

Stock Code: 1711



**Everlight
Chemical**

**Handbook for the
2024 General Shareholders Meeting
Everlight Chemical Industrial Corporation**

Convening method: entity shareholders
meeting
Time: May 30, 2024
Location: 3th Floor, No. 260, Section
2, Bade Road, Zhongshan
District, Taipei City, Taiwan
Central Pictures Bade Building

DISCLAIMER

THIS IS A TRANSLATION OF THE HANDBOOK FOR THE 2024 ANNUAL GENERAL SHAREHOLDERS MEETING (THE "HANDBOOK") OF EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION. (THE "COMPANY"). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE, THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE AGENDA SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

Table of Contents

Meeting Procedure	1
Agenda	2
Reports	3
Proposals	8
Discussions.....	24
Election.....	27
Other Proposals	30
Extemporary Motions.....	31
Appendices	
Rules of Procedure for Shareholders Meetings.....	32
Procedures for Election of Directors	45
Articles of Incorporation	48
Shareholdings of Directors.....	54

Everlight Chemical Industrial Corporation

Meeting Procedure of 2023 General Shareholders Meeting

1. Call the Meeting to Order
2. Chairman's Address
3. Reports
4. Proposals
5. Discussions
6. Election
7. Other Proposals
8. Extemporaneous Motions
9. Adjournment

Everlight Chemical Industrial Corporation

Meeting Agenda of 2024 General Shareholders Meeting

Time: 9:00 AM, May 30, 2024

Location: 3th Floor, No. 260, Section 2, Bade Road, Zhongshan District, Taipei City, Taiwan
(Central Pictures Bade Building)

1. Reports

- (1) The Company's 2023 Business Report
- (2) The Company's 2023 Audit Committee's Review Report
- (3) The Company's 2023 Earnings Distribution of cash dividends Report
- (4) The Company's 2023 Remuneration to Employees and Directors Report

2. Proposals

- (1) Approval of 2023 closing statements

3. Discussions

- (1) The amendments to "Rules of Procedure for Shareholders Meetings"
- (2) The amendments to "Articles of Incorporation"

4. Election

Election of Directors

5. Other Proposals

Discussion to approve the lifting of the newly elected Directors from non-competition restrictions

6. Extemporaneous Motions

7. Adjournment

Reports

Reports

1. The Company's 2023 Business Report

2023 Business Report, Everlight Chemical Industrial Corporation

(1) Implementation results of operating plan

The Company's consolidated operating revenue in 2023 was NT\$ 7,861,424k which was a decrease of 12%. In terms of operating income, the consolidated net income after tax was NT\$95,077k and EPS was NT\$ 0.16, which decreased by 76% respectively.

(2) Budget execution status

Unit: NTD thousand

Account	Plan for the whole year	Actual amount	Achievement rate
Operating revenue	9,400,000	7,861,424	84%
Operating cost	7,140,000	6,261,590	88%
Operating gross profit	2,260,000	1,599,834	71%
Operating expense	1,700,000	1,516,414	89%
Operating profit	560,000	83,420	15%
Net income before tax	550,000	108,957	20%

(3) Analysis on revenue and expense and profitability

Unit: NTD thousand

Item		2023	2022	
Financial income and expense	Operating revenue	7,861,424	8,891,702	
	Operating cost	6,261,590	6,896,531	
	Operating gross profit	1,599,834	1,995,171	
	Operating expense	1,516,414	1,614,415	
	Operating profit	83,420	380,756	
	Net non-operating revenue	25,537	103,078	
	Net income before tax	108,957	483,834	
	Income tax expense	13,880	91,294	
	Net income after tax	95,077	392,540	
	EPS (NTD)	0.16	0.68	
Profitability Analysis	ROA	1.3%	3.3%	
	ROE	1.1%	4.4%	
	Percentage of paid-in capital	Operating profit	1.5%	7.0%
		Pre-tax income	2.0%	8.8%
	Profit margin	1.2%	4.4%	
	EPS (NTD)	0.16	0.68	

(4) 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 2023 was about NT\$ 350,000k which accounted for 4.5% of operating revenue. The specific results of R&D are as follows:

1) Intellectual property right:

In 2023, there were 3 patents granted. As of Feb. 2024, the accumulated patent number was 198.

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

In 2023, the completed items of new products developed by each business are: 48 items of color chemicals, 4 items of specialty chemicals, 10 items of electronic chemicals, 0 item of pharmaceuticals and 35 items of toner, which are 97 items in total.

(5) Future Corporate Development Strategies

EVERLIGHT CHEMICAL INDUSTRIAL CORP.'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 been striving on the research and development of forward-looking chemicals and produce high-tech products to enable outstanding chemicals to bring happy lives to people, and contribute to the life quality of our employees, product competitiveness, and sustainable future, to fully fulfill our brand commitment of "Better Chemistry Better Life."

Chairman: Chen, Chien-Hsin



General manager: Chen, Wei-Wang



Accounting officer: Wong, Guo-Bin



Reports

2. The Company's 2023 Audit Committee's Review Report

Audit Committee's Review Report, Everlight Chemical Industrial Corporation

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements, and proposal for distribution of earnings, The CPAs, Huang Ming-Hung and Tang Chia-Chien, of KPMG Taiwan were retained to audit the Company's Financial Statements and have issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and earnings distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of the Company. According to relevant requirements of the Securities and Exchange Act and the Company Act, we hereby submit this report.

Yours sincerely

To

The Company's 2024 General Shareholders Meeting

Convener of Audit Committee, Wu, Chung-Fern



Committee, Yang, Way-Wen



Committee, Chang, Yuan-Jan



March 14, 2024

Reports

3. The Company's 2023 Earnings Distribution of cash dividends Report

- (1) According to Article 28 and Article 29 of the Articles of Incorporation, resolution of the company's board of directors on March 14, 2024, 10% of the earnings or NT\$11,085,844 shall be appropriated as legal reserve, followed by the appropriate of cash dividend to shareholders amounting to NT\$82,162,834 (at 1.5% dividend rate). Accordingly, each shareholder shall be entitled to cash dividend of NT\$150 for each lot of shareholding. Cash dividend released to the shareholders will be rounded to the nearest dollar and the fraction of a dollar will not be counted. As such, the exact amount of cash dividend will be based on the actual amount paid. In the event of change in the quantity of outstanding shares issued by the Company with consequential change in the dividend rate to shareholders, the Chairman of the Board will be authorized to handle related matters.
- (2) The proposal for the distribution of earnings in 2023 will be based on the earnings of the year.

Reports

4. The Company's 2023 Remuneration to Employees and Directors Report

(1) According to Article 27 of the Company's 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) The Company appropriates 5% of profit as the remuneration to employees, totaling NT\$5,275,458, 2% of profit as remuneration to directors (excluding independent directors) totaling NT\$2,110,183, which are both distributed in cash.

(3) The counterparties to be distributed with employee remuneration are those who have been on position before (and during) 2023 and are still on position on the day when the board passes the Motion of Earnings Distribution. No remuneration is paid to the employees of the subordinate companies.

Proposals

Proposals

Motion 1

Proposal of the Board of Directors

Subject: Approval of 2023 closing statements

Explanation: (1) The Business Report, Financial Statements (including consolidated financial statements), and proposal for distribution of earnings were compiled by the Board and Financial Statements audited by the CPAs, Huang Ming-Hung and Tang Chia-Chien of KPMG Taiwan. Referred to the Auditing Committee for review, which was deemed in compliance with the Company Act, and are presented for recognition.

(2) For information on the Business Report, refer to p.3-4 of The Handbook. The Auditing Committee's Review Report is exhibited on p.5 of The Handbook. The Financial Statements are exhibited on p.9-22. The proposal for the distribution of earnings is exhibited on p.23.

Resolutions:



安侯建業聯合會計師事務所
KPMG

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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, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretation developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public 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 of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

- Revenue recognition

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



Description of key audit matters

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

How the matter was addressed in our audit

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

Other Matter

Everlight Chemical Industrial Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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



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

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

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

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

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

KPMG

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

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to 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, 2023 and 2022
(Expressed in Thousands New Taiwan Dollars)

