratio	102	99	100	67	66
	Interest coverage	7	13	5	5	6
Operating Performance Analysis	Account receivable turnover (times)	5.3	5.4	4.8	5.4	5.3
	Average collection turnover	69	68	76	68	69
	Inventory turnover (times)	1.8	2.1	1.9	2.0	2.1
	Account payable turnover (times)	13.8	12.3	12.2	13.6	11.8
	Average inventory turnover days	198	175	197	182	175
	PPE turnover (times)	1.9	1.8	1.4	1.7	1.7
	Total assets turnover(times)	0.7	0.7	0.6	0.7	0.7
Profitability	ROA (%)	3	4	2	3	3
	ROE (%)	4	6	2	4	5
	Net income before tax to paid-up capital ratio (%) (Note 7)	9	11	5	8	9
	Net margin (%)	4	5	3	4	4
	EPS (TWD)	0.68	0.86	0.39	0.66	0.73
Cash flow	Cash flow ratio (%)	31	22	46	32	18
	Cash flow adequacy ratio (%)	133	132	121	97	79
	Cash reinvestment ratio (%)	3	3	6	5	3
Leverage	Operating leverage	6	5	10	6	5
	Financial leverage	1.2	1.1	1.5	1.3	1.2

The reasons for the change of each financial ratio in the most recent two years:

1. The increase in current ratio was mainly due to the decrease in current liabilities.
2. The decrease in the interest coverage ratio was mainly due to the decrease in net profit before tax and the increase in interest expenses in the current period.
3. Return on assets, return on equity, ratio of pre-tax net profit to paid-in capital, net profit ratio and earnings per share decrease, mainly due to decrease in net profit for the period.
4. The increase in cash flow ratio was mainly due to the increase in net cash flow from operating activities and the decrease in current liabilities.
5. The decrease of operating leverage was mainly due to the decrease of Operating income.

Financial analysis - individual financial statements

Year (Note 1) Analysis items (Note 3)		Financial analysis for the most recent 5 years				
		2022	2021	2020	2019	2018
Financial Structure (%)	Debt ratio	27	30	31	35	39
	Long term fund to property, plant and equipment ratio	263	257	228	205	207
Liquidity analysis (%)	Current ratio	248	208	216	150	156
	Quick ratio	95	105	105	64	64
	Interest coverage	10	23	8	7	8
Operating Performance Analysis	Account receivable turnover (times)	5.2	5.5	4.9	5.5	5.2
	Average collection turnover	70	67	74	66	71
	Inventory turnover (times)	2.0	2.5	2.1	2.3	2.4
	Account payable turnover (times)	12.4	11.3	11.6	13.0	11.0
	Average inventory turnover days	179	146	171	160	154
	PPE turnover (times)	1.8	1.8	1.4	1.6	1.7
	Total assets turnover(times)	0.6	0.6	0.5	0.6	0.6
Profitability	ROA (%)	3	4	2	3	4
	ROE (%)	4	6	3	5	5
	Net income before tax to paid-up capital ratio (%) (Note 7)	8	10	5	8	9
	Net margin (%)	6	6	4	5	6
	EPS (TWD)	0.68	0.86	0.39	0.66	0.73
Cash flow	Cash flow ratio (%)	29	29	55	35	24
	Cash flow adequacy ratio (%)	120	123	109	90	66
	Cash reinvestment ratio (%)	2	3	5	4	3
Leverage	Operating leverage	6	4	8	5	5
	Financial leverage	1.2	1.1	1.2	1.2	1.2

The reasons for the change of each financial ratio in the most recent two years:

1. The increase in current ratio was mainly due to the large decrease in current liabilities.
2. The increase in the interest coverage ratio was mainly due to the decrease in pre-tax net profit and the increase in interest expenses.
3. The decrease in inventory turnover and the increase in average sales days were mainly due to the decrease in net sales and the increase in inventory in the current period.
4. Return on assets, return on equity, ratio of net profit before tax to paid-in capital, and earnings per share decreased, mainly due to decrease in net profit for the period.
5. The decrease in cash flow allowable ratio and reinvestment ratio was mainly due to the decrease in net cash inflow from operating activities.
6. The increase in operating leverage was mainly due to the decrease in operating income.

Note 1: The years of which data has not been audited by the CPA shall be noted.

Note 2: As of the date when the annual report is printed, companies that have been listed or whose stocks have been traded in the securities firm's business locations shall be analyzed together if they have the latest financial data audited by the CPA.

Note 3: The following calculation formulas must be listed at the end of the foregoing table:

1. Financial structure
   (1) Debt ratio= Total Liabilities / Total Assets
   (2) Long-term funds to property, plant and equipment = (Total equity + Non-current liabilities) / Property, plant and equipment, net
2. Liquidity analysis
   (1) Current ratio = Current assets / Current liability
   (2) Quick ratio = (Current Assets - Inventories - Prepaid expenses) / Current liability
   (3) Times interest earned = Profit Before Credit for Income Tax / Current interest expense
3. Operating performance analysis
   (1) Average collection turnover (Including Accounts Receivable and Notes Receivable from operation) = Sales / Average trade receivables
   (2) Days to collect accounts receivable = 365 / Average collection turnover
   (3) Average inventory turnover = Cost of goods sold / Average inventories
   (4) Average payment turnover (Including Accounts Payable and Notes Payable from operation) = operating costs / Average trade payables
   (5) Average days to sell inventory = 365 / Average inventory turnover
   (6) Property, plant and equipment turnover rate = Net sales / average property, plant and equipment, net
   (7) Total assets turnover = Sales / Average total assets
4. Profitability
   (1) Rate of return on assets = [Profit + Interest expense x (1 - Tax rate)] / Average assets
   (2) Rate of return on equity = Profit / Average total Equity
   (3) Profit to sales = Profit / Sales
   (4) Earnings per share = (Equity attributable to owners of parent - Dividend-preferred stock) / Weighted average outstanding shares (Note 4)
5. Cash flow
   (1) Cash flow ratio = Net cash provided by operating activities / Current liability
   (2) Cash flow adequacy ratio = 5-year net cash provided by operating activities / 5-year (Capital expense + Increase in inventories + Cash dividend)
   (3) Cash flow reinvestment ratio = (Net cash provided by operating activities - Cash dividend) - (Property, plant and equipment, net + Long-term investments + Other non-current assets + Operating Capital) (Note 5)
6. Leverage:
   (1) Operating Leverage= (Net operating revenue – Variable cost and expense) / Operating income (Note 6)
   (2) Financial leverage = Operating income / (Operating income – Interest expenses)

Note 4: Please note the following when measuring based on said calculation of EPS:

1. Based on the number of weighted average common shares, instead of the number of shares already issued at the end of year.
2. In the event of cash capital increase or exchange of treasury stock, please take the outstanding period into consideration when calculating the weighted average outstanding shares.
3. In the event of recapitalization of earnings or capital surplus, the calculation of annual and semi-annual EPS in the past shall be adjusted retroactively subject to the capital increase ratio, without taking the issuance period for the capital increase into consideration.
4. If the preferred stock refers to non-convertible accumulated preferred stock, the current stock dividend (whether allocated or not) shall be deducted from the net income after tax, or the net loss after tax should be increased. If the preferred stock refers to non-accumulated preferred stock, the preferred stock dividend shall be deducted from the net income after tax, if any, provided that if the Company suffers loss, it is not necessary to make the adjustment.

Note 5: Please note the following when measuring under cash flow analysis:

1. The net cash flow from operating activities means the net cash inflow from operating activities in the statement of cash flow.
2. The capital expenditure means the cash outflow from the capital investment each year.
3. The increase in inventory will be included only when the balance at ending is more than the balance at beginning. If the inventory decreases at the end of year, it should be calculated as 0.
4. The cash dividend includes the cash dividend on common stock and preferred stock.
5. The gross of property, plant and equipment means the total property, plant and equipment before deduction of accumulated depreciation.

Note 6: The issuer shall categorize various operating costs and expenses into fixed and floating ones by nature. If any estimation or subjective judgment is involved, please note the reasonableness and consistency thereof.

Note 7: If the Company’s stock is a no-par-value stock or stock with par value other than TWD10, the paid-in capital ratio mentioned above shall be calculated based on the percentage of the equity attributed to owners of parent company in the balance sheet.

III. Audit Report of Audit Committee

Audit Committee's Review Report, Everlight Chemical Industrial Corporation

The Board of Directors have prepared the Company's 2022 Business Report, financial reports and the Motion of Earnings Distribution, etc., among which the financial reports have been audited by CPAs of KPMG, Chia-Chien Tang and Ya-Ling Chen, who have also prepared the audit reports. After the above Business Report, financial reports and the Motion of Earnings Distribution have been audited, the Audit Committee does not regard them as inappropriate and thus submits the report as above in accordance with the Securities and Exchange Act and Company Act.

Yours sincerely

To

The Company's 2023 General Shareholders' Meeting

Convener of Audit Committee, Wu, Chung-Fern

Commissioner：Yang, Way-Wen

Commissioner：Chang, Yuan-Jan

Mar. 15, 2023

IV. If any financial problems are encountered by the Company and its affiliates which might affect the financial conditions of the Company in the most recent year and until the date of publication of this annual report, their impacts on the Company's financial condition shall be clarified: None.

V. Comparative analysis of financial conditions

Unit: TWD thousand

Item / Year	2022	2021	Difference	
			Dollar amount	%
Current assets	6,904,206	7,036,850	(132,644)	(2)
Property, plant and equipment	4,541,097	4,891,430	(350,333)	(7)
Intangible assets	151,334	115,756	35,578	31
Other non-current assets	1,535,866	2,092,234	(556,368)	(27)
Total assets	13,132,503	14,136,270	(1,003,767)	(7)
Current liabilities	2,769,249	3,417,561	(648,312)	(19)
Non-Current liabilities	1,556,557	1,612,435	(55,878)	(3)
Total liabilities	4,325,806	5,029,996	(704,190)	(14)
Capital stock	5,477,522	5,477,522	0	—
Capital surplus	474,558	474,558	0	—
Retained earnings	2,432,588	2,248,765	183,823	8
Other equity	70,404	605,295	(534,891)	(88)
Non-controlling interests	351,625	300,134	51,491	17
Shareholders' equity	8,806,697	9,106,274	(299,577)	(3)

1. The main reasons for the significant changes of assets, liabilities and equity in the most recent two (2) years:
   (1) The increase in intangible assets is mainly due to the addition of SAP computer software in the current year.
   (2) The decrease in other non-current assets is mainly due to the reduction of "financial assets at fair value through other comprehensive income".
   (3) The decrease in other equity is mainly due to the decrease in "unrealized gains or losses on financial assets at fair value through other comprehensive income".
2. Future response plan for matters with significant influence: There are no matters that have significant influence on the Company’s financial condition.

VI. Financial performance

Unit: TWD thousand

Year Item	2022	2021	Increase (decrease) dollar amount	Changes %
Operating revenue	8,891,702	9,200,988	(309,286)	(3)
Operating cost	6,896,531	6,987,506	(90,975)	(1)
Operating gross profit	1,995,171	2,213,482	(218,311)	(10)
Operating expense	1,614,415	1,660,706	(46,291)	(3)
Net operating profit	380,756	552,776	(172,020)	(31)
Non-operating revenue and expense	103,078	44,664	58,414	131
Pre-tax profit of going-concern operation department	483,834	597,440	(113,606)	(19)
Income tax expense	91,294	115,611	(24,317)	(21)
Net income after tax of going-concern operation department	392,540	481,829	(89,289)	(19)

1. The main reasons for the significant changes of operating revenue, operating income and pre-tax income in the most recent two (2) years:
   (1) The decrease in operating income is mainly due to the decline in revenue and a lower decrease in operating costs.
   (2) The increase in non-operating income and expenses is mainly due to exchange losses in 2021 and exchange gains in 2022.
   (3) The decrease in income tax expenses is mainly due to the decrease in operating income.
2. For expected sales volume and its reference, please refer to Summary of Operation Plan.
3. Possible impacts on the Company's future financial operations and response measures: There are no significant impacts.

VII. Cash Flows

(I) The analysis of cash flow changes during recent year and corrective measures to be taken in response to illiquidity

1. The increase of cash flow ratio was mainly due to the increase of net cash flows from operating activities and the decrease of current liabilities compared with last period.
2. The increase of cash flow adequacy ratio was mainly due to the decrease in capital expenditures in the last five years.
3. The cash reinvestment ratio was flat, although the net cash flow from operating activities increased compared with the previous period, and the cash dividend also increased compared with the previous period.
4. Corrective measures to be taken in response to insufficient liquidity: Not applicable.

(II) Liquidity analysis for the coming year:

Unit: TWD thousand

Cash - beginning balance (1)	Expected net cash flow from operating activities for the year (2)	Expected cash outflow (3)	Expected cash balance (insufficiency) (1)＋(2)－(3)	Countermeasures against cash insufficiency	
				Investment plan	Wealth management plan
1,215,150	1,080,000	1,262,000	1,033,150	0	0

1. Net cash flows from operating activities: mainly due to the profit and depreciation recognition.
2. Cash outflows: mainly due to the payment of each factory's capital expenditure , the payment of cash dividends.

VIII. Impact of major capital expenditures on financial operations in the most recent year

Not applicable; there are no significant impacts on the Company's financial operations.

IX. Reinvestment policy in the most recent year, the main reasons for the profit or loss, improvement plans and investment plans in the upcoming year：Not applicable

X. Risk Items

(I) Risk management policy and procedures

The Company's risk management policy is "implementing risk management and ensuring sustainability operation," which has been discussed and passed by the Board of Directors on Nov. 14, 2013.

With reference to "ISO 31000:2018 Risk management — Guidelines" and related materials, the Company developed the "Risk Management Procedure," discussed and approved by the Board of Directors on December 17, 2020.

(II) Risk management strategy

1.Establishing risk management strategy for the Group's operation.
2.Implementing educational trainings to strengthen the staff's risk awareness.
3.Providing insight about the fluctuation trend of operation environment.
4.Abiding by international product safety rules.
5.Ensuring industrial safety and environmental protection.

(III) Risk management organization and operation

We have established a Risk Management Committee chaired by the Chairman. The Committee is jointly run by the General Manager, production, financial and other managers. Each year, 2 Risk Management Committee meetings are held to discu ss internal and external risk issues. The results of the Risk Management Committee meetings are reported to the next Board meeting in order to learn about the views of the Board members so that subsequent operating activity is adjusted and implemented accordingly.

For the first meeting of the Risk Management Committee every year, the risk topics are prioritized by referring to the "BCI Horizon Scan Report" for discussing the countermeasures that the Company should adopt; for the second meeting of the Risk Management Committee, the risk assessment outcomes submitted by each unit are reviewed and discussed, to select the risk issues that the whole company needs to address first, and to develop the "Business Continuity Management (BCM) Plan" accordingly.

Every year, the executive secretary of the Risk Management Committee reports to the Board of Directors on the operations of the Risk Management Committee for the year and the results of discussions on various topics. The operations of Risk Management Committee in 2022 were reported to the Board of Directors on May 12 and November 15.

The Company has established a "Business Continuity Management System (BCMS)" in accordance with ISO 22301.Regular third-party audits are conducted every year to verify the effectiveness of the management system.

(IV) Risk management policy and scope

We classify the risks we face into seven major categories (market risk, political risk, environmental risk, legal risk, financial risk, operational risk, and other risks). The handling strategies/treatment principles for each category of risk are set forth in the "Risk Management Procedures". Each responsible unit oversees the evaluation, reporting and execution of response/preparedness plans within their business scope so as to reduce possible impact or risk hazards.

The risk categories and control mechanisms are as follows:

1.Market risks: Each business division and functional unit conducts annual risk assessments of operating guidelines, analyzes and evaluates changes in laws, policies and the market, to formulate and implement various strategies.
2.Political risks: General Manager's Office will report the latest information and intelligence to the Company's business meeting or Risk Management Committee to discuss and implement countermeasures.
3.Environmental risks: The environmental and resource management unit at the plant site take risk issues

such as the external environment and climate change into account and review the Company's internal weaknesses every year, conduct risk assessments, select and submit risk issues that need to be addressed first, and reduce operational impact.

4.Legal risks: Based on the authorities and responsibilities of each plant division and functional unit, changes in laws and regulations are closely monitored, and various corresponding measures are implemented; the implementation results are reported to the "Compliance Management Committee."

5.Financial risk, liquidity risk, credit risk and legal risk: The financial accounting and legal units formulate and implement various strategies, and take various response measures according to the analysis of laws, policies and market changes. The Audit Office controls over and audits on the risk items mentioned above.

6.Operational risks: The risk assessment of the annual operating guidelines and the management system is carried out by the management team of each business division each and functional office, to adopt proper strategies and measures and conduct regular performance tracking, to ensure that the operational strategies are in line with the Company's vision and that operational objectives are achieved.

7. Other risks: Based on their authorities and responsibilities, each unit will be alert at all times, and submit response/pre-response plans for execution upon approval by the responsible supervisor.

(V)Various risk evaluation

The analysis for the risk items in the latest annual report and up to the date when the annual report was printed is as follows:

1. The influence of changes in interest rates and exchange rates and inflation on the Group's profit and loss and future countermeasures:

(1) Changes in interest rates:

The Group's main borrowing currencies are US dollar and New Taiwan dollar. Over the past 15 months, various countries have successively raised interest rates, which is expected to increase the Group's interest expenses in 2023 by about NT$20 million compared with 2022. Although the decline in global demand will slow down in 2023, as the overall inflationary pressure remains high, central banks around the world are expected to raise interest rates slowly to combat the soaring inflation.

The short-term and long-term borrowings of the Group are debts with floating interest rates. Changes in market interest rates will cause the effective interest rates of short-term and long-term borrowings to change, which will cause future cash flows to fluctuate. If market interest rate increases by 1%, the Group's net profit will decrease by about TWD 20 ~ 30 million.

The Group will continue to closely observe the trend of interest rates, and use interest rate hedging or other capital market financing channels in a timely manner to control the Group's financing costs to a relatively low point of market interest rates.

(2) Exchange rate fluctuation:

The Group's import and export is mainly based on USD and RMB. It is estimated that the appreciation of one NTD will reduce the Group's net profit margin by approximately 1%. In 2022, due to the 9.8% depreciation of the Taiwan dollar against the US dollar, the Group will have an exchange benefit of NT$69 million The Group's foreign exchange policy is based on the principle that the foreign exchange position is self-squared, and the surplus or needed parts of the account are hedged in a timely manner. In addition, the Group's borrowings of Everlight (Suzhou) Advanced Chemicals Ltd., a subsidiary in Mainland China, was unable to be hedged because they are USD borrowings of foreign debts. The Group has consulted the bank to lend in RMB to facilitate the self-squaring of foreign exchange position to reduce the risk.

(3) Inflation:

In 2022, the year-on-year growth rate of the domestic Consumer Price Index was 2.95%. According to the estimate of the Directorate General of Budget, Accounting and Statistics, Executive Yuan, the year-on-year growth rate of the domestic Consumer Price Index in 2023 is expected to be 2.16%, indicating continuing inflationary pressures. The U.S.-Russia war has not come to a ceasefire, and although inflation data in countries such as the United States and Europe have declined, they are far from the inflation target, indicating persistent inflationary pressures. Being impacted by inflation, the Company's costs are expected to increase. With operating costs continuing to increase, the Company will make timely adjustments on the prices of competitive products to reduce the impact of inflation on operations.

2. The policy, main reasons for the profit or loss, and future response measures of high risk, high leverage investment, lending of capital, endorsements and guarantees and derivatives tradings:

   (1) The Company does not engage in investments of high risk and high leverage.

   (2) Lending of capital, endorsements and guarantees: The purpose of the Company's lending of capital and endorsements and guarantees is to deal with the fund transfer within the group, which is handled according to the “Management Rules for Lending of Capital, Endorsements and Guarantees” formulated by the Company in accordance with government regulations. For the Company's lending of capital, endorsements and guarantees in 2022, please refer to XIII. Note Disclosure of Consolidated Financial Report.

   (3) Derivatives tradings: The Company's derivatives tradings are for the purpose of hedging (including financial hedging) and the trading commodities should be selected to avoid the risks arising from the Company's business operations, which are based on the Company's “Regulations Governing Derivatives Transactions” in accordance with government regulations. In order to avoid the impact of exchange rate changes, the derivatives business of foreign exchange in 2022 was mainly foreign currency option contracts. For its profit or loss, please refer to the notes VI (2) of Consolidated Financial Report. In addition, since Mar. 1, 2016, the FSC has set up many restrictions on financial derivative products. The Company will continue to pay attention to the exchange rate changes of the foreign currencies held and abide by relevant operational regulations of the competent authority. The restrictions mentioned above have not had a significant impact on the financial operations of the Company.

3. Research and development (R&D) plans to be carried out in the future and the expected R&D expenditures:

   For sustainability operation and international development, Everlight Chemical is expected to invest TWD390 million in R&D expense in 2022. For future R&D plans, please refer to the section of Operational Profile about the new products planned to be developed.

4. The influence of important policies and changes in laws at home and abroad on the Company’s financial business and the countermeasures:

   The original "Greenhouse Gas Reduction and Management Act" was renamed as the "Climate Change Response Act" and was passed on the third reading on January 10, 2023. The act was then amended and announced on February 15, 2023, which includes a national long-term greenhouse gas reduction goal of achieving net-zero emissions by 139 years, and the incorporation of carbon pricing and review mechanisms into the law.

   In response to the aforementioned law, our company has established a cross-departmental climate change task force dedicated to handling climate-related risks and opportunities. We will continue to follow government regulations and implement various mitigation and adaptation strategies to reduce the negative impacts of climate change and policy changes on our operations. As for our company's Task Force on Climate-related Financial Disclosures (TCFD), it is reported in a dedicated chapter within our sustainability report.

   The Company has established a compliance management system, and the relevant departments conduct timely compliance checks on important policies and legal changes in accordance with internal regulations, while implementing necessary improvement or pre-response measures, such as adjusting internal systems or business activities, in order to comply with important domestic and foreign policies and legal requirements, and to reduce the Company’s financial impact.