		<u>December 31, 2023</u>		<u>December 31, 2022</u>				<u>December 31, 2023</u>		<u>December 31, 2022</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>			<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Assets						Liabilities and Equity					
Current assets :						Current liabilities					
1100	Cash and cash equivalents	\$ 1,409,839	11	1,215,150	9	2100	Short-term borrowings	\$ 1,698,179	13	1,665,417	13
1110	Financial assets at fair value through profit or loss-current	36,903	-	4,020	-	2322	Long-term borrowings, current portion	42,500	-	12,500	-
1136	Financial assets at amortized cost-current	60,000	1	-	-	2151	Notes payable	42,729	-	89,065	1
1150	Notes receivable, net	202,209	2	188,005	2	2170	Accounts payable	532,175	5	341,564	3
1170	Accounts receivable, net	1,418,164	11	1,346,800	10	2209	Other payables	409,923	3	502,833	4
130X	Inventories	3,389,731	26	3,970,872	30	2213	Payables on equipment	26,864	-	36,334	-
1476	Other current financial assets	29,809	-	64,518	-	2230	Current tax liabilities	26,769	-	41,077	-
1479	Other current assets	<u>130,739</u>	<u>1</u>	<u>114,841</u>	<u>1</u>	2280	Lease liabilities-current	34,574	-	35,421	-
	Total current assets	<u>6,677,394</u>	<u>52</u>	<u>6,904,206</u>	<u>52</u>	2399	Other current liabilities	<u>35,947</u>	<u>-</u>	<u>45,038</u>	<u>-</u>
Non-current assets:						Total current liabilities		<u>2,849,660</u>	<u>21</u>	<u>2,769,249</u>	<u>21</u>
1517	Financial assets at fair value through other comprehensive income-non-current	944,447	8	956,411	7	Non-current liabilities :					
1550	Investments accounted for using equity method	140,589	1	133,663	1	2540	Long-term borrowings	1,006,250	8	1,087,500	8
1600	Property, plant and equipment	4,535,850	35	4,541,097	35	2570	Deferred tax liabilities	80,296	1	95,327	1
1755	Right-of-use assets	266,776	2	279,846	2	2580	Lease liabilities non-current	223,657	2	233,814	2
1780	Intangible assets	128,362	1	151,334	2	2640	Net defined benefit liability	18,824	-	75,952	1
1840	Deferred tax assets	42,508	-	59,464	-	2670	Other non-current liabilities	<u>66,164</u>	<u>1</u>	<u>63,964</u>	<u>-</u>
1915	Prepayments for equipment	146,818	1	89,671	1	Total non-current liabilities		<u>1,395,191</u>	<u>12</u>	<u>1,556,557</u>	<u>12</u>
1980	Other non-current financial assets	3,360	-	3,387	-	Total liabilities		<u>4,244,851</u>	<u>33</u>	<u>4,325,806</u>	<u>33</u>
1990	Other non-current assets	<u>14,622</u>	<u>-</u>	<u>13,424</u>	<u>-</u>	Equity attributable to owners of parent:					
	Total non-current assets	<u>6,223,332</u>	<u>48</u>	<u>6,228,297</u>	<u>48</u>	3100	Common shares	5,477,522	43	5,477,522	42
						3200	Capital surplus	474,558	4	474,558	3
						3300	Retained earnings	2,351,733	18	2,432,588	19
						3400	Other equity	<u>40,262</u>	<u>-</u>	<u>70,404</u>	<u>1</u>
							Total equity attributable to owners of parent	<u>8,344,075</u>	<u>65</u>	<u>8,455,072</u>	<u>65</u>
						36XX	Non-controlling interests	<u>311,800</u>	<u>2</u>	<u>351,625</u>	<u>2</u>
							Total equity	<u>8,655,875</u>	<u>67</u>	<u>8,806,697</u>	<u>67</u>
							Total liabilities and equity	<u>\$ 12,900,726</u>	<u>100</u>	<u>13,132,503</u>	<u>100</u>
	Total assets	<u>\$ 12,900,726</u>	<u>100</u>	<u>13,132,503</u>	<u>100</u>						

(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, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars Except for Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
4000 Operating revenue	\$ 7,861,424	100	8,891,702	100
5000 Operating costs	<u>6,261,590</u>	<u>80</u>	<u>6,896,531</u>	<u>78</u>
5950 Gross profit from operations	<u>1,599,834</u>	<u>20</u>	<u>1,995,171</u>	<u>22</u>
6000 Operating expenses:				
6100 Selling expenses	782,505	10	929,839	10
6200 Administrative expenses	385,249	5	323,399	4
6300 Research and development expenses	352,401	4	368,250	4
6450 Expected credit loss (gain)	<u>(3,741)</u>	<u>-</u>	<u>(7,073)</u>	<u>-</u>
Total operating expenses	<u>1,516,414</u>	<u>19</u>	<u>1,614,415</u>	<u>18</u>
6900 Net operating income	<u>83,420</u>	<u>1</u>	<u>380,756</u>	<u>4</u>
7000 Non-operating income and expenses:				
7100 Interest income	13,425	-	5,157	-
7010 Other income	25,539	-	47,198	1
7020 Other gains and losses	84,182	1	114,324	1
7050 Finance costs	(93,203)	(1)	(71,084)	(1)
7060 Share of gains (losses) of associates accounted for using equity method	<u>(4,406)</u>	<u>-</u>	<u>7,483</u>	<u>-</u>
Total non-operating income and expense	<u>25,537</u>	<u>-</u>	<u>103,078</u>	<u>1</u>
7900 Income before income tax	108,957	1	483,834	5
7951 Income tax expenses	<u>13,880</u>	<u>-</u>	<u>91,294</u>	<u>1</u>
8200 Net income	<u>95,077</u>	<u>1</u>	<u>392,540</u>	<u>4</u>
8300 Other comprehensive income:				
8310 Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311 Gains on remeasurements of defined benefit plans	30,827	-	91,523	1
8316 Unrealized gains from financial assets measured at fair value through other comprehensive income	(11,047)	-	(577,674)	(6)
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>(6,165)</u>	<u>-</u>	<u>(18,304)</u>	<u>-</u>
Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	<u>13,615</u>	<u>-</u>	<u>(504,455)</u>	<u>(5)</u>
8360 Components of other comprehensive income that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	(6,695)	-	79,066	1
8370 Share of other comprehensive income of associates accounted for using equity method	(9,064)	-	(1,976)	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total components of other comprehensive income (loss) that will be reclassified to profit or loss	<u>(15,759)</u>	<u>-</u>	<u>77,090</u>	<u>1</u>
8300 Other comprehensive income (after tax)	<u>(2,144)</u>	<u>-</u>	<u>(427,365)</u>	<u>(4)</u>
8500 Total comprehensive income	<u>\$ 92,933</u>	<u>1</u>	<u>(34,825)</u>	<u>-</u>
Profit attributable to:				
8610 Owners of parent	\$ 85,866	1	374,432	4
8620 Non-controlling interests	<u>9,211</u>	<u>-</u>	<u>18,108</u>	<u>-</u>
	<u>\$ 95,077</u>	<u>1</u>	<u>392,540</u>	<u>4</u>
Comprehensive income attributable to:				
8710 Owners of parent	\$ 80,716	1	(77,192)	-
8720 Non-controlling interests	<u>12,217</u>	<u>-</u>	<u>42,367</u>	<u>-</u>
	<u>\$ 92,933</u>	<u>1</u>	<u>(34,825)</u>	<u>-</u>
9750 Basic earnings per share (expressed in New Taiwan dollars)	<u>\$ 0.16</u>		<u>0.68</u>	
9850 Diluted earnings per share (expressed in New Taiwan dollars)	<u>\$ 0.16</u>		<u>0.68</u>	

(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, 2023 and 2022
(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, 2022	\$ 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	<u>5,477,522</u>	<u>474,558</u>	<u>1,143,947</u>	<u>30,438</u>	<u>1,258,203</u>	<u>2,432,588</u>	<u>(76,987)</u>	<u>147,391</u>	<u>70,404</u>	<u>8,455,072</u>	<u>351,625</u>	<u>8,806,697</u>
Net income	-	-	-	-	85,866	85,866	-	-	-	85,866	9,211	95,077
Other comprehensive income	-	-	-	-	24,598	24,598	(16,073)	(13,675)	(29,748)	(5,150)	3,006	(2,144)
Total comprehensive income	-	-	-	-	110,464	110,464	(16,073)	(13,675)	(29,748)	80,716	12,217	92,933
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	45,770	-	(45,770)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(191,713)	(191,713)	-	-	-	(191,713)	(24,132)	(215,845)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(27,910)	(27,910)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	394	394	-	(394)	(394)	-	-	-
Balance on December 31, 2023	<u>\$ 5,477,522</u>	<u>474,558</u>	<u>1,189,717</u>	<u>30,438</u>	<u>1,131,578</u>	<u>2,351,733</u>	<u>(93,060)</u>	<u>133,322</u>	<u>40,262</u>	<u>8,344,075</u>	<u>311,800</u>	<u>8,655,875</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the nine months ended September 30, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities:		
Income before income tax	\$ 108,957	483,834
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	602,798	638,820
Amortization expense	48,939	33,955
Expected credit gain	(3,741)	(7,073)
Net gains on financial assets at fair value through profit	(220)	(138)
Interest expense	93,203	71,084
Interest income	(13,425)	(5,157)
Dividend income	(25,539)	(47,198)
Share of gains (losses) of associates accounted for using equity method	4,406	(7,483)
Losses (gains) on disposal of property, plant and equipment	(1,323)	2,884
Losses on disposal of investment accounted for using equity method	4,834	-
Losses (gains) due to disaster	(6,352)	32,851
Other	276	(102)
Total adjustments to reconcile profit	<u>703,856</u>	<u>712,443</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	(22,605)	31,609
Accounts receivable and overdue receivable (under other non-current financial assets)	(85,383)	315,469
Inventories	573,067	(389,082)
Other current financial assets	33,723	(966)
Other current assets	(15,618)	9,391
Total changes in operating assets	<u>483,184</u>	<u>(33,579)</u>
Changes in operating liabilities:		
Notes payable	(46,469)	(150,116)
Accounts payable	192,769	18,764
Other payables	(76,841)	(54,443)
Other current liabilities	(40,846)	(7,694)
Net defined benefit liability	(26,301)	(49,973)
Other non-current liabilities	34,000	(2,382)
Total changes in operating liabilities	<u>36,312</u>	<u>(245,844)</u>
Total changes in operating assets and liabilities	<u>519,496</u>	<u>(279,423)</u>
Total adjustments	<u>1,223,352</u>	<u>433,020</u>
Cash inflow generated from operations	1,332,309	916,854
Interest received	13,315	5,137
Dividends received	25,539	47,684
Income taxes paid	(34,988)	(116,501)
Net cash flows from operating activities	<u>1,336,175</u>	<u>853,174</u>
Cash flows from investing activities:		
Acquisition of financial assets at amortized cost	(210,000)	-
Proceeds from disposal of financial assets at amortized cost	150,000	3,502
Acquisition of financial assets at fair value through profit or loss	(122,749)	(46,000)
Proceeds from disposal of financial assets at fair value through profit or loss	90,086	102,365
Acquisition of financial assets at fair value through other comprehensive income	(450)	(35,388)
Proceeds from disposal of financial assets at fair value through other comprehensive income	1,366	31,169
Acquisition of property, plant and equipment	(424,646)	(212,551)
Proceeds from disposal of property, plant and equipment	4,639	2,711
Acquisition of intangible assets	(26,193)	(69,441)
Increase in other non-current financial assets	25	21
Increase in other non-current assets	(1,405)	(1,429)
Increase in prepayments for equipment	(211,823)	(150,223)
Net cash outflows from losing control of subsidiary	(31,947)	-
Net cash used in investing activities	<u>(783,097)</u>	<u>(375,264)</u>
Cash flows used in financing activities:		
Increase in short-term borrowings	5,449,757	6,120,048
Decrease in short-term borrowings	(5,410,914)	(6,516,673)
Increase in short-term notes and bills payable	320,000	-
Decrease in short-term notes and bills payable	(320,000)	-
Proceeds from long-term borrowings	2,570,000	100,000
Repayments of long-term borrowings	(2,621,250)	-
Payments of lease liabilities	(35,074)	(34,834)
Cash dividends paid	(191,713)	(273,876)
Interest paid	(102,435)	(71,378)
Subsidiaries distributed cash dividends to non-controlling interests	(27,171)	(7,181)
Decrease in non-controlling interests	-	(4)
Net cash used in financing activities	<u>(368,800)</u>	<u>(683,898)</u>
Effect on exchange rate changes on cash and cash equivalents	<u>10,411</u>	<u>(28,615)</u>
Net increase (decrease) in cash and cash equivalents	<u>194,689</u>	<u>(234,603)</u>
Cash and cash equivalents at beginning of period	<u>1,215,150</u>	<u>1,449,753</u>
Cash and cash equivalents at end of period	<u>\$ 1,409,839</u>	<u>1,215,150</u>



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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, 2023 and 2022, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public 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 current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

- Revenue recognition

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

Description of key audit matters

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



How the matter was addressed in our audit

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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



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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)

March 14, 2024

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, 2023 and 2022

(expressed in thousands New Taiwan dollars)

Assets		December 31, 2023		December 31, 2022				Liabilities and Equity		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%					Amount	%	Amount	%
Current assets:								Current liabilities:					
1100	Cash and cash equivalents	\$ 866,586	8	666,659	6	2100	Short-term borrowings	\$ 1,081,219	10	1,093,902	10		
1110	Financial assets at fair value through profit or loss-current	30,067	-	-	-	2151	Notes payable	42,729	-	79,852	1		
1136	Financial assets at amortized cost-current	60,000	1	-	-	2170	Accounts payable	474,364	4	268,002	2		
1150	Notes receivable, net	44,737	-	46,112	-	2209	Other payables	314,522	3	373,742	3		
1170	Accounts receivable, net	768,979	7	660,728	6	2213	Payables on equipment	20,860	-	33,685	-		
1180	Accounts receivable due from related parties, net	468,632	4	394,863	3	2230	Current tax liabilities	22,462	-	34,346	-		
1210	Other receivables due from related parties	29,987	-	6,986	-	2280	Lease liabilities-current	10,516	-	8,800	-		
130X	Inventories	2,340,721	20	2,868,151	25	2399	Other current liabilities	23,920	-	32,702	-		
1476	Other current financial assets	18,201	-	50,797	-		Total current liabilities	<u>1,990,592</u>	<u>17</u>	<u>1,925,031</u>	<u>16</u>		
1479	Other current assets	91,376	1	78,309	1		Non-current liabilities:						
	Total current assets	<u>4,719,286</u>	<u>41</u>	<u>4,772,605</u>	<u>41</u>	2541	Long-term bank loans	900,000	8	1,000,000	9		
	Non-current assets:					2570	Deferred tax liabilities	80,296	1	95,327	1		
1517	Financial assets at fair value through other comprehensive income-non-current	845,868	8	866,032	8	2580	Lease liabilities non-current	9,476	-	11,635	-		
1550	Investments accounted for using equity method	1,901,077	17	2,009,543	17	2640	Net defined benefit liability	18,273	-	74,720	1		
1600	Property, plant and equipment	3,678,589	32	3,687,171	32	2670	Other non-current liabilities, others	65,800	1	63,600	-		
1755	Right-of-use-assets	19,544	-	19,841	-		Total non-current liabilities	<u>1,073,845</u>	<u>10</u>	<u>1,245,282</u>	<u>11</u>		
1780	Intangible assets	112,009	1	148,171	1		Total liabilities	<u>3,064,437</u>	<u>27</u>	<u>3,170,313</u>	<u>27</u>		
1840	Deferred tax assets	39,741	-	56,690	-	3100	Equity:						
1915	Prepayments for equipment	90,081	1	63,028	1	3200	Common shares	5,477,522	48	5,477,522	47		
1980	Other non-current financial assets	2,317	-	2,304	-	3200	Capital surplus	474,558	4	474,558	4		
	Total non-current assets	<u>6,689,226</u>	<u>59</u>	<u>6,852,780</u>	<u>59</u>	3300	Retained earnings	2,351,733	21	2,432,588	21		
						3400	Other equity	40,262	-	70,404	1		
							Total equity	<u>8,344,075</u>	<u>73</u>	<u>8,455,072</u>	<u>73</u>		
Total assets		<u>\$ 11,408,512</u>	<u>100</u>	<u>11,625,385</u>	<u>100</u>		Total liabilities and equity	<u>\$ 11,408,512</u>	<u>100</u>	<u>11,625,385</u>	<u>100</u>		

(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, 2023 and 2022

(expressed in thousands of New Taiwan dollars except for earnings per share)

	2023		2022	
	Amount	%	Amount	%
4000 Operating revenue	\$ 6,108,600	100	6,782,782	100
5000 Operating costs	<u>5,008,425</u>	<u>82</u>	<u>5,413,588</u>	<u>80</u>
5900 Gross profit from operations	1,100,175	18	1,369,194	20
5910 Realized (unrealized) gross profit from sales	<u>18,783</u>	<u>-</u>	<u>18,019</u>	<u>-</u>
5950 Gross profit from operations	<u>1,118,958</u>	<u>18</u>	<u>1,387,213</u>	<u>20</u>
6000 Operating expenses:				
6100 Selling expenses	478,197	8	612,542	9
6200 Administrative expenses	213,228	3	186,983	2
6300 Research and development expenses	310,164	5	326,420	5
6450 Expected credit loss (gain)	<u>2,338</u>	<u>-</u>	<u>(3,908)</u>	<u>-</u>
Total operating expenses	<u>1,003,927</u>	<u>16</u>	<u>1,122,037</u>	<u>16</u>
6900 Net operating income	<u>115,031</u>	<u>2</u>	<u>265,176</u>	<u>4</u>
7000 Non-operating income and expenses:				
7100 Interest income	4,042	-	2,103	-
7010 Other income	20,731	-	42,743	1
7020 Other gains and losses	73,448	1	91,673	1
7050 Finance costs	(59,369)	(1)	(44,585)	(1)
7060 Share of gains of subsidiaries and associates accounted for using equity method	<u>(55,760)</u>	<u>-</u>	<u>92,900</u>	<u>2</u>
Total non-operating income and expense	<u>(16,908)</u>	<u>-</u>	<u>184,834</u>	<u>3</u>
7990 Income before income tax	98,123	2	450,010	7
7950 Income tax expenses	<u>12,257</u>	<u>-</u>	<u>75,578</u>	<u>1</u>
Net income	<u>85,866</u>	<u>2</u>	<u>374,432</u>	<u>6</u>
8300 Other comprehensive income:				
8310 Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311 Gains on remeasurements of defined benefit plans	30,492	-	90,507	1
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(20,164)	-	(587,611)	(9)
8330 Share of other comprehensive income of subsidiaries accounted for using equity method	6,693	-	10,250	-
8349 Income tax related to components that may not be reclassified to profit or loss	<u>(6,098)</u>	<u>-</u>	<u>(18,101)</u>	<u>-</u>
Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	<u>10,923</u>	<u>-</u>	<u>(504,955)</u>	<u>(8)</u>
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	(7,009)	-	55,307	1
8380 Share of other comprehensive income of associates accounted for using equity method	(9,064)	-	(1,976)	-
8399 Income tax related to components that may be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total components of other comprehensive income (loss) that will be reclassified to profit or loss	<u>(16,073)</u>	<u>-</u>	<u>53,331</u>	<u>1</u>
8300 Other comprehensive income(after tax)	<u>(5,150)</u>	<u>-</u>	<u>(451,624)</u>	<u>(7)</u>
8500 Total comprehensive income	<u>\$ 80,716</u>	<u>2</u>	<u>(77,192)</u>	<u>(1)</u>
9750 Basic earnings per share (expressed in New Taiwan dollars)	<u>\$ 0.16</u>		<u>0.68</u>	
9850 Diluted earnings per share (expressed in New Taiwan dollars)	<u>\$ 0.16</u>		<u>0.68</u>	