5. Effect of technology development and industrial change (including cyber security risks) on the Company's financial operations, and measures to be taken in response:

   The wave of intelligent technology transformation in the industry, driven by artificial intelligence, cloud computing, and Industry 4.0, has made cybersecurity risk management increasingly important. Our company has implemented the ISO 27001 information security management system, continuously trains employees to raise their awareness and prevention capabilities, increase investments in cybersecurity, update network hardware and software, and strengthen backup and disaster recovery infrastructure to ensure effective cybersecurity management.

   In response to the international trend of achieving net-zero carbon emissions, the chemical industry needs to develop alternative energy and material sources to replace petrochemicals and coal. Circular economy, renewable energy, recycled and biobased materials have become key issues in the development of the chemical industry. In addition, the development of green synthesis pathways with low pollution and toxicity, the use of catalysts, biomimetic chemical processes, microreactors, and other green chemistry technologies all have important long-term impacts on the industry. Our company actively promotes green chemistry and circular economy strategies, and our product development and raw material usage are aligned with these strategic goals.

6. Effect of corporate image change on the Company's crisis management, and measures to be taken in response:

   Since its establishment, the Company has been adhering to the business principle of "decent management," doing the right thing in the spirit of honesty, law-abiding and fairness, establishing a good reputation and image, and has been well received by all circles. There are no risks of changing business image.

7. Expected benefits and possible risks associated with any merger and acquisitions, and response measures to be taken:

   As of the printed date, there are no plans for merger and acquisition, and thus is not applicable here.

8. Expected benefit and possible risk associated with plant expansion, and measures to be taken in response: None.

9. Risks associated with purchasing or sales consolidation, and measures to be taken in response:

   The amount of single customer or supplier of the Company in 2022 was less than 10% of the total sales or purchase amount, and there was no risk of concentrated sales.

10. Effect upon and risk to the Company in the event a major quantity of shares held by a director or a major shareholder with more than 10% shareholding has been transferred or changed hands, and measures to be taken in response:

    The directors of the Company and the major shareholder holding more than 10% of the shares have no significant transfer of shares and replacement of seats, which has no impacts on the Company and no special response measures are required.

11. Effect upon and risk to Company associated with any change in governance personnel or top management, and measures to be taken in response:

    The major shareholders of the Company all focused on the operation of their own business, and harmoniously and unanimously support the development of the Company's various business development. There should be no risk of changes in management rights, and no special response measures are required.

12. Litigious and non-litigious matters: List major litigious, non-litigious or administrative disputes that involve the Company and/or any of the Company’s directors, supervisors, general manager, any persons with actual responsibility for the Company, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the Company and have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report:

    None of the above-mentioned people of the Company have the conditions mentioned in the previous paragraph.

13. Other important risks and response measures: None.

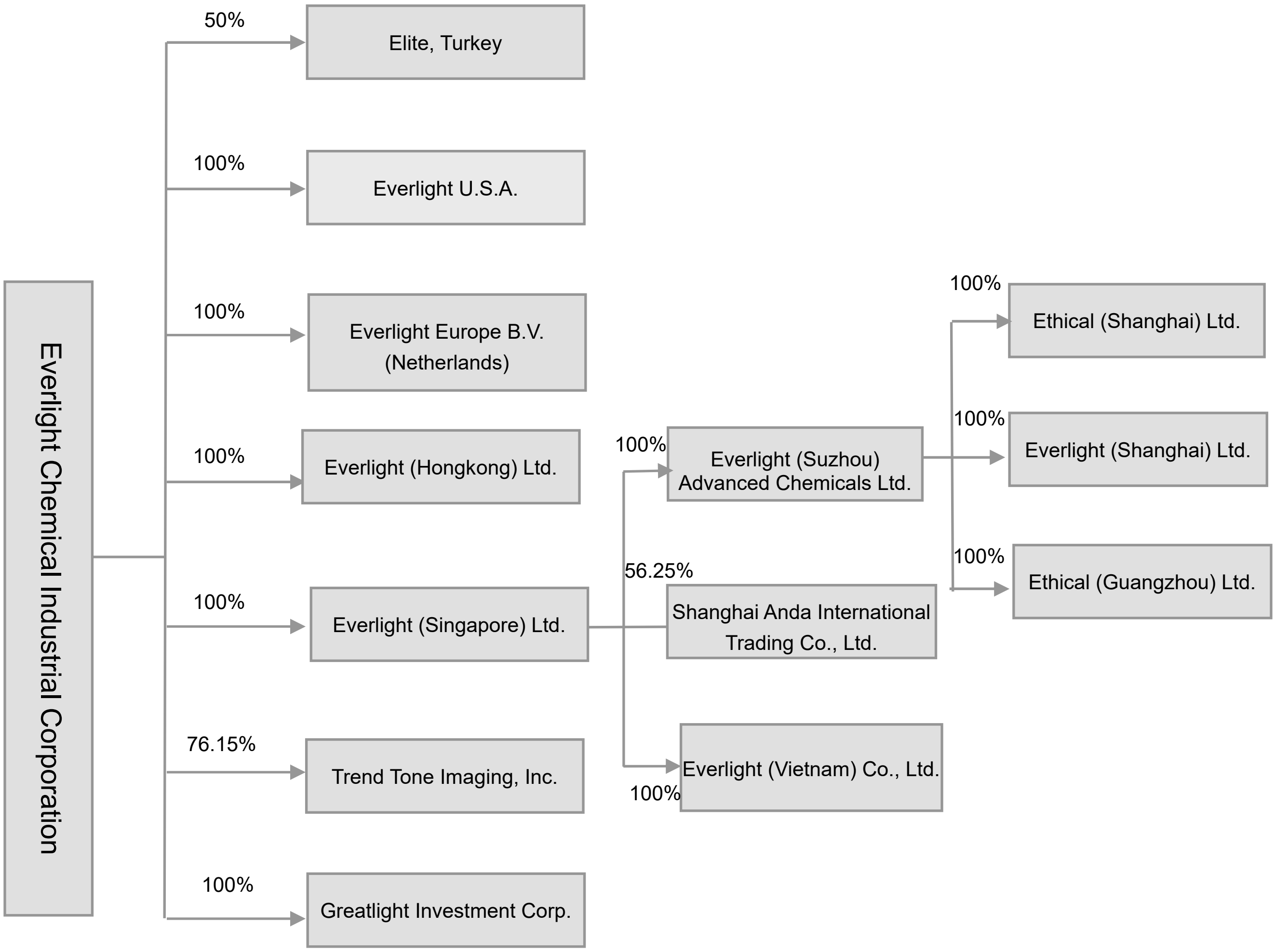
XI. Other important matters:

Special Disclosure

I. Information Related to the Company's Affiliates

(I) Overview of affiliates

1. Affiliates’ Organizational Chart: Mar. 30, 2023



2. Basic information of affiliates:

Unit: TWD thousand

Name of business	Date of establishment	Address	Paid-in capital	Scope of business/production
Parent company Everlight Chemical Industrial Corporation	Sep. 7, 1972	Taipei City	NTD 5,477,522	Color chemicals, Specialty chemicals, pharmaceuticals, and electronic chemicals
Elite, Turkey	Apr. 24, 1989	Turkey	USD 5,604	Merchandising chemical products and materials
Everlight U.S.A.	Apr. 3, 1991	USA	USD 3,000	Merchandising chemical products and materials
Everlight Europe B.V. (Netherlands)	Dec. 18, 1996	Netherlands	EUR 227	Merchandising chemical products and materials
Everlight (Hongkong) Ltd.	Jun. 23, 1992	Hong Kong	HKD 10,000	Merchandising chemical products and materials
Everlight (Singapore) Ltd.	Dec. 18, 1997	Singapore	USD 24,800	Investment as profession
Everlight (Suzhou) Advanced Chemicals Ltd.	Mar. 15, 2006	Suzhou	USD 23,650	Production and sale of high-tech chemicals for toner and electronics
Ethical (Shanghai) Ltd.	Apr. 6, 1998	Shanghai	RMB13,024	Merchandising chemical products and materials
Everlight (Shanghai) Ltd.	Nov. 15, 2005	Shanghai	RMB10,091	Merchandising chemical products and materials
Ethical (Guangzhou) Ltd.	Dec. 30, 2001	Guangzhou	RMB 5,700	Merchandising chemical products and materials
Shanghai Anda International Trading Co., Ltd.	Apr. 28, 2011	Shanghai	RMB 1,000	Sale of high-tech chemicals for electronics
Everlight (Vietnam) Co., Ltd.	Oct. 26, 2022	Vietnam	USD 400	Merchandising chemical products and materials
Trend Tone Imaging, Inc.	Apr. 9, 1990	Hsinchu City	NTD 589,680	Production and sale of toner and cartridges for laser printers, photocopiers and fax machines
Greatlight Investment Corp.	Oct. 28, 2013	Taipei City	NTD 100,000	Investment as profession

3. Presumptive reasons for the presumption of control and subordinate relationship and related information of personnel: None.

4. The industries covered by the business operations of overall affiliates and the division of labor:
   (1) All the remaining industries are chemical engineering, except that Greatlight Investment Corp. is an investment business.
   (2) Everlight (Singapore) Ltd. is a holding company that indirectly invests in Mainland China and Vietnam.
   (3) Everlight U.S.A., Everlight Europe B.V. (Netherlands), Everlight (Hongkong) Ltd., Everlight (Vietnam) Co., Ltd. and Elite, Turkey are overseas subsidiaries of the Company, which mainly engage in the sales of the parent company's products.
   (4) Ethical (Shanghai) Ltd., Everlight (Shanghai) Ltd. and Ethical (Guangzhou) Ltd., Everlight (Suzhou) Advanced Chemicals Ltd. and Shanghai Anda International Trading Co., Ltd. are the Company's reinvested companies of subsidiaries in China; the remaining companies all focus on selling the products of the parent company, except that Everlight (Suzhou) Advanced Chemicals Ltd. produces and sells the parent company's color chemicals, electronic chemicals and the toner of affiliates, and that Shanghai Anda International Trading Co., Ltd. focuses on the sales of electronic chemicals.

5. Information of directors, supervisors and general manager of the Company’s affiliates:

Mar. 30, 2023

Name of business	Title	Name or representative	Shareholding	
			Share number (shares)	Shareholding ratio (%)
Elite, Turkey	Chairman and General Manager	SAMİR GÜNAŞTI	3,942	9.00
	Director	DILER GÜNAŞTI	5,685	12.98
	Vice Chairman	Everlight Chemical Industrial Corporation Representative, Chen, Chien-Hsin	21,900	50.00
	Director	Everlight Chemical Industrial Corporation Representative, Chen, Wei-Wang		
	Director	Everlight Chemical Industrial Corporation Representative, Yang, Bao-Tai		
	Supervisor	Everlight Chemical Industrial Corporation Representative, Lee, Ming-Wen		
	Independent Supervisor	SELÇUK YÜCEL	0	0
	Independent Supervisor	FARUK DELEN	0	0
Everlight U.S.A.	Chairman	Everlight Chemical Industrial Corporation Representative, Chen, Wei-Wang	300,000	100.00
	Director	Everlight Chemical Industrial Corporation Representative, Lee, Fu-Xing		
	Director	Everlight Chemical Industrial Corporation Representative, Weng, Kuo-Pin		
	Director	Everlight Chemical Industrial Corporation Representative, Chen, Chien-Ming		
	Director	Everlight Chemical Industrial Corporation Representative, Liang,Jen-Yang		
	General manager	Li, Shi-Shiang	0	0
Everlight Europe B.V. (Netherlands)	Chairman	Everlight Chemical Industrial Corporation Representative, Chen, Wei-Wang	500	100.00
	Director	Everlight Chemical Industrial Corporation Representative, Lee, Fu-Xing		
	Chairman and General manager	Everlight Chemical Industrial Corporation Representative, Yang, Bao-Tai		
	Director	Everlight Chemical Industrial Corporation Representative, Lee, Ming-Wen		
	Director	Everlight Chemical Industrial Corporation Representative, Liang,Jen-Yang		
Everlight (Hongkong) Ltd.	Chairman	Everlight Chemical Industrial Corporation Representative, Chen, Wei-Wang	1,000,000	100.00
	Director	Everlight Chemical Industrial Corporation Representative, Hsiao, Chong-Kun		
	Director	Everlight Chemical Industrial Corporation Representative, Lee, Ming-Wen		
	Manager	Chen, Yi-Tang	0	0
Everlight (Singapore) Ltd.	Chairman	Everlight Chemical Industrial Corporation Representative, Chen, Chien-Hsin	24,800,000	100.00
	Director	Everlight Chemical Industrial Corporation Representative, Weng ,Kuo-Pin		
	Chairman and Manager	Everlight Chemical Industrial Corporation Representative, Lee, Ming-Wen		
	Director	Tan, Hwa-Seng	0	0

Name of business	Title	Name or representative	Shareholding	
			Share number (shares)	Shareholding ratio (%)
Everlight (Suzhou) Advanced Chemicals Ltd.	Chairman	Everlight (Singapore) Ltd., Representative Du, Yi-Zhong	USD 23,650,000	100.00
	Director	Everlight (Singapore) Ltd., Representative Chen, Wei-Wang		
	Director	Everlight (Singapore) Ltd., Representative Chiu, Gui-Ying		
	Director	Everlight (Singapore) Ltd., Representative Cao, Yin		
	Director and General manager	Everlight (Singapore) Ltd., Representative Jason Ju		
	Supervisor	Everlight (Singapore) Ltd., Representative Liao, Nan-Ming		
Ethical (Shanghai) Ltd.	Chairman	Everlight (Suzhou) Advanced Chemicals Ltd., Representative Liao, Nan-Ming	RMB 13,023,830	100.00
	Director	Everlight (Suzhou) Advanced Chemicals Ltd., Representative Hsiao, Chong-Kun		
	Director	Everlight (Suzhou) Advanced Chemicals Ltd., Representative Weng ,Kuo-Pin		
	Supervisor	Everlight (Suzhou) Advanced Chemicals Ltd., Representative Chen, Ru-Aei		
	General manager	Chen, Jian-Yu	0	0
Everlight (Shanghai) Ltd.	Chairman	Everlight (Suzhou) Advanced Chemicals Ltd., Representative Liao, Nan-Ming	RMB 10,090,000	100.00
	Director	Everlight (Suzhou) Advanced Chemicals Ltd., Representative Hsiao, Chong-Kun		
	Director	Everlight (Suzhou) Advanced Chemicals Ltd., Representative Weng, Kuo-Pin		
	Supervisor	Everlight (Suzhou) Advanced Chemicals Ltd., Representative Chen, Ru-Aei		
	General manager	Chen, Jian-Yu	0	0
Ethical (Guangzhou) Ltd.	Chairman	Everlight (Suzhou) Advanced Chemicals Ltd., Representative Chen, Wei-Wang	RMB 5,699,880	100.00
	Director	Everlight (Suzhou) Advanced Chemicals Ltd., Representative Hsiao, Chong-Kun		
	Director	Everlight (Suzhou) Advanced Chemicals Ltd., Representative Weng, Kuo-Pin		
	Supervisor	Everlight (Suzhou) Advanced Chemicals Ltd., Representative Lee, Ming-Wen		
	General manager	Chen, Yi-Tang	0	0
Shanghai Anda International Trading Co., Ltd.	Chairman	Anda Technology Pte Ltd., Representative Cao, Yin	RMB 437,500	43.75
	Director	Anda Technology Pte Ltd., Representative Qian, Zhi-Hao		
	Director	Everlight (Singapore) Ltd., Representative Chen, Wei-Wang	RMB 562,500	56.25
	Director	Everlight (Singapore) Ltd., Representative Jason Ju		
	Director	Everlight (Singapore) Ltd., Representative Sun, Zhe-Ren		
	Supervisor	Everlight (Singapore) Ltd., Representative Chen, Ru-Aei		

Name of business	Title	Name or representative	Shareholding	
			Share number (shares)	Shareholding ratio (%)
	General manager	Sun, Zhe-Ren	0	0
Everlight (Vietnam) Co., Ltd.	Chairman	Everlight (Singapore) Ltd., Representative Lee, Ming-Wen	USD 400	100
	Director	Everlight (Singapore) Ltd., Representative Lee, Fu-Xing		
	Director and General manager	Everlight (Singapore) Ltd., Representative Hsiao, Chong-Kun		
Trend Tone Imaging, Inc.	Chairman	Everlight Chemical Industrial Corporation Representative Du, Yi-Zhong	44,906,400	76.15
	Director	Everlight Chemical Industrial Corporation Representative Chen, Wei-Wang		
	Director	Everlight Chemical Industrial Corporation Representative Chen, Chien-Ming		
	Director	Everlight Chemical Industrial Corporation Representative Jason Ju		
	Director	Everlight Chemical Industrial Corporation Representative Huang, Jian-Sheng		
	Chairman and General manager	Everlight Chemical Industrial Corporation Representative Chiu, Gui-Ying		
	Director	OuYang, Jin-Kun	46,787	0.08
	Supervisor	Huang, Qing-Yuan	996,317	1.69
	Supervisor	Yung-De Investment Co., Ltd., Representative Weng ,Kuo-Pin	4,796,150	8.13
Greatlight Investment Corp.	Chairman	Everlight Chemical Industrial Corporation Representative Huang, Hui-Cing	10,000,000	100.00
	Director	Everlight Chemical Industrial Corporation Representative Du, Yi-Zhong		
	Director	Everlight Chemical Industrial Corporation Representative Chen, Ke-lun		
	Supervisor	Everlight Chemical Industrial Corporation Representative Weng ,Kuo-Pin		

(II) Operational highlights of business of various affiliates

Unit: TWD thousand

Dec. 31, 2022

Name of business	Capital amount	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Net income for the current period (after tax)	EPS (TWD) (after tax)
Parent company Everlight Chemical Industrial Corporation	5,477,522	11,625,385	3,170,313	8,455,072	6,782,782	265,176	374,432	0.68
Elite, Turkey	156,320	271,781	43,803	227,978	398,742	6,757	9,081	207.33
Everlight U.S.A.	86,825	298,887	149,724	149,163	620,584	15,713	14,189	47.30
Everlight Europe B.V. (Netherlands)	7,890	132,593	41,214	91,379	635,895	16,215	23,406	46,814
Everlight (Hongkong) Ltd.	34,580	48,097	6,605	41,492	92,931	650	592	0.59
Everlight (Singapore) Ltd.	794,290	959,402	96	959,306	0	0	(11,235)	(0.45)
Ethical (Shanghai) Ltd.	739,973	1,315,556	462,331	853,225	915,167	(13,474)	(15,545)	—
Everlight (Shanghai) Ltd.	53,326	240,633	79,340	161,293	248,451	16,425	12,847	—
Everlight (Suzhou) Advanced Chemicals Ltd.	39,931	237,442	89,270	148,172	315,460	(1,120)	(3,040)	—
Ethical (Guangzhou) Ltd.	22,919	138,677	37,763	100,914	164,427	5,516	8,074	—
Shanghai Anda International Trading Co., Ltd.	4,346	125,312	105,152	20,160	243,983	8,822	(3,271)	—
Everlight (Vietnam) Co., Ltd.	12,140	11,976	2	11,974	0	0	34	—
Trend Tone Imaging, Inc.	589,680	1,524,583	682,072	842,511	1,060,314	58,891	81,082	1.38
Greatlight Investment Corp.	100,000	33,473	50	33,423	0	(75)	121	0.01

Note 1: If affiliates are foreign companies, related numbers are listed with NT dollars exchanged at the rate on the reporting date.

(III) Consolidated financial statements of affiliates

Declaration

The Company is required to prepare consolidated financial statements for year 2022 (from January 1 to December 31, 2022) with its subsidiaries under the “Standards for the Preparation of Consolidated Report on Operation, Consolidated Financial Statements, and Report on Affiliations between Parent and Subsidiaries”. Subsidiaries to be included in the consolidated financial statements are identical to that prepared in accordance with IFRS 10 recognized by the FSC, and operation performance of such subsidiaries has been included in the disclosure of the aforementioned consolidated financial statement between parent and subsidiaries and therefore will not be prepared separately.

Issued by

Company name: Everlight Chemical Industrial Corporation

Chairman: Chen, Chien-Hsin

Date: Mar. 16, 2023

(IV) Affiliation Reports: None.

II. Status of private placement of securities: None.

III. Holding or disposal of shares in the Company by the Company's subsidiaries in the most recent year and until the date of publication of the annual report: None.

IV. Other Necessary Supplementary Explanations: None.

V. Any occurrence of the Matters Defined in Term 2, Provision 2, Article 36 of Securities Exchange Act that Have a Significant Impact on Shareholders’ Equity or Security Price during the most recent year and up to the date of publication of this annual report: None.

Eight. Financial Report

I. Consolid ed Financial Report

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Independent Auditors' Report

To the Board of Directors of Everlight Chemical Industrial Corporation:

Opinion

We have audited the consolidated financial statements of Everlight Chemical Industrial Corporation and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards(“IFRSs”), International Accounting Standards (“IASs”), Interpretation developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, the key audit matters we communicated in the auditors' report were are follows:

- Valuation of accounts receivable

  Please refer to Note 4(g) “Financial Instruments” for accounting policy, Note 5 for accounting assumption, judgments and estimation uncertainty of accounts receivable and Note 6(c) for the disclosure of the valuation of accounts receivable to the consolidated financial statements.

Description of key audit matters

Given the challenging economic climate, the risk of receivables recovery remains high, resulting in significant judgment being applied in the management's assessment of the recoverability of accounts receivable. Consequently, this is one of the key judgmental areas of our audit.

How the matter was addressed in our audit

Our major audit procedures included testing the adequacy of the formula of the calculation for the expected loss rate; testing the adequacy of aging report by tracing to related vouchers; evaluating the appropriateness of loss allowance and expected credit loss by testing if the loss allowance was made by expected loss rate; assessing if the evaluation document of loss allowance for accounts receivable was compliance with the Group's accounting policy; evaluating the adequacy of the disclosure of loss allowance for accounts receivable prepared by management.

Other Matter

Everlight Chemical Industrial Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit.

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

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

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

The engagement partners on the review resulting in this independent auditors' report are Chia-Chien Tang and Ya-Ling Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 16, 2023

Notes to Readers

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

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

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

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands New Taiwan Dollars)

		December 31, 2022		December 31, 2021	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets :				
1100	Cash and cash equivalents (note 6(a))	$ 1,215,150	9	1,449,753	10
1110	Financial assets at fair value through profit or loss-current (note 6(b))	4,020	-	60,247	-
1136	Financial assets at amortized cost-current (note 6(b))	-	-	3,502	-
1150	Notes receivable, net(notes 6(c) and (t))	188,005	2	215,955	2
1170	Accounts receivable, net (notes 6(c), (t) and 8)	1,346,800	10	1,626,491	12
130X	Inventories(notes 6(d), 8 and 10)	3,970,872	30	3,530,338	25
1476	Other current financial assets (note 10)	64,518	-	26,809	-
1479	Other current assets (note 6(h))	114,841	1	123,755	1
	Total current assets	6,904,206	52	7,036,850	50
	Non-current assets:				
1517	Financial assets at fair value through other comprehensive income-non-current (notes 6(b) and (v))	956,411	7	1,529,864	11
1550	Investments accounted for using equity method (note 6(e))	133,663	1	124,163	1
1600	Property, plant and equipment (notes 6(g), 9 and 10)	4,541,097	35	4,891,430	34
1755	Right-of-use-assets (note 6(i))	279,846	2	284,560	2
1780	Intangible assets (note 6(j))	151,334	2	115,756	1
1840	Deferred tax assets (note 6(p))	59,464	-	109,394	1
1915	Prepayments for equipment	89,671	1	28,808	-
1980	Other non-current financial assets (notes 6(c) and (t))	3,387	-	3,542	-
1990	Other non-current assets	13,424	-	11,903	-
	Total non-current assets	6,228,297	48	7,099,420	50
	Total assets	$ 13,132,503	100	14,136,270	100

		December 31, 2022		December 31, 2021	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities				
2100	Short-term borrowings (notes 6(k) and 8)	$ 1,665,417	13	2,056,402	15
2322	Long-term borrowings, current portion (note 6(l))	12,500	-	-	-
2151	Notes payable (note 7)	89,065	1	238,909	2
2170	Accounts payable (note 7)	341,564	3	329,088	2
2209	Other payable (notes 6(s) and 7)	502,833	4	535,475	4
2213	Payable on equipment	36,334	-	43,062	-
2230	Current tax liabilities	41,077	-	132,267	1
2280	Lease liabilities-current (note 6(m))	35,421	-	29,830	-
2399	Other current liabilities (note 6(n))	45,038	-	52,528	-
	Total current liabilities	2,769,249	21	3,417,561	24
	Non-current liabilities :				
2540	Long-term borrowings (note 6(l))	1,087,500	8	1,000,000	7
2570	Deferred tax liabilities (note 6(p))	95,327	1	86,879	1
2580	Lease liabilities non-current (note 6(m))	233,814	2	241,777	2
2640	Net defined benefit liability (note 6(o))	75,952	1	217,449	2
2670	Other non-current liabilities (note 6(n))	63,964	-	66,330	-
	Total non-current liabilities	1,556,557	12	1,612,435	12
	Total liabilities	4,325,806	33	5,029,996	36
	Equity attributable to owners of parent (notes (b), (e), (f), (o) and (q)) :				
3100	Common shares	5,477,522	42	5,477,522	39
3200	Capital surplus	474,558	3	474,558	3
3300	Retained earnings	2,432,588	19	2,248,765	16
3400	Other equity	70,404	1	605,295	4
	Total equity attributable to owners of parent	8,455,072	65	8,806,140	62
36XX	**Non-controlling interests (notes 6(f) and (q))**	351,625	2	300,134	2
	Total equity	8,806,697	67	9,106,274	64
	Total liabilities and equity	$ 13,132,503	100	14,136,270	100

See accompanying notes to consolidated financial statements.

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

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

		2022		2021	
		Amount	%	Amount	%
4000	**Operating revenue** **(note 6(t))**	$ 8,891,702	100	9,200,988	100
5000	**Operating costs** **(notes 6(d), (g), (i), (j), (m), (o), (s), 7 and 12)**	6,896,531	78	6,987,506	76
5950	**Gross profit from operations**	1,995,171	22	2,213,482	24
6000	**Operating expenses** **(notes 6(c), (g), (i), (j), (m), (o), (s), 7 and 12):**				
6100	Selling expenses	929,839	10	934,288	10
6200	Administrative expenses	323,399	4	318,048	4
6300	Research and development expenses	368,250	4	396,708	4
6450	Expected credit loss (gain)	(7,073)	-	11,662	-
	Total operating expenses	1,614,415	18	1,660,706	18
6900	**Net operating income**	380,756	4	552,776	6
7000	**Non-operating income and expenses** **(notes 6(b), (e), (g), (k), (l), (m), (u) and 10) :**				
7100	Interest income	5,157	-	4,115	-
7010	Other income	47,198	1	39,880	-
7020	Other gains and losses	114,324	1	37,990	-
7050	Finance costs	(71,084)	(1)	(48,580)	-
7060	Share of gains of associates accounted for using equity method	7,483	-	11,259	-
	Total non-operating income and expense	103,078	1	44,664	-
7900	**Income before income tax**	483,834	5	597,440	6
7951	**Income tax expenses** **(note 6(p))**	91,294	1	115,611	1
8200	**Net income**	392,540	4	481,829	5
8300	**Other comprehensive income** **(notes 6(e), (o), (p), (q) and (v)) :**				
8310	**Components of other comprehensive income (loss) that will not be reclassified to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans	91,523	1	(99,235)	(1)
8316	Unrealized gains from financial assets measured at fair value through other comprehensive income	(577,674)	(6)	509,493	6
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(18,304)	-	19,847	-
	Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	(504,455)	(5)	430,105	5
8360	**Components of other comprehensive income that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	79,066	1	(23,936)	-
8370	Share of other comprehensive income of associates accounted for using equity method	(1,976)	-	1,164	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income (loss) that will be reclassified to profit or loss	77,090	1	(22,772)	-
8300	**Other comprehensive income (after tax)**	(427,365)	(4)	407,333	5
8500	**Total comprehensive income**	**$ (34,825)**	**-**	**889,162**	**10**
	Profit attributable to:				
8610	Owners of parent	$ 374,432	4	472,970	5
8620	Non-controlling interests	18,108	-	8,859	-
		$ 392,540	**4**	**481,829**	**5**
	Comprehensive income attributable to:				
8710	Owners of parent	$ (77,192)	-	883,162	10
8720	Non-controlling interests	42,367	-	6,000	-
		$ (34,825)	**-**	**889,162**	**10**
9750	**Basic earnings per share** **(note 6(r))** **(expressed in New Taiwan dollars)**	**$ 0.68**		**0.86**	
9850	**Diluted earnings per share** **(note 6(r))** **(expressed in New Taiwan dollars)**	**$ 0.68**		**0.86**	

See accompanying notes to consolidated financial statements.

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

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
			Retained earnings				Other equity					
	Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance on January 1, 2021	$ 5,477,522	474,558	1,076,355	30,438	912,492	2,019,285	(110,615)	226,554	115,939	8,087,304	301,079	8,388,383
Net income	-	-	-	-	472,970	472,970	-	-	-	472,970	8,859	481,829
Other comprehensive income	-	-	-	-	(79,164)	(79,164)	(19,703)	509,059	489,356	410,192	(2,859)	407,333
Total comprehensive income	-	-	-	-	393,806	393,806	(19,703)	509,059	489,356	883,162	6,000	889,162
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	28,211	-	(28,211)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(164,326)	(164,326)	-	-	-	(164,326)	(6,945)	(171,271)
Balance on December 31, 2021	5,477,522	474,558	1,104,566	30,438	1,113,761	2,248,765	(130,318)	735,613	605,295	8,806,140	300,134	9,106,274
Net income	-	-	-	-	374,432	374,432	-	-	-	374,432	18,108	392,540
Other comprehensive income	-	-	-	-	73,024	73,024	53,331	(577,979)	(524,648)	(451,624)	24,259	(427,365)
Total comprehensive income	-	-	-	-	447,456	447,456	53,331	(577,979)	(524,648)	(77,192)	42,367	(34,825)
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	39,381	-	(39,381)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(273,876)	(273,876)	-	-	-	(273,876)	(3,039)	(276,915)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	12,163	12,163
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	10,243	10,243	-	(10,243)	(10,243)	-	-	-
Balance on December 31, 2022	**$ 5,477,522**	**474,558**	**1,143,947**	**30,438**	**1,258,203**	**2,432,588**	**(76,987)**	**147,391**	**70,404**	**8,455,072**	**351,625**	**8,806,697**

See accompanying notes to consolidated financial statements.

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

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from operating activities:		
Income before income tax	$ 483,834	597,440
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	638,820	669,591
Amortization expense	33,955	31,109
Expected credit loss (gain)	(7,073)	11,662
Net losses (gains) on financial assets at fair value through profit	(138)	(240)
Interest expense	71,084	48,580
Interest income	(5,157)	(4,115)
Dividend income	(47,198)	(39,880)
Share of gains of associates accounted for using equity method	(7,483)	(11,259)
Losses (gains) on disposal of property, plant and equipment	2,884	748
Losses due to disaster	32,851	-
Other	(102)	(391)
Total adjustments to reconcile profit	712,443	705,805
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	31,609	(4,170)
Accounts receivable and overdue receivable (under other non-current financial assets)	315,469	(268,327)
Inventories	(389,082)	(360,441)
Other current financial assets	(966)	886
Other current assets	9,391	(8,408)
Total changes in operating assets	(33,579)	(640,460)
Changes in operating liabilities:		
Notes payable	(150,116)	57,478
Accounts payable	18,764	(44,677)
Other payable	(54,443)	140,423
Other current liabilities	(7,694)	11,676
Net defined benefit liability	(49,973)	(12,351)
Other non-current liabilities	(2,382)	(31,848)
Total changes in operating liabilities	(245,844)	120,701
Total changes in operating assets and liabilities	(279,423)	(519,759)
Total adjustments	433,020	186,046
Cash inflow generated from operations	916,854	783,486
Interest received	5,137	4,140
Dividends received	47,684	39,880
Income taxes paid	(116,501)	(70,262)
Net cash flows from operating activities	853,174	757,244
Cash flows from investing activities:		
Acquisition of financial assets at amortized cost	-	(3,200)
Proceeds from disposal of financial assets at amortized cost	3,502	12,567
Acquisition of financial assets at fair value through profit or loss	(46,000)	(211,500)
Proceeds from disposal of financial assets at fair value through profit or loss	102,365	211,592
Acquisition of financial assets at fair value through other comprehensive income	(35,388)	(25,567)
Proceeds from disposal of financial assets at fair value through other comprehensive income	31,169	-
Acquisition of property, plant and equipment	(212,551)	(164,262)
Proceeds from disposal of property, plant and equipment	2,711	5,125
Acquisition of intangible assets	(69,441)	(27,152)
Decrease (increase) in other non-current financial assets	21	(129)
Increase in other non-current assets	(1,429)	(1,226)
Increase in prepayments for equipment	(150,223)	(69,232)
Net cash flows used in investing activities	(375,264)	(272,984)
Cash flows used in financing activities:		
Increase in short-term borrowings	6,120,048	5,314,409
Decrease in short-term borrowings	(6,516,673)	(5,127,071)
Proceeds from long-term borrowings	100,000	50,000
Repayments of long-term borrowings	-	(340,000)
Payments of lease liabilities	(34,834)	(34,491)
Increase in other non-current liabilities	-	364
Cash dividends paid	(273,876)	(164,326)
Interest paid	(71,378)	(50,496)
Subsidiaries distributed cash dividends to non-controlling interests	(7,181)	-
Dncrease in non-controlling interests	(4)	-
Net cash flows used in financing activities	(683,898)	(351,611)
Effect of exchange rate changes on cash and cash equivalents	(28,615)	(17,704)
Net (decrease) increase in cash and cash equivalents	(234,603)	114,945
Cash and cash equivalents at beginning of period	1,449,753	1,334,808
Cash and cash equivalents at end of period	$ **1,215,150**	**1,449,753**

See accompanying notes to consolidated financial statements.

(1) Company history

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

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

These consolidated financial statements were authorized for issuance by the board of directors on March 16, 2023.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2022:

- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts－Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

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

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

Standards or Interpretations	**Content of amendment**	**Effective date per IASB**
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024

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

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

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information "
- IFRS16 "Requirements for Sale and Leaseback Transactions"

(4) Summary of significant accounting policies:

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

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

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

1) Financial assets measured at fair value through profit or loss are measured at fair value;

2) Fair value through other comprehensive income are measured at fair value;

3) The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in Note 4(p).

(ii) Functional and presentation currency

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

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

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

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

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

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

(ii) List of subsidiaries in the consolidated financial statements

			Shareholding percentage		
Name of investor	**Name of subsidiary**	**Principal activity**	**December 31, 2022**	**December 31, 2021**	**Note**
The Company (ECIC)	EVERLIGHT USA, INC. (EVUS)	Selling chemical product and related raw materials	100.00	100.00	-
ECIC	EVERLIGHT (HONG KONG) LIMITED (EVHK)	Selling chemical product and related raw materials	100.00	100.00	-
ECIC	EVERLIGHT CHEMICALS (SINGAPORE) PTE LTD. (EVSG)	Investing business	100.00	100.00	-
ECIC	EVERLIGHT EUROPE B.V. (EVEU)	Selling chemical product and related raw materials	100.00	100.00	-
ECIC	TREND TONE IMAGING, INC. (TTI)	Manufacturing and selling toners of laser printer, copier and fax machine	76.15	76.15	-
ECIC	ELITE FOREIGN TRADING INCORPORATION (ELITE)	Selling chemical product and related raw materials	50.00	50.00	(note 1)
ECIC	DAILYCARE BIOMEDICAL INC. (DCBM)	Manufacturing of medical supplies and providing service of biological technology	-	91.26	(note 2)
EVSG	EVERLIGHT (SUZHOU) ADVANCED CHEMICALS LTD. (EVSZ)	Manufacturing and selling color chemicals, toners and electronic high-tech chemical product	100.00	100.00	-
EVSG	ANDA SEMICONDUCTOR TECHNOLOGY (SUZHOU) CO., LTD. (ANDA)	Selling electronic high-tech chemical product	29.80	56.25	(note 1) 、(note 4) 、(note 6)
EVSG	SHANGHAI ANDA INTERNATIONAL TRADING CO., LTD. (ADSH)	Selling chemical product and related raw materials	56.25	-	(note 4)
EVSG	EVERLIGHT CHEMICALS (VIETNAM) COMPANY LIMITED(EVVN)	Selling electronic high-tech chemical product	100.00	-	(note 5)
ANDA	SHANGHAI ANDA INTERNATIONAL TRADING CO., LTD. (ADSH)	Selling electronic high-tech chemical product	-	100.00	(note 4)
EVSZ	ETHICAL INTERNATIONAL TRADING & WAREHOUSING (SHANGAI) CO., LTD. (ETSH)	Selling chemical product and related raw materials	100.00	100.00	(note 3)
EVSZ	GUANZHOU ETHICAL TRADING CO., LTD. (ETGZ)	Selling chemical product and related raw materials	100.00	100.00	-
EVSZ	SHANGHAI EVERLIGHT TRADING CO., LTD. (EVSH)	Selling chemical product and related raw materials	100.00	100.00	(note 3)
ECIC	GREATLIGHT INVESTMENT COPRORATION (GLTP)	Investing business	100.00	100.00	

(note 1): The Company has the right to appoint more than half of members of board of directors and has control over the board of directors. The subsidiary is deemed to be consolidated.

(note 2): The Company decided to resolve DCBM. As of December 15, 2022, the related procedure has not been completed.

(note 3): As of July 8, 2021 the Company decided to reorganize of investment structure. EVSZ, the Company’s sub-subsidiary, issued shares to acquire ETSH and EVSH 100% shareholding which were hold by EVSG.

(note 4): The Company resolved to reorganize of investment structure that ANDA transferred 56.25% shares of ADSH to EVSG as proposal in the Board of Director’s meeting held on August 11, 2022.

(note 5): As of November 18, 2022, The company issue shares to establish subsidiary EVVN by EVSG.

(note 6): The shareholding percentage decreased to 29.8% due to the Company did not subscribe the new shares contribution of ANDA on November 1, 2022.

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

(d) Foreign currency

(i) Foreign currency transaction

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

(ii) Foreign operations

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

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

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

An asset is classified 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 unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(f) Cash and cash equivalents

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

(g) Financial instruments

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

(i) Financial assets

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

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

1) Financial assets measured at amortized cost

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

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

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

2) Fair value through other comprehensive income (FVOCI)

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

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

3) Fair value through profit or loss (FVTPL)

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

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

4) Impairment of financial assets

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

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

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

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

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

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

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

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

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

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

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

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 365 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

(Continued)

- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

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

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

5) Derecognition of financial assets

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

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

(ii) Financial liabilities

1) Financial liabilities

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

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

2) Derecognition of financial liabilities

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

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

3) Offsetting of financial assets and liabilities

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

(iii) Derivative financial instruments and hedge accounting

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

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

(h) Inventories

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

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

(i) Investment in associates

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

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

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

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

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

(j) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent cost

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

(iii) Depreciation

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

Land is not depreciated.

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

1)	Land improvements	20 years
2)	buildings	25~55 years
3)	plant and equipment	3~15 years

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

(k) Intangible assets

(i) Other intangible assets

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

(ii) Subsequent expenditure

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

(iii) Amortization

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

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

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

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

(l) Provisions

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

Site restoration

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

(m) Lease

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

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

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

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

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

(i) fixed payments, including in-substance fixed payments;

(ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

(iii) payments for purchase or termination options that are reasonably certain to be exercised.

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

(i) there is a change in future lease payments arising from the change in an index or rate; or

(ii) there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or

(iii) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset; or

(iv) there is a change of its assessment on whether it will exercise a extension or termination option; or

(v) there is any lease modifications

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

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

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

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

(n) Impairment of non-financial assets

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

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

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

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

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

(o) Revenue

(i) Revenue from contracts with customers

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

1) Sale of goods

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

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

2) Financing components

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

(p) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

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

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

(iii) Short-term employee benefits

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

(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 Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years.

The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. 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 for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

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

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

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

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(r) Earnings per share

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

(s) Operating segments

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

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

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

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

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

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

(b) Judgment regarding significant influence of investees

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

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

Impairment of accounts receivable

The Group has estimated the loss allowance of accounts receivable that is based on the risk of a default occurring and the rate of expected credit loss. The Group has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumption to be used in calculating the impairments and the selected inputs. The prevent assumptions and input values, please refer to Note 6(c).

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

		December 31, 2022	**December 31, 2021**
Cash on hand	$	1,848	1,885
Cash in bank		1,120,733	1,370,965
Time deposits		92,569	76,903
Cash and cash equivalents	**$**	**1,215,150**	**1,449,753**

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

(b) Financial assets and liabilities

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

	December 31, 2022	December 31, 2021
Financial assets mandatorily measured at fair value through profit or loss:		
Monetary market fund	$ **4,020**	**60,247**

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

	December 31, 2022	December 31, 2021
Stocks listed on domestic markets	$ 716,367	1,449,877
Domestic unlisted common shares	240,044	79,987
	$ **956,411**	**1,529,864**

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

For the year ended December 31, 2022, the Group has sold the partial of financial assets at fair value through other comprehensive income for strategic purposes. The shares sold had a fair value of $31,169 thousand, and the Group realized a gain of $10,243 thousand, which is already included in other comprehensive income. The gain has been transferred to retained earnings. There was no such transaction for the year ended December 31, 2021.

(iii) Financial assets at amortized cost-current

	December 31, 2022	December 31, 2021
Financial assets at amortized cost-current	$ **-**	**3,502**

Due to the Group's foreign deposits which applied for the "The Management, Utilization, and Taxation of Repatriated Offshore Funds Act" has not been engaged in investment yet, therefore, recognized in financial assets at amortized cost-current. As of December 31, 2022, the aforementioned investment has been completed.

(iv) For credit risk and market risk, please refer to note 6(v).

(v) The aforementioned financial assets were not pledged.

(vi) Derivative financial instruments—not hedge

The Group hold derivative financial instruments to hedge its foreign currency and interest rate exposures. However, the derivative financial instruments can' t meet the criteria for hedge accounting. The Group recognized gain on forward exchange contracts and foreign currency options amounted to $7,040 thousand and $1,001 thousand in 2022 and 2021, respectively.

(c) Receivables

	December 31, 2022	December 31, 2021
Notes receivable	$ 189,088	218,260
Accounts receivable	1,374,869	1,655,238
Overdue receivable (under other non-current financial assets)	37,518	44,763
Less: loss allowance	(66,670)	(75,815)
	$ 1,534,805	1,842,446

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

	December 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 1,416,229	0.01%~0.25%	1,595
1 to 90 days past due	136,211	1.61%~11.35%	20,865
91 to 365 days past due	11,517	13.81%~51.44%	6,692
More than 365 days past due	37,518	100%	37,518
	$ 1,601,475		66,670

	December 31, 2021		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 1,744,944	0.01%~0.28%	4,874
1 to 90 days past due	125,201	2.64%~15.51%	24,641
91 to 365 days past due	3,353	18.37%~57.39%	1,537
More than 365 days past due	44,763	100%	44,763
	$ 1,918,261		75,815

The detail of loss allowance were as follows:

	December 31, 2022	December 31, 2021
Notes receivable	$ 1,083	2,305
Accounts receivable	28,069	28,747
Overdue receivable	37,518	44,763
	$ 66,670	75,815

The movement in the allowance for receivables was as follows:

	2022	2021
Balance on January 1, 2022	$ 75,815	66,516
Impairment losses recognized (reverse)	(7,073)	11,662
Amounts written off	(3,316)	(2,000)
Effect of movements in exchange rates	1,244	(363)
Balance on December 31, 2022	**$ 66,670**	**75,815**

As of December 31, 2021, the aforementioned financial assets of the Group had been pledged as collateral for short-term borrowings, please refer to note 8. As of December 31, 2022 the aforementioned financial assets were not pledged.