(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, 2023 and 2022

(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, 2022	\$ 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
Net income	-	-	-	-	85,866	85,866	-	-	-	85,866
Other comprehensive income	-	-	-	-	24,598	24,598	(16,073)	(13,675)	(29,748)	(5,150)
Total comprehensive income	-	-	-	-	110,464	110,464	(16,073)	(13,675)	(29,748)	80,716
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	45,770	-	(45,770)	-	-	-	-	-
Cash dividends	-	-	-	-	(191,713)	(191,713)	-	-	-	(191,713)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	394	394	-	(394)	(394)	-
Balance on December 31, 2023	\$ 5,477,522	474,558	1,189,717	30,438	1,131,578	2,351,733	(93,060)	133,322	40,262	8,344,075

(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, 2023 and 2022

(expressed in thousands of New Taiwan dollars)

	2023	2022
Cash flows from operating activities:		
Income before income tax	\$ 98,123	450,010
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	495,990	508,908
Amortization expense	42,930	31,835
Expected credit losses (gains)	2,338	(3,908)
Net gains on financial assets at fair value through profit and loss	(153)	(118)
Interest expense	59,369	44,585
Interest income	(4,042)	(2,103)
Dividend income	(20,731)	(42,743)
Share of (gains) losses of subsidiaries and associates accounted for using equity method	55,760	(92,900)
Losses (gains) on disposal of property, plants and equipment	(1,607)	3,110
Losses on disposal of investment prosperities	-	7,219
Realized gross profit from sales	(18,783)	(18,019)
Losses (gains) due to disaster	(6,352)	32,851
Total adjustments to reconcile profit	604,719	468,717
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	1,375	16,609
Accounts receivable and overdue receivable (under other non-current financial assets)	(110,589)	188,403
Accounts receivable due from related parties	(73,769)	197,553
Other receivable due from related parties	(23,001)	5,226
Inventories	527,430	(449,715)
Other current financial assets	32,679	92
Other current assets	(11,912)	17,754
Total changes in operating assets	342,213	(24,078)
Changes in operating liabilities:		
Notes payable	(37,123)	(159,057)
Accounts payable (includes related parties)	206,362	(22,273)
Other payables (includes related parties)	(58,203)	(66,709)
Other current liabilities	(40,582)	(4,616)
Net defined benefit liabilities	(25,955)	(49,606)
Increase (decrease) in other non-current liabilities	34,000	(2,167)
Total changes in operating liabilities	78,499	(304,428)
Total changes in operating assets and liabilities	420,712	(328,506)
Total adjustments	1,025,431	140,211
Cash inflow generated from operations	1,123,554	590,221
Interest received	3,959	2,117
Dividends received	82,840	46,857
Income taxes paid	(30,873)	(86,652)
Net cash flows from operating activities	1,179,480	552,543
Cash flows used in investing activities:		
Acquisition of financial assets at fair value through profit or loss	(120,000)	(30,000)
Proceeds from disposal of financial assets at fair value through profit or loss	90,086	90,365
Acquisition of financial assets at amortized cost	(210,000)	-
Proceeds from disposal of financial assets at amortized cost	150,000	3,502
Acquisition of financial assets at fair value through other comprehensive income	-	(25,320)
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	(334,965)	(196,271)
Proceeds from disposal of property, plant and equipment	2,360	2,067
Acquisition of intangible assets	(17,844)	(69,441)
Proceeds from disposal of intangible assets	11,076	-
Increase in other non-current financial assets	(13)	(111)
Increase in prepayments for equipment	(167,186)	(123,104)
Net cash used in investing activities	(596,486)	(332,319)
Cash flows used in financing activities:		
Increase in short-term borrowings	4,629,244	4,678,176
Decrease in short-term borrowings	(4,641,927)	(4,893,137)
Proceeds from long-term borrowings	2,500,000	-
Repayments of long-term borrowings	(2,600,000)	-
Payment of lease liabilities	(10,504)	(10,020)
Cash dividends paid	(191,713)	(273,876)
Interest paid	(68,167)	(45,701)
Net cash used in financing activities	(383,067)	(544,558)
Net increase (decrease) in cash and cash equivalents	199,927	(324,334)
Cash and cash equivalents at beginning of period	666,659	990,993
Cash and cash equivalents at end of period	\$ 866,586	666,659

Everlight Chemical Industrial Corporation
Table of Earnings Distribution
2023

Unit: NTD

Items of distribution	Dollar amount of distribution	
	Subtotal	Total
Undistributed earnings at the beginning of period		1,020,719,207
Net income before tax for the period	98,123,535	
Less: income tax expense	12,257,247	
Net income after tax for the period		85,866,288
Add: adjustments to the retained earnings from disposing equity tools evaluated at fair value through other comprehensive income	394,458	
Add: changes to the re-evaluated amount of defined-benefit program for the period	24,597,692	
Subtotal		110,858,438
Distributable earnings		1,131,577,645
The appropriated and distributed items for the current year		
Less: recognition of legal reserves	11,085,844	
Distribution of cash dividends - NT\$ 0.15 per share	82,162,834	
Subtotal		93,248,678
Undistributed earnings at the end of period		1,038,328,967

Chairman: Chen, Chien-Hsin



General manager: Chen, Wei-Wang



Accounting officer: Wong, Guo-Bin



Discussions

Discussions

Motion 1

Proposal of the Board of Directors

Subject: The amendments to “Rules of Procedure for Shareholders Meetings”

Explanation: (1) This procedure was revised and passed by the 2022 General Shareholders Meeting dated 2022.05.26.

(2) To Amend “Rules of Procedure for Shareholders Meetings” of the Company is in line with applicable laws. The “Amendment Clauses Comparison Table” is shown in the Appendix for discussion on feasibility of implementation.

Appendix: Amendment Clauses Comparison Table of the Rules of Procedure for Shareholders Meetings before and after the amendment

Resolutions:

**Everlight Chemical Industrial Corporation
Amendment Clauses Comparison Table of the Rules of Procedure
for Shareholders Meetings Before and after the amendment**

Amended articles	Existing articles	Explanation
<p>Article 3 Shareholders’ meetings of the Company shall be convened by the Board of Directors unless other otherwise specified by law. <u>Unless otherwise provided in the Guidelines for Handling Stock Affairs of Publicly Issued Companies, the convening of a shareholder meeting via video conference shall be specified in the articles of association, resolved by the board of directors. The resolutions of the video conference shareholder meeting shall be implemented with the attendance of two-thirds or more of the directors and the approval of more than half of the attending directors, as resolved by the board of directors.</u></p>	<p>Article 3 Shareholders’ meetings of the Company shall be convened by the Board of Directors unless other otherwise specified by law. </p>	<p>Amended in accordance with laws and regulations</p>

<p>Article 6-1 When the Company convenes the shareholders' meeting by video conference, the information below shall be stated in the meeting notice: 3. When a shareholders' meeting is to be convened by video conference, appropriate alternatives to shareholders who have difficulty participating in the meeting by video means shall be specified. <u>Except as provided in Article 44-9, Paragraph 6 of the Guidelines for Handling Stock Affairs of Publicly Issued Companies, at least shareholder connection equipment and necessary assistance should be provided, specifying the period during which shareholders may apply to the company and other relevant matters to note.</u></p>	<p>Article 6-1 When the Company convenes the shareholders' meeting by video conference, the information below shall be stated in the meeting notice: 3. When a shareholders' meeting is to be convened by video conference, appropriate alternatives to shareholders who have difficulty participating in the meeting by video means shall be specified.</p>	<p>Amended in accordance with laws and regulations</p>
<p>Article 22 When the Company convenes a shareholders' meeting by video conference, it shall provide appropriate alternatives to shareholders who have difficulty attending the shareholders' meeting by video conference. <u>Except as provided in Article 44-9, Paragraph 6 of the Guidelines for Handling Stock Affairs of Publicly Issued Companies, at least shareholder connection equipment and necessary assistance should be provided, specifying the period during which shareholders may apply to the company and other relevant matters to note.</u></p>	<p>Article 22 When the Company convenes a shareholders' meeting by video conference, it shall provide appropriate alternatives to shareholders who have difficulty attending the shareholders' meeting by video conference.</p>	<p>Amended in accordance with laws and regulations</p>
<p>Article 24: The Rules were mandated on Apr. 26, 1988. The ninth amendment was made on May 26, 2022. <u>The tenth amendment was made on May 30, 2024.</u></p>	<p>Article 24: The Rules were mandated on Apr. 26, 1988. The ninth amendment was made on May 26, 2022.</p>	<p>Date of amendment</p>

Discussion

Motion 2

Proposal of the Board of Directors

Subject: The amendments to “Articles of Incorporation”

Explanation: To amend “Articles of Incorporation” of the Company is in line with applicable laws. The “Amendment Clauses Comparison Table” is shown in the Appendix for discussion on feasibility of implementation.

Appendix: Amendment Clauses Comparison Table of the Articles of Incorporation

Resolutions:

**Everlight Chemical Industrial Corporation
Amendment Clauses Comparison Table of the Articles of Incorporation**

Amended articles	Existing articles	Explanation
Article 15: The Company has 7~11 directors, including <u>at least</u> three independent directors, shall be elected among persons with legal capacity from the shareholders’ meeting.	Article 15: The Company has 7~11 directors, including three independent directors, shall be elected among persons with legal capacity from the shareholders’ meeting.	Amended in accordance with laws and regulations
Article 32: The Articles of Incorporation were formulated on Aug. 28, 1972. The forty-fifth amendment was made on May 25, 2023. <u>The forty-sixth amendment was made on May 30, 2024.</u>	Article 32: The Articles of Incorporation were formulated on Aug. 28, 1972. The forty-fifth amendment was made on May 25, 2023.	Date of amendment

Election

Election

Proposal of the Board of Directors

Subject: Election of Directors

- Explanation: 1. The current (18th) term of directors will expire on July 28, 2024. It is intended to elect eleven directors for the 19th term (three independent directors included) pursuant to the Articles of Incorporation.
2. The election of directors at the Company shall be conducted in accordance with the candidate nomination system. The directors shall be elected from the candidate list, with a single non-transferable cumulative vote. For the candidate lists of the directors for the next term (independent directors included) and their academic/industrial background, please refer to the attachment.
3. The new directors will inaugurate after the AGM, and the original directors are discharged at the same time. The 19th term is three years from the date of 2024 AGM when the directors are elected, i.e. inauguration on May 30, 2024 to May 29, 2027.

Election Results:

List of board director candidates					
Name	Sex	Number of shares held	Education	Experience	Current position
Ethical Investment Co., Ltd.	-	56,000,000			
Representative Chen,Chien-Hsin	Male	6,745,000	Master of Public Health (MPH), Harvard University	Vice Superintendent, Country Hospital, Taipei, Taiwan Chief, Department of Internal Medicine & ICU, Puli Christian Special Assistant to Chairman, Everlight Chemical Industrial Corp. Vice Chairman of BOD, Everlight Chemical Industrial Corp.	Chairman of BOD, Everlight Chemical Industrial Corp. Chairman of BOD, Everlight Chemicals (Singapore) PTE LTD. Board Director, GOOD TV Broadcasting Corp.
Chen,Ding-Chi	Male	13,395,254	Doctor of Christian Education ,Cohen University	Vice Chairman of BOD, Everlight Chemical Industrial Corp. General Manager, Everlight Chemical Industrial Corp. Board Director, GOOD TV Broadcasting Corp.	Board Director, Everlight Chemical Industrial Corp.

Chen,Wei-Wang	Male	6,300,000	Ph.D. in Industrial Engineering, University of Michigan	Deputy General Manager, Everlight Chemical Industrial Corp. Assistant General Manager ,R&D Division, Everlight Chemical Industrial Corp.	Board Director and General Manager, Everlight Chemical Industrial Corp. Chairman of BOD, Everlight U.S.A. Chairman of BOD, Everlight Europe B.V. (Netherlands) Chairman of BOD, Ethical (Guangzhou) Ltd. Chairman of BOD, Everlight (Hongkong) Ltd. Board Director, Trend Tone Imaging, Inc. Board Director, Elite Foreign Trading Inc. (Turkey) Board Director, Everlight (Suzhou) Advanced Chemicals Ltd. Board Director, Shanghai Anda International Trading Co., Ltd. Board Director, 3E Chemical (Suzhou) Ltd.
Chen,Chien-Ming	Male	3,508,192	Ph.D. in Mechanical Engineering, University of Michigan	Senior Project Engineer, General Motors Corp. Deputy Director of Supply Chain Management Division, Everlight Chemical Industrial Corp. Deputy General Manager, Trend Tone Imaging, Inc. General Manager, Everlight U.S.A.	Board Director, Everlight Chemical Industrial Corp. Board Director and General Manager, Trend Tone Imaging, Inc. Board Director, Everlight U.S.A. Board Director, Everlight (Suzhou) Advanced Chemicals Ltd.
Chen,Ju-Ai	Female	6,000,000	M.S. in Corporate Law and Finance, Widener University	Specialist, Hongsheng Law Firm	Assistant General Manager, Everlight (Suzhou) Supervisor, Ethical (Shanghai) Ltd. Supervisor, Everlight (Shanghai) Ltd. Supervisor, Shanghai Anda International Trading Co., Ltd. Supervisor, Anda Semiconductor Technology (Suzhou) Co., Ltd.
Lee,Yung-Long	Male	2,281,007	B.S. in Public Administration, National Chung Hsing University	Chairman of BOD, Hangzhou Yuda Technology Company	Board Director, Everlight Chemical Industrial Corp.
Ken,Wen-Yuen	Male	2,951,405	M.S. in Computer System Management, University of San Francisco	General Manager, Chung Hwa Chemical Industrial Works, Ltd.	Chairman of BOD, Chung Hwa Chemical Industrial Works, Ltd. Board Director, Everlight Chemical Industrial Corp.
Lin,Chao-Wen	Male	71,691	M.S. in Macromolecule Fiber, The National Taiwan University of Science and Technology	Assistant General Manager , Electronic Chemicals Division, Everlight Chemical Industrial Corp. Deputy General Manager, Electronic Chemicals Division, Everlight Chemical Industrial Corp.	Deputy General Manager, Everlight Chemical Industrial Corp.

List of independent board director candidates

Name	Sex	Number of shares held	Served as an independent director for three consecutive terms	Education	Experience	Current position
Yang, Way-Wen	Male	0	No	Doctor of Juridical Science, Duke University	Chairman of BOD, Star Buck Power Corp. Independent & Executive Board Director, Agricultural Bank of Taiwan Co., Ltd. Municipal Advisor, Taipei City Government	Independent Board Director, Everlight Chemical Industrial Corp. Associate Prof., Department of Law, Kainan University
Chang, Yuan-Jan	Male	0	No	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	Independent Board Director, Iron Force Industrial Co., Ltd. Senior Strategic Investment Consultant, CEO Office, Lite-On IT Corp. Senior Vice President, DelSolar Co., Ltd. Development Manager, AES Corp.	Independent Board Director, Everlight Chemical Industrial Corp. Senior Vice President, Industrial Technology Investment Corp. Corporate Director Representative, Iron Force Industrial Co., Ltd. Board Director, Arch Meter Corp. Corporate Director Representative, Taiwan Electron Microscope Instrument Corp. Corporate Director Representative, Taicend Technology Co., Ltd. Corporate Director Representative, Energiatek Technology Co., Ltd. Corporate Director Representative, Alliance Materials, Inc. Corporate Director Representative, MEDWEL, Co., Ltd. Corporate Director Representative, BELX Bio-Pharmaceutical Co. Ltd. Corporate Director Representative, Cornucopia Innovation Corp.
Lin, Shu-Yu	Female	0	No	Master of Business Administration, University of Minnesota	CPA, KPMG Founding Secretary-General, Computer Audit Association Founding Secretary-General, Taiwan Corporate Governance Association Finance and Accounting Supervisor, Aurora Corp. Chief Auditor, Aurora Group Special Assistant of BOD, Aurora Group	CPA, Joy Public Accounting Firm

Other Proposals

Other Proposals

Proposal of the Board of Directors

Subject: Discussion to approve the lifting of the newly elected Directors from non-competition restrictions

Explanation: 1. Pursuant to Article 209 of the Company Act. In the extent where the Company's business is not affected, nor the Company's interests are undermined, it is intended to propose to the 2024 AGM to approve relieving non-competition restrictions for the new directors who are elected in this year.

2. The contents of relieving non-competition restrictions for the new directors are set out in the attachment and will be disclosed as required. Please approve.

Appendix: The contents of relieving non-competition restrictions for the new directors of the 19th term.

Resolutions:

Title	Name	Company Name and Concurrent Position
Board Director	Ethical Investment Co., Ltd. Representative Chen,Chien-Hsin	Board Director, GOOD TV Broadcasting Corp.
Board Director	Chen,Wei-Wang	Board Director, Trend Tone Imaging, Inc. Board Director, Elite Foreign Trading Inc. (Turkey) Board Director, Shanghai Anda International Trading Co., Ltd. Board Director, 3E Chemical (Suzhou) Ltd.
Board Director	Chen, Chien-Ming	Board Director and General Manager, Trend Tone Imaging, Inc.
Board Director	Ken, Wen-Yuen	Chairman of BOD and General Manager, Chung Hwa Chemical Industrial Works, Ltd.
Independent Board Director	Chang, Yuan-Jan	Senior Vice President, Industrial Technology Investment Corp. Board Director, Iron Force Industrial Co., Ltd. Board Director, Arch Meter Corp. Board Director, Taiwan Electron Microscope Instrument Corp. Board Director, Taicend Technology Co., Ltd. Board Director, Energietek Technology Co., Ltd. Board Director, Alliance Materials, Inc. Board Director, Holdwel, Co., Ltd. Board Director, BELX Bio-Pharmaceutical Co. Ltd. Board Director, Cornucopia innovation Corp.

Extemporany Motions

Extemporany Motions

Appendices

Everlight Chemical Industrial Corporation

Rules of Procedure for Shareholders Meetings

Passed by the Board on Dec 14, 2023

Article 1: In order to establish the Company's good governance system of shareholder s' meetings, strengthen the function of supervision and management mechanism, the Company formulates the Rules in accordance with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 2: The rules of procedure for the shareholders' meetings of the Company shall adhere to the provisions of these Rules unless otherwise specified by law or in the Articles of Incorporation.

Article 3: Shareholders' meetings of the Company shall be convened by the Board of Directors unless otherwise specified by law.