(d) Inventories

	December 31, 2022	December 31, 2021
Raw materials	$ 1,088,520	924,964
Supplies	24,429	27,113
Work in progress	626,665	565,906
Finished goods	2,172,424	1,828,140
Materials in transit	58,834	184,215
	$ 3,970,872	**3,530,338**

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

	2022	2021
Losses on valuation of inventories	$ 12,113	7,975
Losses on inventory count	5,572	3,576
Unallocated production overheads	195,604	134,314
Losses on obsolescence	11,080	5,389
Scrap income	(2,328)	(2,348)
	$ 222,041	**148,906**

As of December 31, 2021, the inventories of the Group had been pledged as collateral for short-term borrowings, please refer to note 8. As of December 31, 2022, the inventories were not pledged.

(Continued)

(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, 2022	**December 31, 2021**
Associates	$	**133,663**	**124,163**

(ii) Associates

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

		December 31, 2022	**December 31, 2021**
Carrying amount of individually insignificant associates	$	**133,663**	**124,163**

		2022	**2021**
Attributable to the Group:			
Profit from continuing operations	$	7,483	11,259
Other comprehensive income		(1,976)	1,164
Total comprehensive income	$	**5,507**	**12,423**

(iii) Pledge

As of December 31, 2022 and 2021, the aforementioned investment accounted for using equity method were not pledged.

(f) Material non-controlling interest of subsidiaries

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

		Percentage of non-controlling interests	
Subsidiaries	**Main operation place**	**December 31, 2022**	**December 31, 2021**
TTI	Taiwan	23.85 %	23.85 %

The following information of the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in these information are the fair value adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intra-group transactions were not eliminated in this information.

	December 31, 2022	December 31, 2021
Current assets	$ 706,102	623,723
Non-current assets	818,481	843,695
Current liabilities	(413,160)	(524,541)
Non-current liabilities	(268,912)	(183,545)
Net assets	**$ 842,511**	**759,332**
Non-controlling interest	**$ 200,906**	**181,071**

	2022	2021
Operating revenues	**$ 1,060,314**	**864,255**
Net income (loss)	81,082	(13,910)
Other comprehensive income	1,284	1,819
Total comprehensive income	**$ 82,366**	**(12,091)**
Profit (loss) attributable to non-controlling interests	**$ 19,335**	**(3,317)**
Comprehensive income, attributable to non-controlling interests	**$ 19,641**	**(2,883)**

	2022	2021
Net cash flows from (used in) operating activities	$ 166,595	(29,298)
Net cash flows used in investing activities	(29,904)	(12,992)
Net cash flows from (used in) financing activities	(102,402)	17,816
Net increase (decrease) in cash and cash equivalents	**$ 34,289**	**(24,474)**
Cash dividend distributed to non-controlling interests	**-**	**-**

(g) Property, plant and equipment

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

	Land	Land improvements	Buildings and construction	Equipment	Construction in progress and equipment to be inspected	Total
Cost:						
Balance on January 1, 2022	$ 893,780	159,000	4,460,492	9,972,383	143,367	15,629,022
Additions	-	-	14,316	98,880	92,627	205,823
Disposal and derecognitions	-	-	(5,855)	(415,263)	(1,345)	(422,463)
Reclassification (note)	-	-	18,220	184,168	(108,469)	93,919
Effect of movements in exchange rates	372	-	7,777	14,753	116	23,018
Balance on December 31, 2022	**$ 894,152**	**159,000**	**4,494,950**	**9,854,921**	**126,296**	**15,529,319**
Balance on January 1, 2021	$ 893,877	159,000	4,418,972	9,786,333	177,205	15,435,387
Additions	-	-	10,497	77,414	101,868	189,779
Disposals	-	-	(5,663)	(57,317)	-	(62,980)
Reclassification (note)	-	-	39,922	172,920	(135,600)	77,242
Effect of movements in exchange rates	(97)	-	(3,236)	(6,967)	(106)	(10,406)
Balance on December 31, 2021	**$ 893,780**	**159,000**	**4,460,492**	**9,972,383**	**143,367**	**15,629,022**

	Land	Land improvements	Buildings and construction	Equipment	Construction in progress and equipment to be inspected	Total
Accumulated depreciation and impairment:						
Balance on January 1, 2022	$ -	12,588	2,726,137	7,998,867	-	10,737,592
Depreciation	-	7,949	162,877	430,459	-	601,285
Disposal and derecognitions	-	-	(5,795)	(361,258)	-	(367,053)
Effect of movements in exchange rates	-	-	4,548	11,850	-	16,398
Balance on December 31, 2022	**$ -**	**20,537**	**2,887,767**	**8,079,918**	**-**	**10,988,222**
Balance on January 1, 2021	$ -	4,638	2,560,199	7,604,733	-	10,169,570
Depreciation	-	7,950	168,994	455,094	-	632,038
Disposals	-	-	(1,361)	(55,746)	-	(57,107)
Effect of movements in exchange rates	-	-	(1,695)	(5,214)	-	(6,909)
Balance on December 31, 2021	**$ -**	**12,588**	**2,726,137**	**7,998,867**	**-**	**10,737,592**
Carrying amounts:						
Balance on December 31, 2022	**$ 894,152**	**138,463**	**1,607,183**	**1,775,003**	**126,296**	**4,541,097**
Balance on January 1, 2021	**$ 893,877**	**154,362**	**1,858,773**	**2,181,600**	**177,205**	**5,265,817**
Balance on December 31, 2021	**$ 893,780**	**146,412**	**1,734,355**	**1,973,516**	**143,367**	**4,891,430**

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

(i) For the years ended December 31, 2022 and 2021, the Group capitalized the interest expenses on construction in progress amounted to $4,824 thousand and $1,468 thousand respectively, and the monthly interest rate used for capitalization calculation were 0.08%~0.18% and 0.07%~0.1%, respectively.

(ii) As of December 31, 2022 and 2021, the property, plant and equipment of the Group had not been pledged.

(h) Other current assets

	December 31, 2022	December 31, 2021
Prepayments	$ 92,097	77,080
Offset against business tax payable and input taxes	22,744	46,491
Others	-	184
	$ 114,841	**123,755**

(i) Right-of-use assets

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

	Land	Buildings and construction	Equipment	Total
Cost:				
Balance on January 1, 2022	$ 217,239	136,290	15,727	369,256
Acquisitions	815	25,999	4,748	31,562
Disposals	-	(1,942)	(2,065)	(4,007)
Effect of changes in foreign exchange rates	327	1,953	103	2,383
Balance on December 31, 2022	**$ 218,381**	**162,300**	**18,513**	**399,194**

(Continued)

	Land	Buildings and construction	Equipment	Total
Balance on January 1, 2021	$ 217,404	142,917	16,143	376,464
Acquisitions	-	25,224	571	25,795
Disposals	-	(29,878)	(717)	(30,595)
Effect of changes in foreign exchange rates	(165)	(1,973)	(270)	(2,408)
Balance on December 31, 2021	**$ 217,239**	**136,290**	**15,727**	**369,256**
Accumulated depreciation:				
Balance on January 1, 2022	$ 17,153	60,000	7,543	84,696
Depreciation	5,752	28,471	3,312	37,535
Disposals	-	(1,696)	(2,065)	(3,761)
Effect of changes in foreign exchange rates	23	767	88	878
Balance on December 31, 2022	**$ 22,928**	**87,542**	**8,878**	**119,348**
Balance on January 1, 2021	$ 11,444	50,534	5,041	67,019
Depreciation	5,717	28,484	3,352	37,553
Disposals	-	(18,557)	(717)	(19,274)
Effect of changes in foreign exchange rates	(8)	(461)	(133)	(602)
Balance on December 31, 2021	**$ 17,153**	**60,000**	**7,543**	**84,696**
Carrying amount:				
Balance on December 31, 2022	**$ 195,453**	**74,758**	**9,635**	**279,846**
Balance on January 1, 2021	**$ 205,960**	**92,383**	**11,102**	**309,445**
Balance on December 31, 2021	**$ 200,086**	**76,290**	**8,184**	**284,560**

(j) Intangible assets

	REACH registration related expenses	Software	Others	Total
Cost:				
Balance on January 1, 2022	$ 217,979	-	15,416	233,395
Additions	11,166	58,275	-	69,441
Effect of movement in exchange rate	-	-	(707)	(707)
Balance on December 31, 2022	**$ 229,145**	**58,275**	**14,709**	**302,129**
Balance on January 1, 2021	$ 190,896	-	15,406	206,302
Additions	27,083	-	69	27,152
Effect of movement in exchange rate	-	-	(59)	(59)
Balance on December 31, 2021	**$ 217,979**	**-**	**15,416**	**233,395**
Accumulated amortization:				
Balance on January 1, 2022	$ 107,578	-	9,961	117,539
Amortization	31,730	-	2,225	33,955
Effect of movement in exchange rate	-	-	(699)	(699)
Balance on December 31, 2022	**$ 139,308**	**-**	**11,487**	**150,795**

(Continued)

	REACH registration related expenses	Software	Others	Total
Balance on January 1, 2021	$ 78,792	-	7,766	86,558
Amortization	28,785	-	2,324	31,109
Effect of movement in exchange rate	-	-	(28)	(28)
Balance on December 31, 2021	**$ 107,577**	**-**	**10,062**	**117,639**
Carrying amounts:				
Balance on December 31, 2022	**$ 89,837**	**58,275**	**3,222**	**151,334**
Balance on January 1, 2021	**$ 112,104**	**-**	**7,640**	**119,744**
Balance on December 31, 2021	**$ 110,402**	**-**	**5,354**	**115,756**

(i) Amortization expense

For the years ended December 31, 2022 and 2021, the amortization of intangible assets are included in the statement of comprehensive income as follows:

	2022	2021
Operating costs	$ 1,884	1,999
Operating expense	32,071	29,110
	$ 33,955	**31,109**

(ii) Pledge

As of December 31, 2022 and 2021, the intangible assets of the Group were not pledged as collateral.

(k) Short-term borrowings

	December 31, 2022	December 31, 2021
Unsecured bank loans	$ 1,585,794	1,960,415
Secured bank loans	-	16,244
Short-term notes and bills payable	79,623	79,743
Total	**$ 1,665,417**	**2,056,402**
Unused credit lines	**$ 3,843,932**	**3,330,724**
Range of interest rate	**1.09%~7.25%**	**0.55%~4.70%**

As of December 31, 2022 and 2021, the Group issued short-term notes and bills payable through Dah-Chung Bills Finance Corp. to obtain funds from the currency market.

For the collateral for short-term borrowings, please refer to note 8.

(l) Long-term borrowings

	December 31, 2022			
	Currency	**Rate**	**Maturity year**	**Amount**
Unsecured bank loans	NTD	1.65%~2.22%	2024.1~2027.06	$ 1,100,000
Less: long-term borrowings, current portion				(12,500)
Total				$ 1,087,500
Unused credit lines				$ 350,000

	December 31, 2021			
	Currency	**Rate**	**Maturity year**	**Amount**
Unsecured bank loans	NTD	1.14%~1.15%	2023.1~2024.6	$ 1,000,000
Less: long-term borrowings, current portion				-
Total				$ 1,000,000
Unused credit lines				$ 250,000

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

(m) Lease liabilities

The carrying amounts of lease liabilities were as follow:

	December 31, 2022	**December 31, 2021**
Current	$ 35,421	29,830
Non-current	$ 233,814	241,777

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

The amounts recognized in profit or loss were as follows:

	2022	**2021**
Interest on lease liabilities	$ 6,267	6,270
Expenses relating to short-term leases	$ 4,053	3,647

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

	2022	**2021**
Total cash outflow for leases	$ 45,154	44,408

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

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

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

(n) Provisions

The movements of the provisions were as follows:

	December 31, 2022	**December 31, 2021**
Balance on January 1	$ 87,450	119,250
Decreases	-	(31,800)
Balance on December 31	**$ 87,450**	**87,450**

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

(o) Employee benefits

(i) Defined benefit plans

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

	December 31, 2022	**December 31, 2021**
Present value of the defined benefit obligations	$ 812,021	900,598
Fair value of plan assets	(736,069)	(683,149)
Net defined benefit liabilities	**$ 75,952**	**217,449**

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

1) Composition of plan assets

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

The Group's Bank of Taiwan labor pension reserve account balance and Insurance account with Bank of Nan Shan amounted to $736,069 thousand as of December 31, 2022. 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, 2022 and 2021, the movement in present value of the defined benefit obligations for the Group were as follows:

		2022	**2021**
Defined benefit obligations as of January 1	$	900,598	831,966
Current service costs and interest cost		14,283	13,876
Net remeasurements of defined benefit liabilities:			
－Actuarial (gains) losses arising from changes in financial assumptions		(37,883)	107,028
Benefits paid by the plan		(64,977)	(52,272)
Defined benefit obligations as of December 31	$	**812,021**	**900,598**

3) Movements of defined benefit plan assets

For the years ended December 31, 2022 and 2021, the movements in the fair value of the plan assets were as follows:

		2022	**2021**
Fair value of plan assets as of January 1	$	683,149	701,400
Return on plan assets (excluding the interest expense)		4,228	4,395
Net remeasurements of the defined benefit liabilities:			
－Actuarial gains arising from changes in financial assumptions		53,640	7,793
Contributions paid by employer		54,388	15,796
Benefits paid		(59,336)	(46,235)
Fair value of plan assets as of December 31	$	**736,069**	**683,149**

(Continued)

4) Expenses recognized in profit or loss

For the years ended December 31, 2022 and 2021, the expenses recognized in profit or losses for the Group were as follows:

	2022	**2021**
Current service costs	$ 8,742	8,714
Net interest expense of net defined benefit liabilities	1,313	767
	$ 10,055	**9,481**

	2022	**2021**
Operating costs	$ 5,759	5,534
Administration expenses	3,026	2,743
Research and development expenses	1,270	1,204
	$ 10,055	**9,481**

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

The Group's re-measurement of the net defined benefit (liabilities) assets recognized in other comprehensive income for the years ended December 31, 2022 and 2021, were as follows:

	2022	**2021**
Accumulated amount as of January 1	$ (214,534)	(115,299)
Recognized during the period	91,523	(99,235)
Accumulated amount as of December 31	**$ (123,011)**	**(214,534)**

6) Actuarial assumptions

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

	December 31, 2022	**December 31, 2021**
Discount rate	1.750%	0.625%~0.750%
Future salary increasing rate	2.000%	1.270%~1.500%

The Group expects to make contributions of $21,806 thousand to the defined benefit plans in the next year starting from December 31, 2022.

The weighted-average lifetime of the defined benefits plans is 10.43～14.03 years.

7) Sensitivity analysis

As of December 31, 2022 and 2021, if the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	The impact of defined benefit obligations	
	Increased	**Decreased**
December 31, 2022		
Discount rate decreased (increased) 0.25%	$ 16,258	(15,777)
Future salary increasing rate increased (decreased) 0.25%	15,777	(15,378)
December 31, 2021		
Discount rate decreased (increased) 0.25%	19,882	(19,306)
Future salary increasing rate increased (decreased) 0.25%	19,226	(18,744)

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

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

(ii) Defined contribution plans

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

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

The pension costs incurred from the contributions to the Bureau of Labor Insurance amounted to $65,328 thousand and $59,239 thousand for the years ended December 31, 2022 and 2021, respectively.

(Continued)

(p) Income taxes

(i) Income tax expense

The components of income tax expenses (benefit) for the years ended December 31, 2022 and 2021 were as follows:

		2022	2021
Current tax expense (benefit)			
Current period	$	45,654	147,392
Adjustment for prior periods		5,566	(1,641)
		51,220	145,751
Deferred tax expense (benefit)			
Origination and reversal of temporary differences		40,074	(30,140)
Income tax expense	**$**	**91,294**	**115,611**

The amount of income tax expenses (benefit) recognized in other comprehensive income for the years ended December 31, 2022 and 2021 were as follows:

		2022	2021
Components that with not be reclassified to profit or loss:			
Re-measurements of defined benefit plans	**$**	**18,304**	**(19,847)**

Reconciliation of income tax expense and profit before tax for 2022 and 2021 were as follows:

		2022	2021
Profit before tax	**$**	**483,834**	**597,440**
Income tax using the Company's domestic tax rate	$	96,767	119,488
Effect of tax rates in foreign jurisdiction		6,804	8,303
Disposal of investment		(1,443)	(6,028)
Dividend revenue		(9,440)	(7,976)
Current-year losses for which no deferred tax assets was recognized		(17,220)	2,564
Change in unrecognized temporary difference		-	(634)
Tax credit of investment		(10,144)	(11,388)
Other		25,970	11,282
Total	**$**	**91,294**	**115,611**

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

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

	December 31, 2022	December 31, 2021
The carryforward of unused tax losses	$ 82,660	317,928

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

As at December 31, 2022, the information of the Group's unutilized business losses, for which no deferred tax assets were recognized, are as follow:

Year of loss	Unutilized business loss	Expiry date
2016	$ 26	2026
2017	63	2027
2018	74	2028
2019	7,259	2029
2020	72,582	2030
2021	2,656	2031
	$ 82,660	

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for the year ended December 31, 2022 and 2021 were as follows:

Deferred tax assets:

	Allowance for impairment of receivables	Allowance for valuation of inventories	Defined benefit plans	Other	Total
Balance as of January 1, 2022	$ 3,639	3,685	43,489	58,581	109,394
Recognized in profit or loss	23	1,751	(9,995)	(23,405)	(31,626)
Recognized in other comprehensive income	-	-	(18,304)	-	(18,304)
Balance as of December 31, 2022	$ 3,662	5,436	15,190	35,176	59,464
Balance as of January 1, 2021	$ 4,790	3,578	28,061	15,173	51,602
Recognized in profit or loss	(1,151)	107	(4,419)	43,408	37,945
Recognized in other comprehensive income	-	-	19,847	-	19,847
Balance as of December 31, 2021	$ 3,639	3,685	43,489	58,581	109,394

(Continued)

Deferred tax liabilities:

	Unrealized investment income under equity method	Unrealized foreign exchange gains	Other	Total
Balance as of January 1, 2022	$ (86,734)	(116)	(29)	(86,879)
Recognized in profit or loss	(6,298)	(2,179)	29	(8,448)
Balance as of December 31, 2022	**$ (93,032)**	**(2,295)**	**-**	**(95,327)**
Balance as of January 1, 2021	$ (74,422)	(4,652)	-	(79,074)
Recognized in profit or loss	(12,312)	4,536	(29)	(7,805)
Balance as of December 31, 2021	**$ (86,734)**	**(116)**	**(29)**	**(86,879)**

(iii) The Company's income tax return for the years through 2019 were assessed and approved by the tax authorities.

(q) Capital and other equity

(i) Common share

As of December 31, 2022 and 2021 the Company's authorized share capital consisted of 800,000 thousand shares of common share, with $10 dollars par value per share, of which 547,752 thousand shares, respectively, were issued and outstanding.

(ii) Capital surplus

The balance of capital surplus as of December 31, 2022 and 2021 were as follows:

	December 31, 2022	December 31, 2021
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
	$ 474,558	**474,558**

According to the ROC Group 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.

(iii) Retained earnings

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

1) Legal reserve should be at 10%.

2) Special reserve should be appropriated (reversed) in accordance with related rules.

3) Remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval. It 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.

The Company's dividend policy is as follows:

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

1) Legal reserve

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

2) Special reserve

The Company adopted to exemptions of IFRS 1 First-time Adoption of International Financial Reporting Standards of first time adoption in accordance with the IFRSs approved by the FSC. Based on the exemptions, the Company increased retained earnings amounted to $132,824 thousand 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 thousand, 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, 2022 and 2021, the special reserve is amounted to $18,646 thousand.

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.

(iv) Distribution of earnings

The amounts of cash dividends for 2021 and 2020 had been approved during the board meeting held on March 24, 2022 and March 25, 2021, respectively. The relevant dividend distributions to shareholders were as follows:

	2021		2020	
	Amount per share	**Amount**	**Amount per share**	**Amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 0.50	$ **273,876**	0.30	**164,326**

On March 16, 2023, the Company's Board of Directors proposed to resolve to appropriate the 2022 earnings. These earnings will be appropriated as follows:

	2022	
	Amount per share	**Amount**
Dividends distributed to ordinary shareholders:		
Cash	$ 0.35	$ **191,713**

(v) Other equity (net of tax)

	Exchange differences on translation of foreign financial statements	**Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income**	**Non-controlling interest**	**Total**
Balance on January 1, 2022	$ (130,318)	735,613	(8,575)	596,720
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(577,979)	305	(577,674)
Exchange differences on translation of foreign financial statements	55,307	-	23,759	79,066
Exchange differences on associates accounted for using equity method	(1,976)	-	-	(1,976)
Disposal of equity instruments designated at fair value through other comprehensive income	-	(10,243)	-	(10,243)
Balance on December 31, 2022	$ **(76,987)**	**147,391**	**15,489**	**85,893**

(Continued)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Non-controlling interest	Total
Balance on January 1, 2021	$ (110,615)	226,554	(5,940)	109,999
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	509,059	434	509,493
Exchange differences on translation of foreign financial statements	(20,867)	-	(3,069)	(23,936)
Exchange differences on associates accounted for using equity method	1,164	-	-	1,164
Balance on December 31, 2021	**$ (130,318)**	**735,613**	**(8,575)**	**596,720**

(r) Earning per share

	2022	2021
Basic earning per share		
Profit attributable to common shareholders of the Company	**$ 374,432**	**472,970**
Weighted-average number of common shares outstanding	**547,752**	**547,752**
Basic earnings per share (express in New Taiwan Dollar)	**$ 0.68**	**0.86**

	2022	2021
Diluted earning per share		
Profit attributable to common shareholders of the Company	**$ 374,432**	**472,970**
Weighted-average number of common shares outstanding (basic)	$ 547,752	547,752
Effect of employee compensation	1,558	1,287
Weighted-average number of common shares outstanding (diluted)	**549,310**	**549,039**
Diluted earnings per share (express in New Taiwan Dollar)	**$ 0.68**	**0.86**

(s) Employees compensation and directors' remuneration

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

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

	2022	2021
Employees' Compensation	$ 24,194	29,772
Directors' Remuneration	9,678	11,909
	$ 33,872	**41,681**

(Continued)

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. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholder' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

(t) Revenue from contract with customers

(i) Disaggregation of revenue

	2022					
	Color chemicals	**Specialty chemicals**	**Electronic chemicals**	**Toners**	**Pharmaceuticals**	**Total**
Primary geographical markets:						
Taiwan	$ 379,384	291,076	928,043	38,815	9,841	1,647,159
America	234,943	514,394	-	234,120	60,679	1,044,136
Asia	2,327,917	965,851	386,057	854,718	34,624	4,569,167
Europe	487,716	534,448	-	255,623	104,888	1,382,675
Other	83,845	120,945	-	21,005	22,770	248,565
	$ 3,513,805	**2,426,714**	**1,314,100**	**1,404,281**	**232,802**	**8,891,702**
Major products:						
Chemicals	$ 3,513,805	2,426,714	1,314,100	-	-	7,254,619
Toners	-	-	-	1,404,281	-	1,404,281
Other	-	-	-	-	232,802	232,802
	$ 3,513,805	**2,426,714**	**1,314,100**	**1,404,281**	**232,802**	**8,891,702**

	2021					
	Color chemicals	**Specialty chemicals**	**Electronic chemicals**	**Toners**	**Pharmaceuticals**	**Total**
Primary geographical markets:						
Taiwan	$ 429,034	303,044	830,045	38,681	7,991	1,608,795
America	276,666	473,733	-	178,581	43,935	972,915
Asia	2,696,176	1,032,682	399,020	720,127	67,438	4,915,443
Europe	696,336	489,573	-	213,991	95,450	1,495,350
Other	97,318	65,876	-	18,987	26,304	208,485
	$ 4,195,530	**2,364,908**	**1,229,065**	**1,170,367**	**241,118**	**9,200,988**
Major products:						
Chemicals	$ 4,195,530	2,364,908	1,229,065	-	-	7,789,503
Toners	-	-	-	1,170,367	-	1,170,367
Other	-	-	-	-	241,118	241,118
	$ 4,195,530	**2,364,908**	**1,229,065**	**1,170,367**	**241,118**	**9,200,988**

(ii) Contract balance

	December 31, 2022	**December 31, 2021**	**January 1, 2021**
Receivables	$ 1,601,475	1,918,261	1,663,885
Less: loss allowance	(66,670)	(75,815)	(66,516)
Total	**$ 1,534,805**	**1,842,446**	**1,597,369**

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

(Continued)

(u) Non-operating income and expenses

(i) Interest income

	2022	2021
Interest income from bank deposits	$ **5,157**	**4,115**

(ii) Other income

	2022	2021
Dividend income	$ **47,198**	**39,880**

(iii) Other gains and losses

	2022	2021
Foreign exchange gains (losses), net	$ 69,127	(51,363)
Net gains on financial assets and liabilities at fair value through profit	138	240
Losses on disposal of property, plant and equipment	(2,884)	(748)
Subsidy revenue	22,557	20,410
Disaster loss (note 10)	(32,851)	-
Others	58,237	69,451
	$ **114,324**	**37,990**

(iv) Finance costs

	2022	2021
Interest expense	$ **71,084**	**48,580**

(v) Financial instruments

(i) Credit risk

1) Credit risk exposure

As of December 31, 2022 and 2021, the Group's exposure to credit risk and the maximum exposure were mainly from:

a) The carrying amount of financial assets recognized in the balance sheet; and

b) The amounts of liabilities as a result from the Company providing financial guarantees were $61,420 thousand and $55,360 thousand , respectively.

2) Concentration of credit risk

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

3) Receivables securities

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

Other financial assets at amortized cost includes other receivables and refundable deposits. There were no loss allowance provision for the years ended December 31, 2022 and 2021. 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(g)).

(ii) Liquidity risk

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

	Carrying amount	**Contractual cash flows**	**within 1 year**	**1~2 years**	**2~5 years**	**Over 5 years**
December 31, 2022						
Non-derivative financial liabilities						
Short-term borrowings	$ 1,665,417	1,676,635	1,676,635	-	-	-
Notes payable	89,065	89,065	89,065	-	-	-
Accounts payable	341,564	341,564	341,564	-	-	-
Lease liabilities	269,235	335,112	40,744	44,532	39,651	210,185
Other payable	502,833	502,833	502,833	-	-	-
Payables on equipment	36,334	36,334	36,334	-	-	-
Long-term borrowings (including current portion)	1,100,000	1,137,168	15,197	780,068	341,903	-
	$ 4,004,448	**4,118,711**	**2,702,372**	**824,600**	**4,398,982**	**210,185**
December 31, 2021						
Non-derivative financial liabilities						
Short-term borrowings	$ 2,056,402	2,060,470	2,060,470	-	-	-
Notes payable	238,909	238,909	238,909	-	-	-
Accounts payable	329,088	329,088	329,088	-	-	-
Lease liabilities	271,607	341,210	35,319	41,584	46,307	218,000
Other payable	535,475	528,555	528,555	-	-	-
Payables on equipment	43,062	42,062	42,062	-	-	-
Long-term borrowings	1,000,000	1,019,440	-	617,348	402,092	-
	$ 4,474,543	**4,559,734**	**3,234,403**	**658,932**	**4,382,987**	**218,000**

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

(Continued)

(iii) Currency risk

1) Exposure to foreign currency risk

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

	December 31, 2022			December 31, 2021		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets						
Monetary items						
USD	$ 37,186	30.71	1,141,981	53,292	27.68	1,475,130
JPY	157,597	0.23	36,247	149,975	0.24	35,994
RMB	79,190	4.41	349,229	72,665	4.34	315,367
Financial liabilities						
Monetary items						
USD	29,063	30.71	892,519	59,472	27.70	1,646,182
JPY	222,009	0.23	51,062	131,506	0.24	31,561
RMB	4,060	4.41	17,903	1,832	4.37	7,953

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, loans and borrowings, and accounts payable that are denominated in foreign currency. A strengthening (weakening) 1% of appreciation (depreciation) of the NTD against the USD, JPY and RMB for the years ended December 31, 2022 and 2021, would have changed the profit by $4,528 and $1,126 thousand, respectively. The analysis is performed on the same basis for 2022 and 2021.

3) Foreign exchange gains and losses on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gains (losses) on monetary items is disclosed by total amount. For the years ended December 31, 2022 and 2021, foreign exchange losses (including realized and unrealized portions) are exchange gains (losses) amounted to $69,127 and $(51,363) thousand, respectively.

(iv) Interest rate analysis

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

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

If the interest rate had increased/decreased by 1%, the Group's profit would have changed by $22,123 and $24,451 thousand, respectively, for the years ended December 31, 2022 and 2021, with all other variable factors that remain constant. This is mainly due to the Group's borrowing at floating rates.

(v) Other price risk

For the years ended December 31, 2022 and 2021, the sensitivity analyses for changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	2022		2021	
Prices of securities at reporting day	**Other comprehensive income after tax**	**Net income**	**Other comprehensive income after tax**	**Net income**
1% increase	**$ 9,564**	**-**	**15,299**	**-**
1% decrease	**$ (9,564)**	**-**	**(15,299)**	**-**

(vi) Fair value of financial instruments

1) Categories and fair values of financial instruments

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

	December 31, 2022				
		Fair value			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets mandatorily measured at fair value through profit or loss					
Monetary market fund	$ 4,020	4,020	-	-	4,020
Subtotal	4,020	4,020	-	-	4,020
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	716,367	716,367	-	-	716,367
Domestic unlisted common shares	240,044	-	-	240,044	240,044
Subtotal	956,411	716,367	-	240,044	956,411
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 1,215,150	-	-	-	-
Notes and accounts receivable	1,534,805	-	-	-	-
Other financial assets	67,905	-	-	-	-
Subtotal	2,817,860	-	-	-	-
Total	**$ 3,778,291**	**720,387**	**-**	**240,044**	**960,431**

	December 31, 2022				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Bank loans (including current portion)	$ 2,765,417	-	-	-	-
Notes and accounts payable	430,629	-	-	-	-
Lease liabilities	269,235	-	-	-	-
Other payable	502,833	-	-	-	-
Payables on equipment	36,334	-	-	-	-
Total	$ **4,004,448**	**-**	**-**	**-**	**-**

	December 31, 2021				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss					
Monetary market fund	$ 60,247	60,247	-	-	60,247
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	1,449,877	1,449,877	-	-	1,449,877
Domestic unlisted common shares	79,987	-	-	79,987	79,987
Subtotal	1,529,864	1,449,877	-	79,987	1,529,864
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 1,449,753	-	-	-	-
Financial assets at amortized cost	3,502	-	-	-	-
Notes and accounts receivable	1,842,446	-	-	-	-
Other financial assets	30,351	-	-	-	-
Subtotal	3,326,052	-	-	-	-
Total	$ **4,916,163**	**1,510,124**	**-**	**79,987**	**1,590,111**
Financial liabilities measured at amortized cost					
Bank loans	$ 3,056,402	-	-	-	-
Notes and accounts payable	567,997	-	-	-	-
Lease liabilities	271,607	-	-	-	-
Other payable	535,475	-	-	-	-
Payables on equipment	43,062	-	-	-	-
Total	$ **4,474,543**	**-**	**-**	**-**	**-**

(Continued)

2) Valuation techniques for financial instruments measured at fair value

a) Non-derivative instruments

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

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

i) the bid-ask spread is increasing; or

ii) the bid-ask spread varies significantly; or

iii) there has been a significant decline in trading volume.

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

- The fair value of stocks 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.

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

- Unquoted equity instruments: the fair value of financial instruments transactions in an inactive market, which is valued by comparable method. The main hypothesis is referred from the quotations of comparable listed companies and earning multiplies of PBR proportion as basic, which is adjusted by the discount affections of equity securities lacking market liquidity.

b) Derivative financial instruments

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

3) Transfers between Level 1 and Level 2

The Group didn't have any fair value transfer between levels for the years ended December 31, 2022 and 2021.

4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income	
	Unquoted equity instruments	
Balance on January 1, 2022	$	79,987
Purchased		33,120
Total gains or losses:		
Recognized in other comprehensive income		126,937
Balance on December 31, 2022	**$**	**240,044**

	Fair value through other comprehensive income	
	Unquoted equity instruments	
Balance on January 1, 2021	$	50,190
Total gains or losses:		
Recognized in other comprehensive income		29,797
Balance on December 31, 2021	**$**	**79,987**

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, 2022 and 2021 were as follows:

		2022	**2021**
Recognized in other comprehensive income	**$**	**126,937**	**29,797**

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

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

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

(Continued)

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through other comprehensive income- equity investments without an active market	Comparable Listed companies approach	• Price-Book Ratio (as of December 31, 2022 and 2021 were 2.74~5.70 and 2.70~7.25, respectively) • Market liquidity discount rate (as of December 31, 2022 and 2021 were all 20%)	• The estimated fair value would increase if the multiplier was higher. • The estimated fair value would decrease if market liquidity discount rate was higher.

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

The Group's measurements of financial instruments' fair value were reasonable, only if using different variables leading different results. For the fair value measurements in level 3, if changing valuation variables, would have the following effects on other comprehensive income on December 31, 2022 and 2021:

		Fair value variation on other comprehensive income			
		Favorable		Unfavorable	
Inputs	Upwards or Downwards	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Price-book ratio	5%	11,443	4,012	(11,443)	(4,012)
Market liquidity discount rate	5%	11,514	3,988	(11,514)	(3,988)

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

(w) Financial risk management

(i) Overview

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

1) Credit risk

2) Liquidity risk

3) Market risk

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

(ii) Risk management framework

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

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

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

2) Market risk: the Group's SBUs and functional division are responsible to make the strategy to identify risk based on regulation, government policy and analysis of market change, then execute the strategy. In order to manage the risk of market change dramatically, management with SBUs managers will establish a task force when it is necessary.

3) Operating strategy risk: in order to monitor the operating strategy in compliance with the Group's vision and meet the operating goals, general manager division with management of SBUs will evaluate the risk of operational policy through performance evaluation periodically.

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

(iii) Credit risk

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

1) Accounts receivable and other receivable

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

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

2) Investments

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

3) Guarantees

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

(iv) Liquidity risk

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

Loans and borrowings from the bank form an important source of liquidity for the Group. As of December 31, 2022 and 2021, the Group's unused credit line were amounted to $4,193,932 thousand and $3,580,724 thousand, respectively.

(v) Market risk

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

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

1) Currency risk

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

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

2) Interest rate risk

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

3) Other market price risk

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

(x) Capital management

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

	December 31, 2022	**December 31, 2021**
Total liability	$ 4,325,806	5,029,996
Less: cash and cash equivalents	1,215,150	1,449,753
Net liability	**$ 3,110,656**	**3,580,243**
Total equity	**$ 8,806,697**	**9,106,274**
Debt-to-equity ratio	**35 %**	**39 %**

There were no change in the Group's approach to capital management for the year ended December 31, 2022.

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

Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes		
	January 1, 2022	**Cash flows**	**Foreign exchange movement**	**Others**	**December 31, 2022**
Short-term borrowings	$ 2,056,402	(396,625)	5,640	-	1,665,417
Long-term borrowings	1,000,000	100,000	-	-	1,100,000
Lease liabilities	271,607	(34,834)	1,248	31,214	269,235
Total liabilities from financing activities	**$ 3,328,009**	**(331,459)**	**6,888**	**31,214**	**3,034,652**

			Non-cash changes		
	January 1, 2021	**Cash flows**	**Foreign exchange movement**	**Others**	**December 31, 2021**
Short-term borrowings	$ 1,871,991	187,338	(2,927)	-	2,056,402
Long-term borrowings	1,290,000	(290,000)	-	-	1,000,000
Lease liabilities	293,710	(34,491)	(1,695)	14,083	271,607
Total liabilities from financing activities	**$ 3,455,701**	**(137,153)**	**(4,622)**	**14,083**	**3,328,009**

(7) Related-party transactions:

(a) Names and relationship with related parties

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

Name of related party	Relationship with the Group
Chung Hwa Chemical Industrial Works, Ltd. (CHCIW)	The entity's chairman is the director of the Company

(b) Significant transactions with related parties

(i) Purchase

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

	2022	2021
CHCIW	$ 37,371	42,984

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.

(ii) Payables to related parties

Account	Name of related party	December 31, 2022	December 31, 2021
Notes and accounts payable	CHCIW	$ 14,467	17,165
Other payable	CHCIW	-	2,676
		$ 14,467	19,841

(c) Key management personnel compensation

	2022	2021
Short-term employee benefits	$ 28,644	32,134
Post-employment benefits	492	604
	$ 29,136	32,738

(8) Assets pledged as security:

The carrying amounts of pledged assets were as follows:

Pledged assets	Pledged to secure	December 31, 2022	December 31, 2021
Accounts receivable	Short-term borrowings	$ -	115,601
Inventories	Short-term borrowings	-	8,304
		$ -	123,905

(Continued)

(9) Commitments and contingencies:

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

	December 31, 2022	December 31, 2021
Acquisition of property, plant and equipment	$ 172,495	77,954

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

	December 31, 2022	December 31, 2021
Outstanding standby letter of credit	$ -	2,385

(10) Losses due to major disasters:

A fire accident occurred in building Plant #3 on March 10, 2022, and caused damage to some buildings, equipment and inventories. The aforementioned estimated disaster loss is $66,851 thousand recognized in other gains and losses in December 31, 2022. The Company has already entered into related property insurance contracts and is currently in the process of negotiation with the insurance company to handle claims. The Company has confirmed with the insurance company and its notary to recognize the virtually certain amount of compensation that can be received from the insurance company as claim receivables, but shall not exceed the disaster loss of each asset. As of December 31, 2022, the Company recognizes the claim receivable for $34,000 thousand, as a deduction in other gains and losses. However, the insurance claims involve disaster identification, the Company has not been able to confirm the total amount of insurance claims, and will recognize it when the Company can almost be certain that it can receive the subsequent increase in insurance claims income.

(11) Subsequent Events: None.

(12) Other:

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

By function By item	2022			2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	721,371	584,586	1,305,957	727,606	585,388	1,312,994
Labor and health insurance	70,670	59,711	130,381	67,691	54,626	122,317
Pension	40,992	34,391	75,383	37,381	31,339	68,720
Remuneration of directors	-	19,725	19,725	-	20,185	20,185
Others	35,674	21,069	56,743	27,211	20,990	48,201
Depreciation (note)	508,624	130,112	638,736	489,026	180,315	669,341
Amortization	1,884	32,071	33,955	1,999	29,110	31,109

Note: For the years ended December 31, 2022 and 2021, depreciation expenses recognized were $638,820 thousand and $669,591 thousand, respectively, less deferred gains of $84 thousand and $250 thousand, respectively.

(13) Other disclosures:

(a) Information on significant transactions

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the year ended December 31, 2022:

1. Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related Party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	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 parties	Yes	161,075	-	-	-	2	-	Short-term operation financing	-	NA	-	845,507	3,382,028

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	845,507	64,430	61,420	9,213	-	0.73%	2,113,768	Yes	No	No

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

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

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

3. Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of Shares/Units)

				Ending balance					
Name of holder	Category and name of security	Relationship with company	Account	Shares/Units	Carrying value	Percentage of Ownership	Fair value	Highest balance during the year	Note
GLTP	UPAMC James Bond Money Market Fund	-	Financial assets at fair value through profit or loss-current	237	4,020	-	4,020	948	
ECIC	Polytronics Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	8,000	445,247	9%	453,600	8,375	
"	Chung Hwa Chemical Industrial Works, LTD	-	"	5,500	92,217	5%	134,750	5,500	
"	General Plastic Industrial Co., Ltd.	-	"	2,140	74,900	2%	63,023	2,140	
"	Andros Pharmaceuticals Co., Ltd.	-	"	4,724	103,120	14%	214,659	4,724	
GLTP	QISDA Corp.	-	"	70	2,268	-	1,971	70	
"	Andros Pharmaceuticals Co., Ltd.	-	"	260	7,800	1%	11,814	260	
"	Taiwan Bio Therapentics Co., Ltd.	-	"	414	11,400	1%	13,571	414	
TTI	General Plastic Industrial Co., Ltd.	-	"	2,140	74,900	2%	63,023	2,140	
			Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		144,559		-		
	Total				956,411		956,411		

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$300 million or 20% of the capital stock:

				Transaction details			Transactions with terms different from others		Notes/Accounts receivable (payable)		
Name of company	Counter-party	Nature of relationship	Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	Note
ECIC	EVEU	Subsidiary	Sale	495,161	7.30%	OA 90	Non material differences from those of third-parties	Non material differences from those of third-parties	14,167	2.00%	Note
"	EVUS	"	"	388,188	5.72%	OA 100	"	"	106,220	15.30%	Note
"	ELITE	"	"	286,532	4.22%	OA 100	"	"	32,929	4.66%	Note
"	EVSZ	"	"	199,499	2.94%	OA 90	"	"	36,228	5.13%	Note
"	ETSH	"	"	182,539	2.69%	OA 90	"	"	58,546	8.28%	Note
"	ADSH	"	"	179,109	2.64%	OA 120	"	"	91,893	13.00%	Note
"	EVSH	"	"	162,534	2.40%	OA 90	"	"	40,788	5.70%	Note
TTI	EVSZ	Affiliated	"	162,624	2.40%	OA 90	"	"	36,153	5.11%	Note

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

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

Name of company	Counter-party	Nature of relationship	Ending balance (note)	Turnover rate	Overdue		Amounts received in subsequent period (As of March 16, 2023)	Loss allowance
					Amount	Action taken		
ECIC	EVUS	Subsidiary	106,220	2.94	-	-	49,485	-

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

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

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

Number (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentages of the consolidated net revenue or total assets
0	ECIC	EVEU	1	Operating revenue	495,161	No material differences from those of third parties	5.57%
0	〃	EVUS	1	〃	388,188	〃	4.37%
0	〃	ELITE	1	〃	286,532	〃	3.22%
0	〃	EVSZ	1	〃	199,499	〃	2.24%
0	〃	ADSH	1	〃	179,109	〃	2.01%
0	〃	ETSH	1	〃	182,539	〃	2.05%
0	〃	EVSH	1	〃	162,534	〃	1.83%
1	TTI	EVSZ	2	〃	162,624	〃	1.83%

Note 1: Company numbering as follows:
Parent company - 0
Subsidiary starts from 1

Note 2: The numbering of the relationship between transaction parties as follows:
Parent company to subsidiary - 1
Subsidiary to subsidiary - 2

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

(b) Information on investments (excluding investment in mainland China):

The following are the information on investees for the year ended December 31, 2022 (excluding investment in mainland China):

Units in Thousands

Reports by Securities	Name of investee	Location	Main businesses and products	Original investment amount		Balance of December 31, 2022			Highest balance during the year	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2022	December 31, 2021	Shares (thousands)	Percentage of ownership	Carrying value				
ECIC	EVUS	America	Selling chemical product and related raw materials	88,868	88,868	300	100.00%	149,163	300	14,189	14,189	(Note 2)
〃	EVHK	Hong Kong	Selling chemical product and related raw materials	34,579	34,579	1,000	100.00%	41,492	1,000	592	592	(Note 2)
〃	EVSG	Singapore	Investing business	794,290	779,115	24,800	100.00%	959,306	24,800	(11,235)	(11,235)	(Note 2)
〃	EVEU	Netherland	Selling chemical product and related raw materials	7,890	7,890	1	100.00%	91,379	1	23,406	23,406	(Note 2)
〃	TTI	Hsinchu City	Manufacturing and selling toners of laser printer, copier and fax machine	242,192	242,192	44,906	76.15%	640,070	44,906	81,082	60,691	(Note 2)
〃	ELITE	Turkey	Selling chemical product and related raw materials	45,016	45,016	22	50.00%	113,989	22	9,081	4,541	(Note 2)
〃	GOODTV	Taipei City	Cable TV channels	19,000	19,000	1,900	22.35%	20,543	1,900	1,498	335	(Note 1)
〃	TAK	Taoyuan City	Manufacturing of inductance core and cathode materials of Lithium ion battery	58,600	58,600	4,856	16.78%	44,939	10,000	(190)	260	(Note 1)
〃	DCBM	Taoyuan City	Manufacturing of medical supplies and providing service of biological technology	-	62,555	-	-	-	6,325	-	-	(Note 3)
〃	GLTP	Taipei City	Investing business	100,000	100,000	10,000	100.00%	33,423	10,000	121	121	(Note 2)
	Unrealized gross profit on sales			-	-			(84,761)			-	
				1,390,435	1,437,815			2,009,543			92,900	
EVSG	EVVN	Vietnam	Selling chemical product and related raw materials	12,140	-	-	100.00%	11,974	12,140	34	34	(Note 2)

Note 1: These companies are the investees of investments accounted for using equity method. Investment income (loss) arisen from these companies were included in share of profit of subsidiaries accounted for using equity method of the Company.