Unless otherwise provided in the Guidelines for Handling Stock Affairs of Publicly Issued Companies, the convening of a shareholder meeting via video conference shall be specified in the articles of association, resolved by the board of directors. The resolutions of the video conference shareholder meeting shall be implemented with the attendance of two-thirds or more of the directors and the approval of more than half of the attending directors, as resolved by the board of directors.

Changes to the method of convening the shareholders' meeting shall be subject to a resolution by the Board of Directors and shall be made no later than before the notice of the shareholders' meeting is sent.

The Company shall prepare electronic versions of the Shareholders' Meeting Notice, proxy forms, the reasons and explanatory materials relating to all proposals such as proposals for ratification, matters for deliberation, and the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) 30 days before the general shareholders' meeting or 15 days before the ad hoc shareholders' meeting. Meanwhile, twenty-one days before the Company convenes a general shareholders' meeting or 15 days before an extraordinary shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplementary materials and upload them to the MOPS. However, the Company, with the paid-in capital amounting to NT\$10 billion or more at the end of the most recent fiscal year or the total shareholding ratio of foreign capital and capital from China reaching 30% or more as per the shareholder register for the general shareholders' meeting held in the most recent fiscal year, shall upload such an electronic file 30 days before the general shareholders' meeting. The shareholders' meeting agenda and supplementary information shall be made available for shareholders to review at any time 15 days before the shareholders' meeting. The agenda and supplementary materials shall be displayed at the Company, and its professional shareholder service agency.

The Company shall provide said handbook and supplementary materials mentioned in the preceding paragraph to the shareholders on the day of the shareholders' meeting in the following methods:

1. When a physical shareholders' meeting is convened, such materials shall be distributed on-site at the shareholders' meeting.
2. When a physical shareholders' meeting is convened, along with a video conference held at the same time, such materials shall be distributed on-site at the shareholders' meeting, and an electronic file of such materials shall be uploaded to the video conference platform.
3. When a shareholders' meeting is convened by video conference, an electronic file of such materials shall be uploaded to the video conference platform.

The notice and announcement shall state the reason for arranging the meeting; the notice may be in electronic format with the consent of the addressee.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be set out. The essential contents should explain in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

It is explicitly stated that the election of a new Board of Directors as the cause of the convention of the Shareholders' Meeting. The date of office of the member of the Board is also stated. After the successful election held in the Shareholders' Meeting, the date of office cannot be changed in the same session through extemporary motions or any other means.

A shareholder holding one percent or more of the total number of issued shares may submit to this corporation a written proposal for discussion at a regular shareholders' meeting. However, the number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. If specific shareholders present motions pertinent to anything inscribed in Paragraph 4 in Article 172-1 of the Company Act, the Board will not list the proposal as motions. A shareholder proposal for urging the corporation to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors. In addition, complying with any subparagraph of Article 172-1, paragraph 4 of the Company Act. It is limited to one only, and no proposal containing more than one item will be included in the meeting agenda.

The Company shall stop all transactions of shares, announce the motions presented by the shareholders, acceptance of motions in writing or by electronic mean, places

for accepting the motion and the duration for processing prior to the convention of the Shareholders' Meeting in regular session. At least 10 days should be allowed for the processing.

The length of each motion presented by shareholders shall be limited to 300 characters or the motion will not be listed on the agenda. Shareholders presenting the motions shall attend the regular session of the Shareholders' Meeting in person and take part in the discussion on the motion.

The Company shall inform shareholders of the outcome of their submission before the date of the shareholders' meeting and include the proposals that conform to this rule in the meeting notice. The Board of Directors shall explain the reason for non-inclusion of any shareholder proposals in the agenda on the shareholders' meeting.

Article 4: A shareholder may appoint a proxy to attend each shareholders' meeting by providing the proxy form issued by the Company which states the scope of authorization.

Each shareholder is limited to one proxy form and appointing one proxy only. The proxy form shall be delivered to the Company no less than 5 days before the shareholders' meeting. When duplicate proxy forms are received, the one delivered the earliest will be recognized. This, however, does not apply if a declaration was made to revoke the previous proxy appointment.

Once the proxy form is received by the Company, if the shareholder wishes to attend the shareholders' meeting in person or exercise voting right by correspondence or electronically, he or she shall send a written notice of proxy cancellation to the Company 2 days before the shareholders' meeting; if the cancellation notice is delivered after the deadline, the vote cast by the proxy on the meeting shall prevail.

Once the proxy form is received by the Company, in the case that the shareholder intends to attend the shareholders' meeting by video conference, a written proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 5: The venue for a shareholders' meeting shall be where the Company is located, or a place that is convenient to shareholders and suitable for the shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. When choosing the location and time of the meeting, the opinions of independent directors shall be fully considered.

When the Company convenes a shareholders' meeting by video conference, it is not subject to the restriction on the venue of the meeting under the preceding paragraph.

Article 6: The Company shall state, in the meeting notice, the sign-in time and place for shareholders, solicitors, and proxies (hereinafter referred to as "shareholders"), and other matters that shall be noted.

The sign-in time for shareholders, as stated in the preceding paragraph, shall be at least 30 minutes before the meeting commences. The sign-in place shall be clearly marked and staffed by a sufficient number of suitable personnel. When the shareholders' meeting is convened by video, the sign-in process shall begin on the video conference platform 30 minutes before the meeting commences. Shareholders who have completed the sign-in shall be deemed to have attended the shareholders' meeting in person.

Shareholders shall attend the shareholders' meetings with their attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attendance presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall provide the attending shareholders with an attendance book to sign, or the attending shareholders may hand in a registration pass in lieu of signing in.

The Company shall give the attending shareholders with the meeting agenda booklet, annual report, attendance passes, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be given.

When the government or a legal person is the shareholder, it may be represented by more than one representative to attend the shareholders' meeting. When a legal person is appointed to attend as the proxy, it may designate only one person as its representative for the meeting.

When the shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference should register with the Company two days prior to the shareholders' meeting.

If the shareholders' meeting is convened by video conference, the Company shall upload the meeting agenda handbook, annual report, and other relevant materials to the video conference platform at least 30 minutes prior to the start of the meeting and continue to disclose them till the end of the meeting.

Article 6-1: When the Company convenes the shareholders' meeting by video conference, the information below shall be stated in the meeting notice:

1. Shareholders' methods of participating in the video conference and exercising their rights.
2. The response to the obstacles to the video conference platform or to the participation in the video conference due to natural disasters, incidents, or other force majeure events shall include at least the following:
 - (1) The time and the date of the next meeting when the meeting needs to be postponed or resumed as such obstacles cannot be resolved.
 - (2) Shareholders who did not register to participate in the original shareholders' meeting by video conference shall not participate in the meeting to be postponed or resumed.

(3) When a physical shareholders' meeting is convened, along with a video conference held at the same time, if the video conference cannot continue, after the number of shares in attendance through the video conference is deducted, the total number of shares in attendance at the physical shareholders' meeting reaches the number as required by law, the shareholders' meeting shall continue. For shareholders participating by video conference, the number of their shares shall be included in the total number of shares in attendance, and they shall be deemed to abstain for all motions resolved at the shareholders' meeting.

(4) The handling method in the event that the resolution results of all motions have been announced, while extempore motions have not been resolved.

3. When a shareholders' meeting is to be convened by video conference, appropriate alternatives to shareholders who have difficulty participating in the meeting by video means shall be specified. Except as provided in Article 44-9, Paragraph 6 of the Guidelines for Handling Stock Affairs of Publicly Issued Companies, at least shareholder connection equipment and necessary assistance should be provided, specifying the period during which shareholders may apply to the company and other relevant matters to note.

Article 7: If the shareholders' meeting is convened by the board, the Chairman serves as the chairman of the meeting. If the Chairman is on leave or cannot exercise his or her power for any reason, the Vice Chairman shall serve as the deputy. If there is no Vice Chairman, or the Vice Chairman is on leave or cannot exercise his or her power for any reason, the Chairman may designate an executive director as the deputy; if no executive directors were appointed, a director may be designated as the deputy. If the Chairman has not designated a deputy, the executive directors or directors may elect one among them as the deputy.

If the executive director or director is assigned to be the above-mentioned chairman, he or she shall have stayed in the position for at least 6 months and understand the Company's financial business condition. If the chairman is a representative of corporate director, the same applies.

The Chairman shall hold the shareholders' meeting convened by the board in person, and there shall be over half of the directors on the board and at least one member of each functional committee attending. The attendance status shall be recorded in the shareholders' meeting minutes.

If the shareholders' meeting is convened by an authorized person other than the Board of Directors, the convener shall be the chairman. If there are more than two conveners, they shall nominate one among them as the chairman.

The Company may appoint its attorneys, certified public accountants or other related personnel as participants on shareholders' meetings.

Article 8: The Company shall continuously record as audio and video the whole processes of shareholder registration, meeting, and the vote counting.

The above-mentioned audio and video data shall be kept for at least one year. If the litigation is launched by a shareholder in accordance with Article 189 of the Company Act, the data shall be retained until the conclusion of litigation.

If a shareholders' meeting is convened by video conference, the Company shall keep records of shareholders' registration, sign-in, questions raised, and voting and the Company's vote counting results and retain the records, while making an uninterrupted audio and video recording of the entire video conference.

The above-mentioned materials and audio and video recordings shall be properly kept by the Company during the period of its existence, and the audio and video recordings shall be provided to those who are entrusted to handle the video conference affairs for storage.

If a shareholders' meeting is convened by video conference, the Company is advised to make an audio and video recording of the back-end interface of the video conference platform.