Note 2: The amounts of the transactions and the ending balance had been eliminated in the consolidated financial statements.

Note 3: The Company decided to dissolved DCBM. As of December 15, 2022, the related procedure has been completed.

(c) Information on investment in mainland China:

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

Units in Thousands

Reports by Securities	Main businesses and products	Total amount of paid-in capital		Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022		Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022		Net income (losses) of the investee	Percentage of ownership	Highest balance during the year	Investment income (losses)(Note 2)	Book value	Accumulated remittance of earnings in current period	
		USD	NTD		USD	NTD	Outflow	Inflow	USD	NTD						USD	TWD
ETSH (Note 8)	Selling chemical product and related raw materials	1,700 (Note 7)	52,207	(Note 6)	700	21,497			700	21,497	12,847	100.00%	100.00%	12,847	161,293	2,961	90,932
ETGZ (Note 8)	Selling chemical product and related raw materials	700 (Note 6)	21,497	(Note 6)	200	6,142			200	6,142	8,074	100.00%	100.00%	8,074	100,914	1,523	46,771
EVSH (Note 8)	Selling chemical product and related raw materials	1,250 (Note 6)	38,388	(Note 6)	1,100	33,781			1,100	33,781	(3,040)	100.00%	100.00%	(3,040)	148,172	950	29,175
EVSZ (Note 8)	Manufacturing and selling color chemical, toners and electronic high tech chemical product	23,650 (Note 4)	726,292	(Note 1)	18,600	571,206			18,600	571,206	(15,545)	100.00%	100.00%	(15,545)	853,225	-	-
ANDA (Note 8)	Selling electronic high tech chemical product	15,013 (Note 4)	66,177	(Note 1)	650	19,962			650	19,962	(6,341)	29.80%	56.25%	(1,990)	12,918	-	-
ADSH (Note 8)	Selling electronic high tech chemical product	157 (Note 5)	4,821	(Note 5)	-	-			-	-	(3,271)	56.25%	56.25%	(1,840)	11,340	-	-
3ESZ	Manufacturing and selling chemical product and related raw materials	6,600 (Note 4)	202,686	(Note 1)	2,490	76,468			2,490	76,468	17,219	40.00%	40.00%	6,888	68,181	-	-

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.

Note 3: Exchange rate: NTD vs USD (1:30.71), NTD vs RMB (1:4.408) . 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 15,013 after changing the original registered capital from USD 1,200 to RMB 8,445 due to operation needs.

Note 5: ANDA invested in ADSH amounted to RMB 1,000 thousand (USD 157 thousand) by owned funds.

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.

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

(ii) Limitation on investment in mainland China:

Accumulated Investment in mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
781,170 (USD 25,437)	710,814 (USD 23,146)	5,284,018

As of December 31, 2022, the difference between accumulated investment in mainland China and investment amounts authorized by Investment Commission, MOEA was amounted to USD (2,291) thousand, including the follows:

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

(ii) EVSG: investment amounted to USD 2,425 thousand by owned funds.

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

(iii) Significant transactions:

For the year ended December 31, 2022, the information on direct or indirect significant transactions with investees in mainland China, which had been eliminated in the consolidated financial statements, is disclosed in note (13)(a) Information on significant transactions.

(d) Major shareholders：

Reports by Securities Issuers” for the Group for the year ended December 31, 2022: (In Shares)

Shareholding / Shareholder’s Name	Shares	Percentage
CHEN,DING-CHUAN	58,000,000	10.58%
ETHICAL INVESTMENT CORPORATION	49,000,000	8.94%

(Continued)

(14)Segment information:

(a) General information

The reportable segments and its operating were as follows:

(i) Color chemicals: manufacturing textile dye, leather dye, inkjet dye, metal dye, paper dye, textile functional chemicals, digital textile printing ink, dye for DSSC, colors pigments and etc.

(ii) Specialty chemicals: manufacturing of weatherability HALS, plastic HALS, PU/TPU anti-yellowing materials and cosmetic sun-screening materials.

(iii) Pharmaceuticals: manufacturing of prostaglandin API, cardiovascular disease API and Parkinson disease API.

(iv) Electronic chemicals: manufacturing of industrial photoresist for IC, LCD, LED and TP, developers, slurry and functional surface nano coating.

(v) Toner: manufacturing and sale of toner for laser printer, copier and fax machine.

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

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

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

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

	2022							
	Color chemicals	**Specialty chemicals**	**Electronic chemicals**	**Toner**	**Pharmaceuticals**	**Others**	**Reconciliation and elimination**	**Total**
Revenue from external customers	$ 3,513,805	2,426,714	1,314,100	1,404,281	232,802	-	-	8,891,702
Intersegment revenue	-	-	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	5,157	-	5,157
Total revenue	**$ 3,513,805**	**2,426,714**	**1,314,100**	**1,404,281**	**232,802**	**5,157**	**-**	**8,896,859**
Interest expense	**$ 31,501**	**14,140**	**10,208**	**12,898**	**2,337**	**-**	**-**	**71,084**
Depreciation and amortization	**$ 305,622**	**120,613**	**44,288**	**96,399**	**97,149**	**8,620**	**-**	**672,691**
Gains on investment	**$ -**	**-**	**-**	**-**	**-**	**7,483**	**-**	**7,483**
Reportable segment profit (loss)	**$ 200,606**	**176,753**	**107,143**	**50,164**	**(104,250)**	**53,418**	**-**	**483,834**

	2021							
	Color chemicals	Specialty chemicals	Electronic chemicals	Toner	Pharmaceuticals	Others	Reconciliation and elimination	Total
Revenue from external customers	$ 4,195,530	2,364,908	1,229,065	1,170,367	241,118	-	-	9,200,988
Intersegment revenue	-	-	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	4,115	-	4,115
Total revenue	$ 4,195,530	2,364,908	1,229,065	1,170,367	241,118	4,115	-	9,205,103
Interest expense	$ 20,286	9,143	6,823	10,676	1,652	-	-	48,580
Depreciation and amortization	$ 313,735	120,521	43,677	114,224	101,846	6,447	-	700,450
Gains on investment	$ -	-	-	-	-	11,259	-	11,259
Reportable segment profit (loss)	$ 473,450	224,884	48,382	(65,105)	(134,760)	50,589	-	597,440

(c) Information for the entity as a whole

(i) Product and service information: the information is disclosed in note (14)(b), the Group's operating segment information and reconciliation.

(ii) Geographic information

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

Revenue from the external customers:

Area	2022	2021
Taiwan	$ 1,647,159	1,608,795
Europe	1,382,675	1,495,350
China	4,569,167	4,915,443
America	1,044,136	972,915
Other	248,565	208,485
	$ 8,891,702	9,200,988

Non-current assets

Area	December 31, 2022	December 31, 2021
Taiwan	$ 4,670,603	4,911,975
Europe	10,991	11,900
China	379,029	393,921
America	14,749	14,661
	$ 5,075,372	5,332,457

Non-current assets included property, plant and equipment, intangible assets and other assets, not including investments accounted for using equity method financial instruments, deferred tax assets, and rights arising from an contract (non-current).

(iii) Major customers

There is no revenue from the external customers greater than 10% of net revenue.

II. Indivi l Financial Report

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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, 2022 and 2021, 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 significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, 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 Auditing and Attestation of Financial Statements by 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 Account 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 year ended December 31, 2022. 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.

● Valuation of accounts receivable

Please refer to Note 4(f) “Financial Instruments” for accounting policy, Note 5 for accounting assumptions, judgments and estimation uncertainty of accounts receivable and Note 6(c) for the disclosure of the valuation of accounts receivable to the parent-company-only financial statements.

Description of key audit matters

Given the challenging economic climate, the risk of receivables recovery remains high, resulting in significant judgment being applied in the management's assessment of the recoverability of accounts receivable. Consequently, this is the key judgmental areas of our audit.

How the matter was addressed in our audit

Our major audit procedures included testing the adequacy of the formula of the calculation for expected loss rate; testing the adequacy of aging report by tracing to related vouchers; evaluating the appropriateness of loss allowance and expected credit loss by testing if the loss allowance was made by expected loss rate; assessing if the evaluation document of loss allowance for accounts receivable was compliance with the Company's accounting policy; evaluating the adequacy of the disclosure of loss allowance for accounts receivable prepared by management.

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.

Auditor's 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 auditor’s 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 Chia-Chien Tang and Ya-Ling Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 16, 2023

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, 2022 and 2021

(expressed in thousands New Taiwan dollars)

		December 31, 2022		December 31, 2021	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 666,659	6	990,993	8
1110	Financial assets at fair value through profit or loss-current (note 6(b))	-	-	60,247	-
1136	Financial assets at amortized cost-current (note 6(b))	-	-	3,502	-
1150	Notes receivable, net (notes 6(c) and (s))	46,112	-	62,721	-
1170	Accounts receivable, net (notes 6(c) and (s))	660,728	6	845,223	7
1180	Accounts receivable due from related parties, net (notes 6(c), (s) and 7)	394,863	3	592,416	5
1210	Other receivables due from related parties (note 7)	6,986	-	9,172	-
130X	Inventories (notes 6(d) and 10)	2,868,151	25	2,435,472	19
1476	Other current financial assets (note 10)	50,797	-	15,781	-
1479	Other current assets (note 6(g))	78,309	1	96,063	1
	Total current assets	4,772,605	41	5,111,590	40
	Non-current assets:				
1517	Financial assets at fair value through other comprehensive income-non-current (notes 6(b) and (u))	866,032	8	1,459,491	12
1550	Investments accounted for using equity method (note 6(e))	2,009,543	17	1,835,361	15
1600	Property, plant and equipment (notes 6(f), 9 and 10)	3,687,171	32	3,967,108	31
1755	Right-of-use-assets (note 6(h))	19,841	-	27,497	-
1780	Intangible assets (note 6(i))	148,171	1	110,565	1
1840	Deferred tax assets (note 6(o))	56,690	-	107,460	1
1915	Prepayments for equipment	63,028	1	27,072	-
1980	Other non-current financial assets (notes 6(c) and (s))	2,304	-	2,195	-
	Total non-current assets	6,852,780	59	7,536,749	60
	Total assets	**$ 11,625,385**	**100**	**12,648,339**	**100**

		December 31, 2022		December 31, 2021	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6(j))	$ 1,093,902	10	1,308,863	11
2151	Notes payable (note 7)	79,852	1	238,909	2
2170	Accounts payable (note 7)	268,002	2	290,275	2
2209	Other payable (notes 6(r) and 7)	373,742	3	415,083	3
2213	Payable on equipment	33,685	-	43,062	-
2230	Current tax liabilities	34,346	-	113,138	1
2280	Lease liabilities-current (note 6(l))	8,800	-	9,659	-
2399	Other current liabilities (note 6(m))	32,702	-	37,318	-
	Total current liabilities	1,925,031	16	2,456,307	19
	Non-current liabilities:				
2541	Long-term bank loans (note (k))	1,000,000	9	1,000,000	8
2570	Deferred tax liabilities (note 6(o))	95,327	1	86,763	1
2580	Lease liabilities non-current (note 6(l))	11,635	-	18,529	-
2640	Net defined benefit liability (note 6(n))	74,720	1	214,833	2
2670	Other non-current liabilities, others (note 6(m))	63,600	-	65,767	-
	Total non-current liabilities	1,245,282	11	1,385,892	11
	Total liabilities	3,170,313	27	3,842,199	30
	Equity (notes 6(b), (e), (n), (o) and (p)):				
3100	Common shares	5,477,522	47	5,477,522	43
3200	Capital surplus	474,558	4	474,558	4
3300	Retained earnings	2,432,588	21	2,248,765	18
3400	Other equity	70,404	1	605,295	5
	Total equity	8,455,072	73	8,806,140	70
	Total liabilities and equity	**$ 11,625,385**	**100**	**12,648,339**	**100**

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, 2022 and 2021

(expressed in thousands of New Taiwan dollars except for earnings per share)

		2022		2021	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue** (notes 6(s) and 7)	$ 6,782,782	100	7,509,370	100
5000	**Operating costs** (notes 6(d), (f), (h), (i), (l), (n), (r), 7 and 12)	5,413,588	80	5,847,516	78
5900	**Gross profit from operations**	1,369,194	20	1,661,854	22
5910	**Realized (unrealized) gross profit from sales**	18,019	-	(47,138)	1
5950	**Gross profit from operations**	1,387,213	20	1,614,716	21
6000	**Operating expenses** (notes 6(c), (f), (h), (i), (l), (n), (r), 7 and 12):				
6100	Selling expenses	612,542	9	646,932	8
6200	Administrative expenses	186,983	2	164,362	2
6300	Research and development expenses	326,420	5	351,211	5
6450	Expected credit loss (gain)	(3,908)	-	2,202	-
	Total operating expenses	1,122,037	16	1,164,707	15
6900	**Net operating income**	265,176	4	450,009	6
7000	**Non-operating income and expenses** (notes 6(b), (e), (f), (j), (k), (l), (t) and 10):				
7100	Interest income	2,103	-	1,418	-
7010	Other income	42,743	1	37,740	-
7020	Other gains and losses	91,673	1	31,977	-
7050	Finance costs	(44,585)	(1)	(23,966)	-
7060	Share of gains of subsidiaries and associates accounted for using equity method	92,900	2	56,588	1
	Total non-operating income and expense	184,834	3	103,757	1
7990	**Income before income tax**	450,010	7	553,766	7
7950	**Income tax expenses** (note 6(o))	75,578	1	80,796	1
	Net income	374,432	6	472,970	6
8300	**Other comprehensive income** (notes 6(e), (n), (o), (p) and (u)):				
8310	**Components of other comprehensive income (loss) that will not be reclassified to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans	90,507	1	(98,060)	(1)
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(587,611)	(9)	505,230	7
8330	Share of other comprehensive income of subsidiaries accounted for using equity method	10,250	-	3,113	-
8349	Income tax related to components that may not be reclassified to profit or loss	(18,101)	-	19,612	-
	Total components of other comprehensive income that (loss) will not be reclassified to profit or loss	(504,955)	(8)	429,895	6
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	55,307	1	(20,867)	-
8380	Share of other comprehensive income of associates accounted for using equity method	(1,976)	-	1,164	-
8399	Income tax related to components that may be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income that (loss) will be reclassified to profit or loss	53,331	1	(19,703)	-
8300	**Other comprehensive income(after tax)**	(451,624)	(7)	410,192	6
8500	**Total comprehensive income**	$ **(77,192)**	**(1)**	**883,162**	**12**
9750	**Basic earnings per share** (note 6(q)) **(expressed in New Taiwan dollars)**	$	**0.68**		**0.86**
9850	**Diluted earnings per share** (note 6(q)) **(expressed in New Taiwan dollars)**	$	**0.68**		**0.86**

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, 2022 and 2021

(expressed in thousands of New Taiwan dollars)

			Retained earnings				Other equity			
	Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	Total equity
Balance on January 1, 2021	$ 5,477,522	474,558	1,076,355	30,438	912,492	2,019,285	(110,615)	226,554	115,939	8,087,304
Net income	-	-	-	-	472,970	472,970	-	-	-	472,970
Other comprehensive income	-	-	-	-	(79,164)	(79,164)	(19,703)	509,059	489,356	410,192
Total comprehensive income	-	-	-	-	393,806	393,806	(19,703)	509,059	489,356	883,162
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	28,211	-	(28,211)	-	-	-	-	-
Cash dividends	-	-	-	-	(164,326)	(164,326)	-	-	-	(164,326)
Balance on December 31, 2021	5,477,522	474,558	1,104,566	30,438	1,113,761	2,248,765	(130,318)	735,613	605,295	8,806,140
Net income	-	-	-	-	374,432	374,432	-	-	-	374,432
Other comprehensive income	-	-	-	-	73,024	73,024	53,331	(577,979)	(524,648)	(451,624)
Total comprehensive income	-	-	-	-	447,456	447,456	53,331	(577,979)	(524,648)	(77,192)
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	39,381	-	(39,381)	-	-	-	-	-
Cash dividends	-	-	-	-	(273,876)	(273,876)	-	-	-	(273,876)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	10,243	10,243	-	(10,243)	(10,243)	-
Balance on December 31, 2022	**$ 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**

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 Cash Flows

For the years ended December 31, 2022 and 2021

(expressed in thousands of New Taiwan dollars)

	2022	2021
Cash flows from operating activities:		
Income before income tax	$ 450,010	553,766
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	508,908	522,513
Amortization expense	31,835	29,007
Expected credit losses (gains)	(3,908)	2,202
Net gains on financial assets at fair value through profit and loss	(118)	(216)
Interest expense	44,585	23,966
Interest income	(2,103)	(1,418)
Dividend income	(42,743)	(37,740)
Share of gains of subsidiaries and associates accounted for using equity method	(92,900)	(56,588)
Losses (gains) on disposal of property, plants and equipment	3,110	(1,125)
Losses on disposal of investment prosperities	7,219	-
Unrealized (realized) gross profit from sales	(18,019)	47,138
Losses due to disaster	32,851	-
Total adjustments to reconcile profit	468,717	527,739
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	16,609	(3,858)
Accounts receivable and overdue receivable (under other non-current financial assets)	188,403	(146,222)
Accounts receivable due from related parties	197,553	(110,246)
Other receivable due from related parties	5,226	1,730
Inventories	(449,715)	(200,753)
Other current financial assets	92	2,094
Other current assets	17,754	(13,706)
Total changes in operating assets	(24,078)	(470,961)
Changes in operating liabilities:		
Notes payable	(159,057)	57,580
Accounts payable	(22,273)	(36,312)
Other payable	(66,709)	116,655
Other current liabilities	(4,616)	4,004
Net defined benefit liabilities	(49,606)	(12,033)
Decrease in other non-current liabilities	(2,167)	(32,050)
Total changes in operating liabilities	(304,428)	97,844
Total changes in operating assets and liabilities	(328,506)	(373,117)
Total adjustments	140,211	154,622
Cash inflow generated from operations	590,221	708,388
Interest received	2,117	1,429
Dividends received	46,857	41,375
Income taxes paid	(86,652)	(46,831)
Net cash flows from operating activities	552,543	704,361
Cash flows used in investing activities:		
Acquisition of financial assets at fair value through profit or loss	(30,000)	(180,000)
Proceeds from disposal of financial assets at fair value through profit or loss	90,365	180,068
Acquisition of financial assets at amortized cost	-	(3,200)
Proceeds from disposal of financial assets at amortized cost	3,502	12,567
Acquisition of financial assets at fair value through other comprehensive income	(25,320)	(25,567)
Proceeds from disposal of financial assets at fair value through other comprehensive income	31,169	-
Acquisition of investments accounted for using equity method	(15,175)	-
Acquisition of property, plant and equipment	(196,271)	(151,138)
Proceeds from disposal of property, plant and equipment	2,067	1,733
Acquisition of intangible assets	(69,441)	(27,083)
Increase in other non-current assets	(111)	(3)
Increase in prepayments for equipment	(123,104)	(71,080)
Net cash used in investing activities	(332,319)	(263,703)
Cash flows used in financing activities:		
Increase in short-term borrowings	4,678,176	3,697,670
Decrease in short-term borrowings	(4,893,137)	(3,561,338)
Proceeds from long-term borrowings	-	50,000
Repayments of long-term borrowings	-	(300,000)
Payment of lease liabilities	(10,020)	(9,943)
Cash dividends paid	(273,876)	(164,326)
Interest paid	(45,701)	(26,035)
Net cash used in financing activities	(544,558)	(313,972)
Net increase in (decrease from) cash and cash equivalents	(324,334)	126,686
Cash and cash equivalents at beginning of period	990,993	864,307
Cash and cash equivalents at end of period	$ **666,659**	**990,993**

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

(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 16, 2023.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") 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, 2022:

- Amendments to IAS 16 "Property, Plant and Equipment－Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"

(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, 2023, would not have a significant impact on its financial statements:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

(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**
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024

The Company is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and financial performance. 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"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information "
- IFRS16 "Requirements for Sale and Leaseback Transactions"

(4) Summary of significant accounting policies:

The significant 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; and

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.

(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.

(ii) Foreign operations

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

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

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

An asset is classified 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 unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified 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 not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(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 a 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. A 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
- 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.

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
- 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

1) Financial liabilities

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

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

2) 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.

3) 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.

(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.

(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.

(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	25~55 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) Other intangible assets

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.

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.

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) 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.

(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.

(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.

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.

(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 that reflects uncertainty related to income taxes, if any. 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 for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(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 reserve, 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.

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:

The preparation of the parent-company-only financial statements in conformity with the Regulations requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

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, 2022.

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

Impairment of accounts receivable

When there is objective evidence of impairment loss, the Company takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. Where the actual future cash flows are less than expected, a material impairment loss may arise. Please refer to Note 6(c) for further description of the impairment of accounts receivable.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand	$ 1,411	1,312
Cash in bank	577,088	917,122
Time deposits	88,160	72,559
Cash and cash equivalents	**$ 666,659**	**990,993**

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

(b) Financial assets

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

	December 31, 2022	December 31, 2021
Financial assets mandatorily measured at fair value through profit and loss:		
Monetary market fund	**$ -**	**60,247**

(Continued)

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

	December 31, 2022	December 31, 2021
Stocks listed on domestic markets	$ 651,373	1,388,138
Domestic unlisted common shares	214,659	71,353
	$ 866,032	**1,459,491**

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.

For the year ended December 31, 2022, the Company has sold the partial of financial assets at fair value through other comprehensive income for strategic plan. The shares sold had a fair value of $31,169 thousand, and the Company realized a gain of $10,243 thousand, which is already included in other comprehensive income. The gain has been transferred to retained earnings. There was no such transaction for the year ended December 31, 2021.

(iii) Financial assets at amortized cost-current

Due to the Company's foreign deposits which applied for the "The Management, Utilization, and Taxation of Repatriated Offshore Funds Act" has not been engaged in investment yet, therefore, recognized in financial assets at amortized cost-current as follows:

	December 31, 2022	December 31, 2021
Financial assets at amortized cost-current	**$ -**	**3,502**

Due to the Company's foreign deposits which applied for the "The Management Utilization, and taxation of Repatriated offshore Funds Act" has not been engaged in investments yet, there fore recognized in financial assets at amortize cost-current. As of December 31, 2022, the aforementioned investment has been completed.

(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 hold 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 $7,040 thousand and $1,001 thousand in 2022 and 2021, respectively.

(c) Receivables

	December 31, 2022	December 31, 2021
Notes receivable	$ 46,113	62,772
Accounts receivable	671,894	860,247
Accounts receivable from related parties	394,863	592,416
Overdue receivable (under other non-current financial assets)	18,454	18,454
Less: loss allowance	(29,621)	(33,529)
	$ 1,101,703	1,500,360

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, account receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward looking information. The loss allowance were determined as follows:

	December 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 1,092,469	0.00%~0.08%	874
1 to 90 days past due	20,401	5.69%~54.59%	10,293
91 to 365 days past due	-	-	-
More than 365 days past due	18,454	100%	18,454
	$ 1,131,324		29,621

	December 31, 2021		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 1,501,058	0.00%~0.08%	1,222
1 to 90 days past due	14,377	5.69%~96.35%	13,853
91 to 365 days past due	-	-	-
More than 365 days past due	18,454	100%	18,454
	$ 1,533,889		33,529

The detail of loss allowance were as follows:

	December 31, 2022	December 31, 2021
Notes receivable	$ 1	51
Accounts receivable	11,166	15,024
Overdue receivable	18,454	18,454
	$ 29,621	33,529

(Continued)

The movement in the allowance for receivables were as follows:

	For the years ended December 31, 2022	2021
Balance on January 1, 2022	$ 33,529	32,343
Impairment losses recognized (reversed)	(3,908)	2,202
Amounts written off	-	(1,016)
Balance on December 31, 2022	**$ 29,621**	**33,529**

The aforementioned financial assets were not pledged.

(d) Inventories

	December 31, 2022	**December 31, 2021**
Raw materials	$ 867,982	744,042
Supplies	19,416	17,119
Work in progress	361,799	326,442
Finished goods	1,618,954	1,264,296
Materials in transit	-	83,573
	$ 2,868,151	**2,435,472**

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

	2022	**2021**
Losses on valuation of inventories	$ 5,269	535
Losses on obsolescence	6,417	5,389
Losses on inventory count	5,458	3,424
Unallocated production overheads	160,213	127,934
Scrap income	(2,154)	(2,268)
	$ 175,203	**135,014**

As of December 31, 2022 and 2021, the Company did not provide any inventories as collateral for its loans.

(Continued)

(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, 2022	**December 31, 2021**
Subsidiaries	$ 1,944,061	1,771,611
Associates	65,482	63,750
	$ 2,009,543	**1,835,361**

(ii) Subsidiaries

Please refer to consolidated financial statements for the year ended December 31, 2022.

(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, 2022	**December 31, 2021**
Carrying amount of individually insignificant associates	**$ 65,482**	**63,750**

	2022	**2021**
Attributable to the Company:		
Profit from continuing operations	$ 595	5,929
Other comprehensive income	(1,976)	1,164
Total comprehensive income	**$ (1,381)**	**7,093**

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

(f) Property, plant and equipment

The detail of movement 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 of January 1, 2022	$ 890,375	159,000	3,332,552	8,206,188	136,081	12,724,196
Additions	-	-	9,397	87,359	90,138	186,894
Disposals	-	-	(5,855)	(403,929)	(1,345)	(411,129)
Reclassification (note)	-	-	14,802	176,805	(104,461)	87,146
Balance on of December 31, 2022	**$ 890,375**	**159,000**	**3,350,896**	**8,066,423**	**120,413**	**12,587,107**
Balance on of January 1, 2021	$ 890,375	159,000	3,284,943	8,039,901	163,360	12,537,579
Additions	-	-	10,027	67,202	101,333	178,562
Disposals	-	-	-	(48,635)	-	(48,635)
Reclassification (note)	-	-	37,582	147,720	(128,612)	56,690
Balance on of December 31, 2021	**$ 890,375**	**159,000**	**3,332,552**	**8,206,188**	**136,081**	**12,724,196**

(Continued)

	Land	Land improvement	Buildings and construction	Equipment	Construction in progress and equipment to be inspected	Total
Accumulated depreciation and impairment:						
Balance on of January 1, 2022	$ -	12,588	2,245,955	6,498,545	-	8,757,088
Depreciation	-	7,950	125,557	365,478	-	498,985
Disposals	-	-	(5,795)	(350,342)	-	(356,137)
Balance on of December 31, 2022	**$ -**	**20,538**	**2,365,717**	**6,513,681**	**-**	**8,899,936**
Balance on of January 1, 2021	$ -	4,638	2,115,082	6,172,879	-	8,292,599
Depreciation	-	7,950	130,873	373,693	-	512,516
Disposals	-	-	-	(48,027)	-	(48,027)
Balance on of December 31, 2021	**$ -**	**12,588**	**2,245,955**	**6,498,545**	**-**	**8,757,088**
Carrying amounts:						
Balance on of December 31, 2022	**$ 890,375**	**138,462**	**985,179**	**1,552,742**	**120,413**	**3,687,171**
Balance on of January 1, 2021	**$ 890,375**	**154,362**	**1,169,861**	**1,867,022**	**163,360**	**4,244,980**
Balance on of December 31, 2021	**$ 890,375**	**146,412**	**1,086,597**	**1,707,643**	**136,081**	**3,967,108**

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

(i) For the years ended December 31, 2022 and 2021, the Company capitalized the interest expenses on construction in progress, amounted to $4,665 thousand and $1,456 thousand, respectively, and the monthly interest rate used for capitalization calculation were 0.08%~0.18% and 0.08%~0.09%, respectively.

(ii) As of December 31, 2022 and 2021, the property, plant and equipment of the Company had not been pledged.

(g) Other current assets

	December 31, 2022	December 31, 2021
Prepayments	$ 59,232	56,398
Offset against business tax payable and input taxes	19,077	39,665
	$ 78,309	**96,063**

(h) Right-of-use assets

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

	Buildings and construction	Equipment	Total
Cost:			
Balance on January 1, 2022	$ 43,387	12,878	56,265
Acquisitions	128	2,139	2,267
Disposals	-	(1,496)	(1,496)
Balance on December 31, 2022	**$ 43,515**	**13,521**	**57,036**
Balance on January 1, 2021	$ 43,387	12,792	56,179
Acquisitions	-	318	318
Disposals	-	(232)	(232)
Balance on December 31, 2021	**$ 43,387**	**12,878**	**56,265**

(Continued)

	Buildings and construction	Equipment	Total
Accumulated depreciation:			
Balance on January 1, 2022	$ 22,994	5,774	28,768
Depreciation	7,730	2,193	9,923
Disposals	-	(1,496)	(1,496)
Balance on December 31, 2022	**$ 30,724**	**6,471**	**37,195**
Balance on January 1, 2021	$ 15,321	3,682	19,003
Depreciation	7,673	2,324	9,997
Disposals	-	(232)	(232)
Balance on December 31, 2021	**$ 22,994**	**5,774**	**28,768**
Carrying amount:			
Balance on December 31, 2022	**$ 12,791**	**7,050**	**19,841**
Balance on January 1, 2021	**$ 28,066**	**9,110**	**37,176**
Balance on December 31, 2021	**$ 20,393**	**7,104**	**27,497**

(i) Intangible assets

The movement in intangible assets were as follows:

	REACH registration related expenses	Software	Others	Total
Cost:				
Balance on of January 1, 2022	$ 217,979	-	2,267	220,246
Additions	11,166	58,275	-	69,441
Balance on of December 31, 2022	**$ 229,145**	**58,275**	**2,267**	**289,687**
Balance on of January 1, 2021	$ 190,896	-	2,267	193,163
Additions	27,083	-	-	27,083
Balance on of December 31, 2021	**$ 217,979**	**-**	**2,267**	**220,246**
Accumulated amortization:				
Balance on of January 1, 2022	$ 107,579	-	2,102	109,681
Amortization	31,729	-	106	31,835
Balance on of December 31, 2022	**$ 139,308**	**-**	**2,208**	**141,516**
Balance on of January 1, 2021	$ 78,793	-	1,881	80,674
Amortization	28,786	-	221	29,007
Balance on of December 31, 2021	**$ 107,579**	**-**	**2,102**	**109,681**
Carrying amounts:				
Balance on of December 31, 2022	**$ 89,837**	**58,275**	**59**	**148,171**
Balance on of January 1, 2021	**$ 112,103**	**-**	**386**	**112,489**
Balance on of December 31, 2021	**$ 110,400**	**-**	**165**	**110,565**

(i) Amortization expense

For the years ended December 31, 2022 and 2021, the amortization of intangible assets are included in the statement of comprehensive income as follows:

	2022	**2021**
Operating costs and expenses	$ 31,835	27,021

(ii) Pledge

As of December 31, 2022 and 2021, the intangible assets of the Company were not pledged as collateral.

(j) Short-term borrowings

	December 31, 2022	**December 31, 2021**
Unsecured bank loans	$ 1,093,902	1,308,863
Unused credit lines	$ 2,551,923	2,577,938
Range of interest rate	1.55%~6.40%	0.55%~1.10%

(k) Long-term borrowings

	December 31, 2022			
	Currency	**Rate**	**Maturity year**	**Amount**
Unsecured bank loans	NTD	1.65%~2.00%	2026.05~2027.12	$ 1,000,000
Unused credit lines				$ 250,000

	December 31, 2021			
	Currency	**Rate**	**Maturity year**	**Amount**
Unsecured bank loans	NTD	1.14%~1.15%	2023.01~2024.06	$ 1,000,000
Unused credit lines				$ 250,000

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

(l) Lease liabilities

The carry amount of lease liabilities were as follow:

	December 31, 2022	**December 31, 2021**
Current	$ 8,800	9,659
Non-current	$ 11,635	18,529

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

The amounts recognized in profit or loss were as follows:

	2022	2021
Interest on lease liabilities	$ 364	492
Expenses relating to short-term leases	$ 1,886	1,393

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

	2022	2021
Total cash outflow for leases	$ 12,270	11,828

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

For the years ended December 31, 2022 and 2021, 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 whose lease periods are 1 to 3 years, are recognized as short-term or lower-price lease. The Company elected to apply practical expedients not recognizing relative right-of-use assets and lease liabilities.

(m) Provisions

The movements of the provisions were as follows:

	December 31, 2022	December 31, 2021
Balance on January 1	$ 87,450	119,250
Additions	-	-
Decreases	-	(31,800)
Balance on December 31	$ 87,450	87,450

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, 2022	December 31, 2021
Present value of the defined benefit obligations	$ 797,392	884,896
Fair value of plan assets	(722,672)	(670,063)
Net defined benefit liabilities	$ 74,720	214,833

(Continued)

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.

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 $722,672 thousand as of December 31, 2022. 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, 2022 and 2021, the movement in present value of the defined benefit obligations for the Company were as follows:

	2022	**2021**
Defined benefit obligations as of January 1	$ 884,896	817,786
Current service costs and interest cost	14,177	13,721
Net remeasurements of defined benefit liabilities:		
－Actuarial (gains) losses arising from changes in financial assumptions	(37,869)	105,661
Benefits paid by the plan	(63,812)	(52,272)
Defined benefit obligations as of December 31	**$ 797,392**	**884,896**

3) Movements of defined benefit plan assets

For the years ended December 31, 2022 and 2021, the movements in the fair value of the plan assets were as follows:

	2022	**2021**
Fair value of plan assets as of January 1	$ 670,063	688,980
Return on plan assets (excluding the interest expense)	4,141	4,301
Net remeasurements of the defined benefit liabilities:		
－Actuarial gains arising from changes in financial assumptions	52,638	7,601
Contributions paid to the plan	54,001	15,416
Benefits paid by the plan	(58,171)	(46,235)
Fair value of plan assets as of December 31	**$ 722,672**	**670,063**

(Continued)

4) Expenses recognized in profit or loss

	2022	2021
Current service costs	$ 8,742	8,665
Net interest expense of net defined benefit liabilities	1,294	755
	$ 10,036	**9,420**

	2022	2021
Operating costs	$ 5,747	5,497
Administration expenses	3,022	2,729
Research and development expenses	1,267	1,194
	$ 10,036	**9,420**

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

The Company's remeasurement of the net defined benefit (liabilities) assets recognized in other comprehensive income for the years ended December 31, 2022 and 2021, were as follows:

	2022	2021
Accumulated amount as of January 1	$ (204,429)	(106,369)
Recognized during the period	90,507	(98,060)
Accumulated amount as of December 31	**$ (113,922)**	**(204,429)**

6) Actuarial assumptions

The principal actuarial assumptions were as follows:

	December 31, 2022	December 31, 2021
Discount rate	1.750 %	0.625 %
Future salary increasing rate	2.000 %	1.500 %

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 $21,419 thousand.

The weighted-average lifetime of the defined benefits plans is 10.43 years.

7) Sensitivity analysis

As of December 31, 2022 and 2021, if the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	The impact of defined benefit obligations	
	Increased	**Decreased**
December 31, 2022		
Discount rate decreased (increased) 0.25%	$ 15,816	(15,352)
Future salary increasing rate increased (decreased) 0.25%	15,342	(14,960)
December 31, 2021		
Discount rate decreased (increased) 0.25%	18,761	(19,355)
Future salary increasing rate increased (decreased) 0.25%	18,227	(18,693)

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 contributions to the Bureau of Labor Insurance amounted to $37,247 thousand and $34,494 thousand for the years ended December 31, 2022 and 2021, respectively.

(o) Income taxes

(i) Income tax expense

The components of income tax expenses (benefit) for the years ended December 31, 2022 and 2021 were as follows:

		2022	**2021**
Current tax expense			
Current period	$	29,938	114,778
Adjustment for prior periods		4,407	(1,641)
		34,345	113,137
Deferred tax expense (benefit)			
Origination and reversal of temporary differences		41,233	(32,341)
Income tax expense	**$**	**75,578**	**80,796**

The amount of income tax expenses (benefit) recognized in other comprehensive income for the years ended December 31, 2022 and 2021 were as follows:

		2022	**2021**
Components that with not be reclassified to profit or loss:			
Remeasurements from defined benefit plans	**$**	**18,101**	**(19,612)**

Reconciliation of income tax expense and profit before tax for 2022 and 2021 were as follows:

		2022	**2021**
Profit excluding income tax	**$**	**450,010**	**553,766**
Income tax using the Company's domestic tax rate	$	90,002	110,753
Dividend revenue		(8,548)	(7,548)
Tax credit of investment		(10,144)	(11,388)
Others		4,268	(11,021)
Income tax expense	**$**	**75,578**	**80,796**

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets and liabilities

As of December 31, 2022 and 2021, the Company has no unrecognized deferred tax assets and liabilities.

(Continued)

2) Recognized deferred tax assets and liabilities

Changes in the amounts of deferred tax assets and liabilities for 2022 and 2021 were as follows:

Deferred tax assets:

		Allowance for impairment of receivables	Allowance for valuation of inventories	Defined benefit plans	Other	Total
Balance as of January 1, 2022	$	3,639	2,274	42,966	58,581	107,460
Recognized in profit or loss		23	1,054	(9,921)	(23,825)	(32,669)
Recognized in other comprehensive income		-	-	(18,101)	-	(18,101)
Balance as of December 31, 2022	**$**	**3,662**	**3,328**	**14,944**	**34,756**	**56,690**
Balance as of January 1, 2021	$	4,745	2,167	25,761	15,145	47,818
Recognized in profit or loss		(1,106)	107	(2,407)	43,436	40,030
Recognized in other comprehensive income		-	-	19,612	-	19,612
Balance as of December 31, 2021	**$**	**3,639**	**2,274**	**42,966**	**58,581**	**107,460**

Deferred tax liabilities:

		Unrealized investment income under equity method	Unrealized foreign exchange gains	Other	Total
Balance as of January 1, 2022	$	(86,734)	-	(29)	(86,763)
Recognized in profit or loss		(6,298)	(2,295)	29	(8,564)
Balance as of December 31, 2022	**$**	**(93,032)**	**(2,295)**	**-**	**(95,327)**
Balance as of January 1, 2021	$	(74,421)	(4,653)	-	(79,074)
Recognized in profit or loss		(12,313)	4,653	(29)	(7,689)
Balance as of December 31, 2021	**$**	**(86,734)**	**-**	**(29)**	**(86,763)**

(iii) The Company's tax return for the years through 2020 were assessed and approved by the Taipei National Tax Administration.

(p) Capital and other equity

(i) Common share

As of December 31, 2022 and 2021, the Company's authorized share capital consisted of 800,000 thousand shares of common share, with $10 dollars par value per share, of which 547,752 thousand shares, were issued and outstanding.

(ii) Capital surplus

The balance of capital surplus as of December 31, 2022 and 2021 were as follows:

		December 31, 2022	December 31, 2021
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
	$	**474,558**	**474,558**

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.

(iii) Retained earnings

The Company's Articles of Incorporation stipulate 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. It 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 thousand 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 thousand, 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, 2022 and 2021, the special reserve is amounted to $18,646 thousand.

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.

3) Earnings distribution

The amounts of cash dividends for 2021 and 2020 had been approved during the board meeting held on March 24, 2022 and March 25, 2021, respectively. The relevant dividend distributions to shareholders were as follows:

	2021		2020	
	Amount per share	**Amount**	**Amount per share**	**Amount**
Dividends distributed to common shareholders:				
Cash	$ 0.50	$ **273,876**	0.30	**164,326**

On March 16, 2023, the Company's Board of Directors proposed to resolve to appropriate the 2022 earnings. These earnings will be appropriated as follows:

	2022	
	Amount per share	**Amount**
Dividends distributed to common shareholders:		
Cash	$ 0.35	$ **191,713**

(Continued)

(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, 2022	$ (130,318)	735,613	605,295
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	(587,611)	(587,611)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income on subsidiaries accounted for using equity method	-	9,632	9,632
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(10,243)	(10,243)
Exchange differences on translation of foreign financial statements	55,307	-	55,307
Exchange differences on associates accounted for using equity method	(1,976)	-	(1,976)
Balance on December 31, 2022	**$ (76,987)**	**147,391**	**70,404**

	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, 2021	$ (110,615)	226,554	115,939
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	505,230	505,230
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income on subsidiaries accounted for using equity method	-	3,829	3,829
Exchange differences on translation of foreign financial statements	(20,867)	-	(20,867)
Exchange differences on associates accounted for using equity method	1,164	-	1,164
Balance on December 31, 2021	**$ (130,318)**	**735,613**	**605,295**

(q) Earning per share

The calculation of basic earnings per share and diluted earnings per share for the years ended December 31, 2022 and 2021 are as follows:

	2022	**2021**
Basic earning per share		
Profit attributable to common shareholders of the Company	**$ 374,432**	**472,970**
Weighted-average number of common shares	**$ 547,752**	**547,752**
Basic earnings per share (express in New Taiwan dollar)	**$ 0.68**	**0.86**

(Continued)

		2022	2021
Diluted earning per share			
Profit attributable to common shareholders of the Company	$	**374,432**	**472,970**
Weighted average number of common shares (basic)		547,752	547,752
Effect of employee compensation		1,558	1,287
Weighted-average number of common shares outstanding (diluted)		**549,310**	**549,039**
Diluted earnings per share (express in New Taiwan dollar)	$	**0.68**	**0.86**

(r) Employee compensation and directors' remuneration

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

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

		2022	2021
Employees' compensation	$	24,194	29,772
Directors' remuneration		9,678	11,909
	$	**33,872**	**41,681**

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 2022 and 2021.

(s) Revenue from contract with customers

(i) Disaggregation of revenue

		2022				
		Color chemicals	**Specialty chemicals**	**Electronic chemicals**	**Pharmaceuticals**	**Total**
Primary geographical markets:						
Taiwan	$	379,384	291,076	846,167	9,841	1,526,468
America		189,550	441,494	-	60,679	691,723
Asia		2,018,357	867,457	373,135	34,624	3,293,573
Europe		451,386	487,184	-	104,888	1,043,458
Other		83,845	120,945	-	22,770	227,560
	$	**3,122,522**	**2,208,156**	**1,219,302**	**232,802**	**6,782,782**
Major products:						
Chemicals	$	3,122,522	2,208,156	1,219,302	-	6,549,980
Other		-	-	-	232,802	232,802
	$	**3,122,522**	**2,208,156**	**1,219,302**	**232,802**	**6,782,782**

	2021				
	Color chemicals	**Specialty chemicals**	**Electronic chemicals**	**Pharmaceuticals**	**Total**
Primary geographical markets:					
Taiwan	$ 429,034	303,044	830,045	7,991	1,570,114
America	269,096	471,831	-	43,935	784,862
Asia	2,429,095	963,632	326,561	67,438	3,786,726
Europe	631,203	451,516	-	95,450	1,178,169
Other	97,319	65,876	-	26,304	189,499
	$ 3,855,747	**2,255,899**	**1,156,606**	**241,118**	**7,509,370**
Major products:					
Chemicals	$ 3,855,747	2,255,899	1,156,606	-	7,268,252
Other	-	-	-	241,118	241,118
	$ 3,855,747	**2,255,899**	**1,156,606**	**241,118**	**7,509,370**

(ii) Contract balance

	December 31, 2022	**December 31, 2021**	**January 1, 2021**
Receivables	$ 1,131,324	1,533,889	1,274,579
Less: loss allowance	(29,621)	(33,529)	(32,343)
Total	**$ 1,101,703**	**1,500,360**	**1,242,236**

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

(t) Non-operating income and expenses

(i) Interest income

	2022	**2021**
Interest income for bank deposits	**$ 2,103**	**1,418**

(ii) Other income

	2022	**2021**
Dividend income	**$ 42,743**	**37,740**

(iii) Other gains and losses

	2022	**2021**
Foreign exchange gains (losses), net	$ 60,598	(52,740)
Net gains on disposal of financial assets and liabilities at fair value through profit	118	216
Gains (losses) on disposal of property plant and equipment	(3,110)	1,125
Subsidy revenue	22,557	20,410
Disaster loss	(32,851)	-
Others	44,361	62,966
	$ 91,673	**31,977**

(Continued)

(iv) Finance costs

	2022	2021
Interest expense	$ 44,585	23,966

(u) Financial instruments

(i) Credit risk

1) Credit risk exposure

As of December 31, 2022 and 2021, the Company's exposure to credit risk and the maximum exposure were mainly from:

a) The carrying amount of financial assets recognized in the balance sheet; and

b) The amounts of liabilities as a result from the Company providing financial guarantees were $61,420 thousand and $55,360 thousand , 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, 2022 and 2021. 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 of netting agreements.