Article 9: Attendance at shareholders' meetings shall be subject to the numbers of shares. The number of shares in attendance shall be counted according to the shares indicated in the sign-in book or the sign-in cards handed in and the sign-in record on the video conference platform plus the number of shares whose voting rights are exercised in writing or by electronic means.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of non-voting shares and number of shares in attendance.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If attending shareholders still represent less than one third of the total number of issued shares after two postponements, the chair shall declare the meeting adjourned. If a shareholders' meeting is convened by video conference, the Company shall also declare the meeting adjourned on the video conference platform.

If there are not enough shareholders representing at least one third of issued shares attending the meeting after two postponements, tentative resolutions may be passed in accordance with Article 175, paragraph 1 of the Company Act. Shareholders shall be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month. If a shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference shall re-register with the Company in accordance with Article 6.

If the number of shares represented by the attending shareholders exceeds more than half of issued shares before the conclusion of the current meeting, the chairman may re-submit previous tentative resolutions to the shareholders' meeting for voting in accordance with Article 174 of the Company Act.

Article 10: The Shareholders' Meeting may be called by the Board in which case the Board shall prepare the agenda. Related motions (including extemporary motions, and amendment to previous motions) shall be voted for decision one-by-one. The meeting shall be unfolded as scheduled and cannot be changed without the decision of the Shareholders' Meeting.

The provisions of the preceding paragraph shall apply if the shareholders' meeting is convened by a person other than the Board of Directors with necessary authority.

The chairman may not adjourn the meeting before the entire agenda (including ad hoc motions) has been deliberated on, except resolved by the shareholders' meeting. If the chairman declares the meeting adjourned in violation of the rules of procedure, other members of the board shall immediately assist attending shareholders in electing a new chairman by over a half of the represented shares of the attending shareholders in accordance with the statutory procedure and continue the meeting.

The presiding officer of the meeting shall allow for sufficient time and opportunity for the full explanation and discussion on the amendment to motions or extemporary motions presented by shareholders, and shall announce for halting the discussion and proceed to voting at the right time. Adequate time should be arranged for voting.

Article 11: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance pass number), and account name. The order in which shareholders speak will be decided by the chairman.

An attending shareholder who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. If the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder or his/her proxy shall not speak more than two times on the same proposal, and each speech may not exceed five minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda items, the chairman may restrain him or her from continuing the speech.

When an attending shareholder is speaking, other shareholders shall not speak or interrupt unless they have obtained both the consent of the chairman and the speaking shareholder. The chairman shall stop any violation.

When a legal person shareholder appoints two or more representatives to attend the shareholders' meeting, only one of the appointed representatives may speak on the same proposal.

Once an attending shareholder has spoken, the chairman may respond in person or designate relevant personnel to respond.

If a shareholders' meeting is convened by video conference, shareholders who participate by video conference may ask questions in text on the video conference platform after the chair calls the meeting to order and before the chair declares the

meeting adjourned. The number of questions raised by each shareholder for each motion shall not exceed two, each question shall be limited to 200 words, and the provisions of paragraphs 1 to 5 shall not apply.

If such questions in the preceding paragraph are not in violation of the regulations or not outside the scope of the motions, it is advisable to disclose such questions on the video conference platform.

Article 12: Shareholder voting shall be calculated on the basis of shares.

The shares of a shareholder with no voting rights shall not be calculated into the total number of issued shares for the resolutions of the shareholders' meeting.

When a shareholder is a related party to an agenda item and there is concern that such relationship may prejudice the interests of the Company, the shareholder may not vote on that item and may not exercise voting rights as a proxy of any other shareholders.

The number of shares mentioned in the preceding paragraph for which the voting rights shall not be exercised is not calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust business or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as the proxy by two or more shareholders, the voting rights represented by the proxy shall not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage will not be calculated.

Article 13: A shareholder has one vote per share; however, this does not apply to restricted shares or to those with no voting rights under Article 179, Paragraph 2 of the Company Act.

When a shareholders' meeting is convened by the Company, votes may be made electronically as well as by correspondence. When a vote is to be made by correspondence or electronically, the method of voting shall be stated in the Shareholders' Meeting Notice. Shareholders voting by correspondence or electronically shall be considered to have attended in person. However, they shall be considered to have abstained from voting on ad hoc motions or amendments to the original proposal during the shareholders' meeting. Thus, the Company shall avoid propose ad hoc motions and amendments to the original proposal.

For voting made by correspondence or electronically mentioned in the previous paragraph, the representation shall be delivered to the Company 2 days before the shareholders' meeting. When duplicate representations are received, the one delivered the earliest will be recognized. However, this does not apply if a declaration was made to revoke the previous declaration.

After shareholders exercise their voting rights in writing or by electronic means, if they wish to attend the shareholders' meeting in person or by video conference, they shall serve a declaration of intent to retract the voting rights already exercised under the preceding paragraph two days before the shareholders' meeting in the

same manner in which the voting rights were exercised; otherwise the voting rights exercised in writing or by electronic means shall prevail. If the shareholder exercises the voting right by correspondence or electronically and appoints a proxy with a proxy form to attend the shareholders' meeting, the voting right exercised by the attending proxy on the meeting shall prevail.

A motion is passed after voted by over a half of the voting right represented by the attending shareholders unless otherwise specified by the Company Act or the Company's Articles of Incorporation. During the voting, the chairman or the personnel designated shall first announce for the total voting rights represented by the attending shareholders by proposal, followed by a poll of the shareholders. On the day after the conclusion of the shareholders' meeting, the number of for and against votes as well as abstentions shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, they and the original proposal shall be voted in the order decided by the chairman. If one of the proposals is passed, the others shall be considered to have been rejected and further voting is unnecessary.

The vote monitoring and counting personnel shall be appointed by the chairman. However, vote monitors shall be shareholders of the Company.

The vote counting of the proposals or elections of the shareholders' meeting shall be done in the open place inside the shareholders' meeting. The results, including the weights calculated, shall also be announced in the same place right after the counting is completed, and shall be kept in record.

When a shareholders' meeting is convened by video conference, shareholders participating by video conference shall vote on various motions and election(s) on the video conference platform after the chair calls the meeting to order. They shall complete the voting before the chair declares the voting closed, otherwise they shall be deemed to have waived their voting rights.

When a shareholders' meeting is convened by video conference, after the chair declares the voting closed, the votes shall be counted at one go, and the voting and election results shall be announced.

If a shareholders' meeting is convened, along with a video conference held at the same time, shareholders who have registered to attend the shareholders' meeting by video conference in accordance with Article 6, intend to attend the physical shareholders' meeting in person, shall rescind the registration in the same manner as the registration two days before the shareholders' meeting, otherwise they can only attend the shareholders' meeting by video conference.

Those who exercise their voting rights in writing or by electronic means without retracting their declaration of intention and participate in the shareholders' meeting by video conference shall not exercise their voting rights on the same motions, propose revision of the same motions, or exercise their voting rights for revised motions, except for extempore motions.

Article 14: The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Company. The voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, as well as the list of candidates losing the election and their number of votes.

The vote cast under the previous paragraph shall be sealed and signed by the vote monitors and then held in safe custody for at least one year. If the litigation is launched by a shareholder in accordance with Article 189 of the Company Act, the data shall be retained until the conclusion of litigation.

Article 15: The minutes shall be prepared based on the resolutions passed by the shareholders' meeting, and then shall be signed or stamped by the chairperson. The minutes shall then be sent out to all of the shareholders within 20 days after the meeting. The meeting minutes may be prepared and distributed in an electronic format.

The distribution of the meeting minutes under the previous paragraph may be done by the Company in entering into the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations, and voting results (including the number of voting rights), and disclose the number of votes won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.

When a shareholders' meeting is convened by video conference, the minutes of the shareholders' meeting shall contain the start and end time of the shareholders' meeting, the method of convening the meeting, the names of the chair and the meeting taker, as well as the response method and the response situation when any natural disasters, accidents, or other force majeure events have obstructed the video conference platform or the participation in the video conference in addition to the matters that shall be recorded in accordance with the preceding paragraph.

When a shareholders' meeting is convened by video conference, the Company shall proceed as per the preceding paragraph and shall specify the alternative measures provided to shareholders who have difficulty participating in the video conference in the minutes of the shareholders' meeting.

Article 16: The Company shall, on the day of the shareholders' meeting, compile a statistical statement in the prescribed format and disclose the number of shares solicited by the solicitor, the number of shares represented by the proxies, and the number of shares in attendance in writing or by electronic means clearly on-site at the shareholders' meeting. When a shareholders' meeting is convened by video conference, the Company shall upload the aforementioned information to the video conference platform at least 30 minutes before the start of the meeting and continue to disclose it till the end of the meeting.

When a shareholders' meeting is convened by video conference, when the chair calls the meeting to order, the total number of shares in attendance shall be disclosed on the video conference platform. The same shall apply if the total number of shares and voting rights in attendance are counted during the meeting.

If matters to be resolved on the shareholders' meeting constitute material information under the applicable laws or regulations of the Taiwan Stock Exchange Corporation, the Company shall upload the content to the MOPS within the prescribed time period.

Article 17: Identification badges or armbands shall be worn by the staff organizing the shareholders' meeting.

The chairman may direct proctors or security personnel to assist in maintaining order on the meeting. The proctors or security personnel who assist in maintaining order shall wear armbands or identification badges with the word "Proctor" on them.