	Carrying amount	Contractual cash flows	within 1 year	1~2 years	2~5 years	Over 5 years
December 31, 2022						
Non-derivative financial liabilities						
Short-term borrowings	$ 1,093,902	1,103,065	1,103,065	-	-	-
Notes payable	79,852	79,852	79,852	-	-	-
Accounts payable	268,002	268,002	268,002	-	-	-
Other payable	373,742	373,742	373,742	-	-	-
Payables on equipment	33,685	33,685	33,685	-	-	-
Lease liabilities	20,435	20,866	9,033	7,555	4,278	-
Long-term borrowings	1,000,000	1,030,655	-	727,071	303,584	-
	$ 2,869,618	**2,909,867**	**1,867,379**	**734,626**	**307,862**	**-**
December 31, 2021						
Non derivative financial liabilities						
Short-term borrowings	$ 1,308,863	1,310,228	1,310,228	-	-	-
Notes payable	238,909	238,909	238,909	-	-	-
Accounts payable	290,275	290,275	290,275	-	-	-
Other payable	415,083	415,083	415,083	-	-	-
Payables on equipment	43,062	43,062	43,062	-	-	-
Lease liabilities	28,188	28,911	10,004	8,435	9,478	994
Long-term borrowings	1,000,000	1,019,440	-	617,348	402,092	-
	$ 3,324,380	**3,345,908**	**2,307,561**	**625,783**	**411,570**	**994**

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:

	December 31, 2022			December 31, 2021		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets						
Monetary items						
USD	$ 28,952	30.71	889,116	45,018	27.68	1,245,199
JPY	88,357	0.23	20,322	142,221	0.24	33,920
RMB	67,295	4.41	296,771	68,157	4.34	294,372
Financial liabilities						
Monetary items						
USD	23,213	30.71	712,871	41,176	27.70	1,140,568
JPY	48,368	0.23	11,221	87,783	0.24	21,287
RMB	3,796	4.41	16,733	1,808	4.37	7,899

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, account receivable, and accounts payable that are denominated in foreign currency. A strengthening (weakening) 1% of appreciation (depreciation) of the NTD against the USD, JPY, and RMB for the years ended December 31, 2022 and 2021, would have changed the profit by $3,723 thousand and $3,243 thousand, respectively. The analysis is performed on the same basis for 2022 and 2021.

3) Foreign exchange gains and losses on monetary items

Since the Company has many kinds of functional currency, the information on foreign exchange gains (losses) on monetary items is disclosed by total amount. For the years 2022 and 2021, foreign exchange losses (including realized and unrealized portions) are exchange gains (losses) amounted to $60,598 thousand and $(52,740) thousand, 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 expresses 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 $16,751 thousand and $18,471 thousand, respectively, for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, 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:

	2022		**2021**	
Prices of securities at the reporting date	**Other comprehensive income after tax**	**Net income**	**Other comprehensive income after tax**	**Net income**
1% increase	$ 8,660	-	14,595	-
1% decrease	$ (8,660)	-	(14,595)	-

(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, 2022				
		Fair value			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	$ 651,373	651,373	-	-	651,373
Domestic unlisted common shares	214,659	-	-	214,659	214,659
Subtotal	866,032	651,373	-	214,659	866,032
Financial assets measured at amortized cost					
Cash and cash equivalents	666,659	-	-	-	-
Notes and accounts receivable (included related parties)	1,101,703	-	-	-	-
Other financial assets (included other receivables-related parities)	60,087	-	-	-	-
Subtotal	1,828,449	-	-	-	-
Total	$ 2,694,481	651,373	-	214,659	866,032

(Continued)

	December 31, 2022				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Bank loans	$ 2,093,902	-	-	-	-
Notes and trade payable	347,854	-	-	-	-
Other payable	373,742	-	-	-	-
Lease liabilities	20,435	-	-	-	-
Payables on equipment	33,685	-	-	-	-
Total	**$ 2,869,618**	**-**	**-**	**-**	**-**

	December 31, 2021				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss					
Monetary market fund	$ 60,247	60,247	-	-	60,247
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	1,388,138	1,388,138	-	-	1,388,138
Domestic unlisted common shares	71,353	-	-	71,353	71,353
Subtotal	1,459,491	1,388,138	-	71,353	1,459,491
Financial assets measured at amortized cost					
Cash and cash equivalents	990,993	-	-	-	-
Financial assets at amortized cost	3,502	-	-	-	-
Notes and accounts receivable (included related parties)	1,500,360	-	-	-	-
Other financial assets (included other receivables-related parities)	27,148	-	-	-	-
Subtotal	2,522,003	-	-	-	-
Total	**$ 4,041,741**	**1,448,385**	**-**	**71,353**	**1,519,738**
Financial liabilities measured at amortized cost					
Bank loans	$ 2,308,863	-	-	-	-
Notes and trade payable	529,184	-	-	-	-
Other payable	415,083	-	-	-	-
Lease liabilities	28,188	-	-	-	-
Payables on equipment	43,062	-	-	-	-
Total	**$ 3,324,380**	**-**	**-**	**-**	**-**

(Continued)

2) Valuation techniques for financial instruments measured at fair value

a) Non-derivative instruments

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

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

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.

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

- Unquoted equity instruments: the fair value of financial instruments transactions in an inactive market, which is valued by comparable method. The main hypothesis is referred from the quotations of comparable listed companies and earning multiplies of PBR proportion as basic, which is adjusted by the discount affections of equity securities lacking market liquidity.

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 for the years ended December 31, 2022 and 2021.

4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	Unquoted equity instruments
Balance on adjustment January 1, 2022	$ 71,353
Purchase in this period	25,320
Total gains or losses:	
Recognized in other comprehensive income	117,986
Balance on December 31, 2022	**$ 214,659**
Balance on adjustment January 1, 2021	$ 43,999
Total gains or losses:	
Recognized in other comprehensive income	27,354
Balance on December 31, 2021	**$ 71,353**

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, 2022 and 2021 were as follows:

	2022	2021
Recognized in other comprehensive income	**$ 117,986**	**27,354**

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 – debt 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.

(Continued)

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 Listed companies approach	• Price-Book Ratio (as of December 31, 2022 and 2021 were 5.7 and 7.25, respectively) • Market liquidity discount rate (as of December 31, 2022 and 2021 were all 20%)	• The estimated fair value would increase if the multiplier was higher. • The estimated fair value would decrease if market liquidity discount rate was higher.

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 on December 31, 2022:

		Fair value variation on other comprehensive income			
	Upwards or	Favorable		Unfavorable	
Inputs	Downwards	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Price-book ratio	5%	10,735	3,556	(10,735)	(3,556)
Market liquidity discount rate	5%	10,730	3,577	(10,730)	(3,577)

The favorable and unfavorable effects represent the changes in fair value, and fait 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.

(a) Financial risk management

(i) Overview

The Company have 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.

2) Market risk: the Company's 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 it contractual obligations that arises principally from the Company's accounts receivable and investments in securities.

1) Accounts receivable and other receivable

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. According to the credit policy, the Company analyze 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 equity 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 highly rated financial institutions, publicly-traded stock companies and unlisted companies with good reputation, there are no incompliance 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, 2022 and 2021, the outstanding balance of guarantees were $61,420 thousand and $55,360 thousand, respectively.

(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, 2022 and 2021, the Company's unused credit line were amounted to $2,801,923 thousand and $2,827,938 thousand, 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 are 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.

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 Material investments within the portfolio are managed on an individual basis, and all buy-and-sell decisions are approved by the Board of Directors.

(v) 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, 2022	**December 31, 2021**
Total liabilities	$ 3,170,313	3,842,199
Less: cash and cash equivalents	666,659	990,993
Net liabilities	**$ 2,503,654**	**2,851,206**
Total equity	**$ 8,455,072**	**8,806,140**
Debt-to-equity ratio	**30 %**	**32 %**

There were no change in the Company's approach to capital management for the year ended December 31, 2022.

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

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2022	Cash flows	Non-cash changes Other	December 31, 2022
Short-term borrowings	$ 1,308,863	(214,961)	-	1,093,902
Lease liabilities	28,188	(10,020)	2,267	20,435
Long-term borrowings	1,000,000	-	-	1,000,000
Total liabilities from financing activities	**$ 2,337,051**	**(224,981)**	**2,267**	**2,114,337**

	January 1, 2021	Cash flows	Non-cash changes Other	December 31, 2021
Short-term borrowings	$ 1,172,531	136,332	-	1,308,863
Lease liabilities	37,813	(9,943)	318	28,188
Long-term borrowings	1,250,000	(250,000)	-	1,000,000
Total liabilities from financing activities	**$ 2,460,344**	**(123,611)**	**318**	**2,337,051**

(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.

Name of related party	Relationship with the Company
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
ANDA SEMI CONDUCTOR TECHNOLOGY (SUZHOU) CO., LTD. (ANDA)	Subsidiary
GREATLIGHT INVESTMENT CORPORATION (GLTP)	Subsidiary
SHANGHAI ANDA INTERNATIONAL TRADING CO., LTD. (ADSH)	Subsidiary
3E CHEMICAL (SUZHOU) CO., LTD. (3ESZ)	Affiliate
CHUNG HWA CHEMICAL INDUSTRIAL WORKS, LTD. (CHCIW)	The entity's chairman is the director of the Company

(Continued)

(c) Significant transactions with related parties

(i) Operating revenue

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

	2022	2021
Subsidiary	$ **2,058,186**	**2,696,954**

The payment terms for related parties, except EVUS, ELITE and ADSH are Open Account 100 days, Open Account 100 days and Open Account 120 days, respectively, are same as 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:

	2022	2021
Subsidiary	$ 1,738	1,601
Other related parties	37,371	42,984
	$ **39,109**	**44,585**

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 were as follows:

	December 31, 2022	December 31, 2021
EVUS	$ **61,420**	**55,360**

2) As of December 31, 2022 and 2021, other receivables of dividends from subsidiaries were $3,040 thousand and $6,945 thousand, respectively.

3) As of December 31, 2022 and 2021, other receivables of prepayments for subsidiaries were $3,946 thousand and $2,227 thousand, respectively.

4) As of December 31, 2022 and 2021, other payables of prepayments for subsidiaries were $2,379 thousand and $3,919 thousand, respectively.

(iv) Receivable from related parties

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

Account	**Name of Entity**	**December 31, 2022**	**December 31, 2021**
Accounts receivable due from related parties, net	EVUS	$ 106,220	157,722
	EVEU	14,167	19,300
	Elite	32,929	118,496
	ADSH	91,893	91,313
	Other subsidiaries	149,654	205,585
		394,863	592,416
Other receivables due from related parties	Subsidiaries	6,986	9,172
		$ 401,849	**601,588**

(v) Payable from related parties

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

Account	**Name of Entity**	**December 31, 2022**	**December 31, 2021**
Notes and accounts payable	Other related parties	$ 14,467	17,165
Other payable	Other related parties	-	2,676
Accounts payable	Subsidiaries	64	513
Other payable	Subsidiaries	2,379	3,919
		$ 16,910	**24,273**

(d) Key management personnel compensation

	2022	**2021**
Short-term employee benefits	$ 25,275	28,903
Post-employment benefits	492	604
	$ 25,767	**29,507**

(8) Pledged assets: None.

(Continued)

(9) Commitments and contingencies:

The Company's unrecognized contractual commitment are as follows:

	December 31, 2022	December 31, 2021
Acquisition of property, plant and equipment	$ 165,246	69,339

(10) Losses due to major disasters:

The fire of the Company's Everlight No. 3 Plant in October 2022 caused some damage to buildings, equipment and inventory, and the estimated disaster loss was $66,851 thousand, which has been fully recognized under other benefits and losses in 2022. The Company has taken out relevant property insurance, and in the current negotiations with the insurance company to settle the claims, the Company confirms to the insurance company and its notary that it will recognize the compensation that it can almost receive from the insurance company as other receivables, and the amount recognized shall not exceed the disaster loss of each asset, and as of December 31, 2022, the Company has recognized the amount of insurance compensation of 34,000 thousand , accounting for the other benefits and losses reduction mentioned above; However, insurance claims involve disaster assessment, and the Company is not yet able to fully confirm the full amount of the insurance claim, and subsequent increases in insurance claims income will not be recognized until the Company is almost certain that it can be collected.

(11) Subsequent Events: None.

(12) Other:

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

By function / By item	2022			2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	570,301	387,790	958,091	590,797	394,011	984,808
Labor and health insurance	60,941	38,880	99,821	58,165	36,971	95,136
Pension	25,963	21,320	47,283	24,413	19,501	43,914
Remuneration of directors	-	19,725	19,725	-	20,185	20,185
Others	29,472	13,795	43,267	23,123	12,445	35,568
Depreciation (note)	422,798	86,026	508,824	428,164	94,099	522,263
Depletion	-	-	-	-	-	-
Amortization	106	31,729	31,835	221	28,786	29,007

Note: For the years ended December 31, 2022 and 2021, depreciation expense recognized were $508,908 thousand and $522,513 thousand, respectively, less deferred gains of $84 thousand and $250 thousand, respectively.

As of December 31, 2022 and 2021, the additional information for employee numbers and employee benefits were as follows:

	2022	2021
Average employee numbers	1,303	1,294
Average directors numbers without serving concurrently as employee	10	10
Average employee benefits	$ 888	903
Average employee salaries	$ 741	767
Average adjustment rate of employee salaries	(3.39)%	14.99 %
Remuneration of supervisor	$ -	-

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 remuneration board of directors for resolution by the Board of Directors for resolution by the Remuneration Committee.

(13) Other disclosures:

(a) Information on significant transactions

The following is 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, 2022:

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 parties	Yes	161,075	-	-	-	2	-	Short-term operating financing	-	NA	-	845,507	3,382,028

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	845,507	64,430	61,420	9,213	-	0.73%	2,113,768	Yes	No	No

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

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

1. The Company that has a business relationship with endorsement/guarantee provider.
2. A subsidiary in which endorser/guarantor provider holds directly over 50% of equity interest.
3. An investee in which endorsement/guarantee provider and its subsidiaries hold over 50% of equity interest.
4. An investor which holds directly or indirectly over 50% of equity interest of endorser/guarantor provider.
5. The Company that has provided guarantees Investment Amounts Authorized by Investment Commission, MOEA
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.

(Continued)

3. Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of Shares/Units)

				Ending balance				
Name of holder	Category and name of security	Relationship with company	Account	Shares/Units	Carrying value	Percentage of Ownership	Fair value	Note
GLTP	UPAMC James Bound Money Market Fund	-	Financial assets at fair value through profit or loss-current	237	4,020	-	4,020	
ECIC	Polytronic Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	8,000	445,247	9%	453,600	
"	Chung Hwa Chemical Industrial Works,Ltd.	-	"	5,500	92,217	5%	134,750	
"	General Plastic Industrial Co., Ltd.	-	"	2,140	74,900	2%	63,023	
"	Andros Pharmaceuticals Co., Ltd.	-	"	4,724	103,120	14%	214,659	
GLTP	QISDA Crop.	-	"	70	2,268	-	1,971	
"	Andros Pharmaceuticals Co., Ltd.	-	"	260	7,800	1%	11,814	
"	Taiwan Bio Therapentics Co., Ltd.	-	"	414	11,400	1%	13,571	
TTI	General Plastic Industrial Co., Ltd.	-	"	2,140	74,900	2%	63,023	
			Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		144,559		-	
	Total				956,411		956,411	

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$300 million or 20% of the capital stock.

				Transaction details			Transactions with terms different from others		Notes/Accounts receivable (payable)		
Name of company	Counter-party	Nature of relationship	Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	Note
ECIC	EVEU	Subsidiary	Sale	495,161	7.30%	OA 90	Non material differences from those of third-parties	Non material differences from those of third-parties	14,167	2.00%	
”	EVUS	”	"	388,188	5.72%	OA 100	"	"	106,220	15.03%	
”	ELITE	”	"	286,532	4.22%	OA 100	"	"	32,929	4.66%	
”	EVSZ	”	"	199,499	2.94%	OA 90	"	"	36,228	5.13%	
”	ETSH	”	"	182,539	2.69%	OA 90	"	"	58,546	8.28%	
”	ADSH	”	"	179,109	2.64%	OA 120	"	"	91,893	13.00%	
”	EVSH	”	"	162,534	2.40%	OA 90	"	"	40,788	5.77%	
TTI	EVSZ	”	"	162,624	2.40%	OA 90	"	"	36,153	5.11%	

(Continued)

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 16, 2023)	Loss allowance
					Amount	Action taken		
ECIC	EVUS	Subsidiary	106,220	2.94	-	-	49,485	-

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

(b) Information on investments:

The following is the information on investees for the year ended December 31, 2022 (excluding information on investees in mainland China):

Units in Thousands

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance of December 31, 2022			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2022	December 31, 2021	Shares (thousands)	Percentage of ownership	Carrying value			
ECIC	EVUS	America	Selling chemical product and related raw materials	88,868	88,868	300	100.00%	149,163	14,189	14,189	
〃	EVHK	Hong Kong	Selling chemical product and related raw materials	34,579	34,579	1,000	100.00%	41,492	592	592	
〃	EVSG	Singapore	Investing business	794,290	779,115	24,800	100.00%	959,306	(11,235)	(11,235)	
〃	EVEU	Netherland	Selling chemical product and related raw materials	7,890	7,890	1	100.00%	91,379	23,406	23,406	
〃	TTI	Hsinchu City	Manufacturing and selling toners of laser printer, copier and fax machine	242,192	242,192	44,906	76.15%	640,070	81,082	60,691	
〃	ELITE	Turkey	Selling chemical product and related raw materials	45,016	45,016	22	50.00%	113,989	9,081	4,541	
〃	GOOOTV	Taipei City	Cable TV channels	19,000	19,000	1,900	22.35%	20,543	1,498	335	
〃	TAK	Taoyuan City	Manufacturing of inductance core and cathode materials of Lithiumion battery	58,600	58,600	4,856	16.78%	44,939	(190)	260	
〃	DCBM	Taoyuan City	Selling medical supplies and providing service of biological technology	-	62,555	-	0.00%	-	-	-	(Note 1)
〃	GLTP	Taipei City	Investing business	100,000	100,000	10,000	100.00%	33,423	121	121	
	Unrealized gross profit on sales			-	-			(84,761)		-	
				1,390,435	1,437,815			2,009,543		92,900	
EVSG	EVVN	Vietnam	Selling chemical product and related raw materials	12,140	-	-	100.00%	11,974	34	34	

Note 1 : The Company decided to dissolved DCBM. As of December 15, 2022, the related procedure has been completed.

(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, 2022		Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022		Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 2)	Book value	Accumulated remittance of earnings in current period	
		USD	NTD		USD	NTD	Outflow	Inflow	USD	TWD					USD	TWD
ETSH	Selling chemical product and related raw materials	1,700 (Note 7)	52,207	(Note 6)	700	21,497			700	21,497	12,847	100.00%	12,847	161,293	2,961	90,932
ETGZ	Selling chemical product and related raw materials	700 (Note 6)	21,497	(Note 6)	200	6,142			200	6,142	8,074	100.00%	8,074	100,914	1,523	46,771
EVSH	Selling chemical product and related raw materials	1,250 (Note 6)	38,388	(Note 6)	1,100	33,781			1,100	33,781	(3,040)	100.00%	(3,040)	148,172	950	29,175
EVSZ	Manufacturing and selling color chemical, toners and electronic high tech chemical product	23,650 (Note 4)	726,292	(Note 1)	18,600	571,206			18,600	571,206	(15,545)	100.00%	(15,545)	853,225	-	-
ANDA	Selling electronic high tech chemical product	15,013 (Note 4)	66,177	(Note 1)	650	19,962			650	19,962	(6,341)	29.80%	(1,990)	12,918	-	-
ADSH	Selling electronic high tech chemical product	157 (Note 5)	4,821	(Note 5)	-	-			-	-	(3,271)	56.25%	(1,840)	11,340	-	-
3ESZ	Manufacturing and selling chemical product and related raw materials	6,600 (Note 4)	202,686	(Note 1)	2,490	76,468			2,490	76,468	17,219	40.00%	6,888	68,181	-	-

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.
Note 3:	Exchange rate: NTD vs USD (1:30.71), NTD vs RMB(1:4.408). 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 15,013 after changing the original registered capital from USD 1,200 to RMB 8,445 due to operation needs.
Note 5:	ANDA invested in ADSH amounted to RMB 1,000 thousand (USD 157 thousand) by owned funds.
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, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
781,170 (USD 25,437)	710,814 (USD 23,146)	5,284,018

As of December 31, 2022, the difference between accumulated investment in mainland China and investment amounts authorized by Investment Commission, MOEA was amounted to USD (2,291) thousand, including the follows:

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

(ii) EVSG: investment amounted to USD 2,425 thousand by owned funds.

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

(iii) Significant transactions:

For the year ended December 31, 2022, the information on direct or indirect significant transactions with investees in mainland China, is disclosed in Note (13)(a) Information on significant transactions.

(d) Major shareholders：

(In Shares)

Shareholding / Shareholder's Name	Shares	Percentage
CHEN,DING-CHUAN	58,000,000	10.58%
ETHICAL INVESTMENT CORPORATION	49,000,000	8.94%

(Continued)

(14) Segment information:

Please see the consolidated financial statements for the year ended December 31, 2022.

Everlight Chemical Industrial Corporation

Chairman Chen, Chien-Hsin

Better Chemistry
Better Life