When the venue of the meeting is equipped with voice amplification equipment and a shareholder is using equipment not provided by the Company to speak, the chairman may prevent the shareholder from doing so.

If a shareholder violates the rules of procedure for the meeting, defies the chairman's instructions, obstructs the proceedings of the meeting and ignores requests to stop, they may be expelled by the proctors or security personnel under the direction of the chairman.

Article 18: When a meeting is in progress, the chairman may announce a break based on time considerations. If a force majeure event occurs, the chairman may rule the meeting temporarily suspended and announce an appropriate time for the resumption of the meeting.

If not all of the items (including ad hoc motions) on the meeting agenda have been addressed and the meeting venue is no longer available for continued use, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted by the shareholders' meeting to defer or resume the meeting with 5 days in accordance with Article 182 of the Company Act.

Article 19: When a shareholders' meeting is convened by video conference, the Company shall immediately disclose the voting results and election results of various motions on the video conference platform in accordance with the regulations and shall continue to disclose for at least 15 minutes after the chair declares the meeting adjourned.

Article 20: When a shareholders' meeting is convened by video conference, the chair and the minute taker shall be at the same location in Taiwan, and the chair shall disclose the address of the place when the meeting is called to order.

Article 21: When a shareholders' meeting is convened by video conference, the Company may allow shareholders to perform a simple test of the connection before the meeting commences and provide relevant services immediately before and during the meeting to assist with any technical communication problems.

When a shareholders' meeting is convened by video conference the chair shall, when calling the meeting to order, announce that there is no need for postponement or resumption of the meeting as stipulated in Article 44-24, paragraph 24 of the Regulations Governing the Administration of Shareholder Services of Public Companies; and that the requirement on the date of the meeting postponed or resumed within five days due to any natural disasters, accidents, or other force majeure events that have obstructed the video conference platform or the participation in the video conference for more than 30 minutes under Article 182 of the Company Act shall not apply before the chair declares the meeting adjourned.

In the event of any incident in the preceding paragraph that caused the meeting to be postponed or resumed, shareholders who have not registered to participate in the original shareholders' meeting by video conference shall not participate in the meeting postponed or resumed.

For the meeting to be postponed or resumed under paragraph 2, shareholders who have registered to participate in the original shareholders' meeting by video conference and have completed the registration but fail to participate in said meeting, the number of shares in attendance and the voting rights and voting rights for elections exercised at the original shareholders' meeting shall be included in the total number of attending shareholders' shares, voting rights, and voting rights for elections at the meeting postponed or resumed.

When a shareholders' meeting is postponed or resumed in accordance with paragraph 2, the motions for which the voting and counting of votes have been completed and the voting results or the list of elected directors have been announced, do not need to be discussed or resolved again.

When the Company convenes a shareholder's meeting, along with a video conference held at the same time, if the video conference cannot continue as under paragraph 2, after the number of shares in attendance through the video conference is deducted, the total number of shares in attendance at the physical shareholders' meeting reaches the number as required by law, the shareholders' meeting shall continue. There is no need to postpone or resume the meeting in accordance with paragraph 2.

When the meeting shall continue as in the preceding paragraph, for shareholders participating by video conference, the number of their shares shall be included in the total number of shares in attendance; however, they shall be deemed to abstain for all motions resolved at the shareholders' meeting.

When the Company postpones or resumes the meeting in accordance with paragraph 2, it shall handle the relevant matters in accordance with the provisions set forth in Article 44-27 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and relevant preparations shall be made as per the date of the original shareholders' meeting and the provisions of this article.

Based on the period under Article 12, second-half paragraph and Article 13, paragraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies; Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall postpone or resume the shareholders' meeting at a date as per paragraph 2.

Article 22: When the Company convenes a shareholders' meeting by video conference, it shall provide appropriate alternatives to shareholders who have difficulty attending the shareholders' meeting by video conference. Except as provided in Article 44-9, Paragraph 6 of the Guidelines for Handling Stock Affairs of Publicly Issued Companies, at least shareholder connection equipment and necessary assistance should be provided, specifying the period during which shareholders may apply to the company and other relevant matters to note.

Article 23: The Rules shall be implemented after being adopted by the shareholders' meeting. Amendments shall also follow the same procedure.

Article 24: The Rules were mandated on Apr. 26, 1988.

The first amendment was made on May 22, 1998.

The second amendment was made on Jun. 21, 2002.

The third amendment was made on May 24, 2011.

The fourth amendment was made on May 24, 2012.

The fifth amendment was made on Jun. 11, 2013.

The sixth amendment was made on Jun. 11, 2015.

The seventh amendment was made on May 28, 2020.

The eighth amendment was made on Jul. 29, 2021.

The ninth amendment was made on May 26, 2022.

The tenth amendment was made on May 30, 2024.

Everlight Chemical Industrial Corporation

Procedures for Election of Directors

Passed by the Shareholders' Meeting on July 29, 2021.

Article 1

To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 3

The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
 2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.
- Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:
1. The ability to make judgments about operations.
 2. Accounting and financial analysis ability.
 3. Business management ability.
 4. Crisis management ability.
 5. Knowledge of the industry.
 6. An international market perspective.
 7. Leadership ability.
 8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of this Corporation shall consider adjusting its composition based on the results of performance evaluation.

Article 4

The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of this Corporation shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 5

Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 6

The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 7

The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 8

The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 9

Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 10

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.

4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Other words or marks are entered in addition to the number of voting rights allotted.

Article 11

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 12

The board of directors of this Corporation shall issue notifications to the persons elected as directors.

Article 13

These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Article 14

The Procedures were established on April 26, 1988.

The first amendment was made on Jun. 21, 2002.

The second amendment was made on May. 24, 2011.

The third amendment was made on Jun. 20, 2014.

The fourth amendment was made on Jun 11, 2015.

The fifth amendment was made on July 29, 2021.

Articles of Incorporation, Everlight Chemical Industrial Corporation

Passed by the Shareholders' Meeting on May 25, 2023

Chapter 1 General Rules

Article 1: The Company is organized and named "Everlight Chemical Industrial Corporation" in accordance with the regulations of the Company Act of Taiwan, R.O.C.

Article 2: The Company engages in the following businesses:

- 1.C802200 Coating, Paint, Dye and Pigment Manufacturing;
- 2.C802120 Industrial and Additive Manufacturing;
- 3.C802990 Other Chemical Products Manufacturing;
- 4.C802041 Manufacture of Drugs and Medicines;
- 5.C802060 Veterinary Drug Manufacturing;
- 6.C802100 Cosmetics Manufacturing;
- 7.C801990 Other Chemical Materials Manufacturing;
- 8.CA04010 Surface Treatments;
- 9.C801010 Basic Chemical Industrial;
- 10.F401010 International Trade;
- 11.C199990 Manufacture of Other Food Products Not Elsewhere Classified;
- 12.C802110 Cosmetic Pigment Manufacturing;
- 13.C114010 Food Additives Manufacturing;
- 14.F108021 Wholesale of Western Pharmaceutical;
- 15.F208021 Retail Sale of Western Pharmaceutical;
- 16.ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company is located in Taipei City and may establish branches, factories, representative offices or sales departments whenever necessary. The establishment and abolishment are all conducted in accordance with the resolutions of the Board of Directors.

Article 4: The publishing of the Company is conducted in accordance with Article 28 of the Company Act.

The total investment amount of the Company is not limited to the restriction of 40% of the Company's paid-in capital as defined in the Company Act.

Chapter 2 Shares

Article 5: The capital amount of the Company is NT\$ 8 billion, with total share number of 0.8 billion and NT\$ 10 per share. 10 million shares are employee stock option certificates and are issued in batches by the Board of Directors under authorization. If the issue price of the Company's employee stock option certificates is lower than the common stock closing price of the issuing Japanese company, the Company must have obtained the consent of at least two-thirds of the voting rights present at the shareholders' meeting attended by shareholders representing over one half of total issued shares.

To transfer shares to employees at less than the average actual share repurchase price, before the transfer the Company must have obtained the consent of at least two-thirds of the voting rights present at the most recent shareholders' meeting attended by shareholders representing over one half of total issued shares.

Article 6: The Company's shares are all registered and shall be signed or stamped by at least three directors of the Company. The shares are then issued after been certificated by the competent authority or authorized issuance registration institution.

The shares issued by the Company do not have to be physically printed, and should be registered with the centralized securities depository enterprise.

Article 7: The Company conducts shareholder service operation in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" mandated by the competent authority.

Article 8: The change of share account name shall not be made within 60 days before a general shareholders' meeting, within 30 days before an ad hoc shareholders' meeting, or within 5 days before the date of the Company's decision to distribute dividends and bonuses or other benefits.

The periods specified in the preceding paragraph shall commence from the applicable convening date of shareholders' meeting or from the applicable record date, as the case may be.

Chapter 3 Shareholders' Meeting

Article 9: The shareholders' meetings of the Company can be classified as general and ad hoc shareholders' meetings.

1. General shareholders' meeting: A general shareholders' meeting will be convened within 6 months after the end of each fiscal year, and each shareholder will be notified 30 days before the meeting by the Board of Directors.

2. Ad hoc shareholders' meeting: Ad hoc shareholders' meetings may be convened when necessary in accordance with laws, and each shareholder will be notified 15 days before the meeting.

The Company's shareholders' meeting can be convened by video conference or in other methods as announced by the Ministry of Economic Affairs.

Article 10: The chairman of the shareholders' meeting shall be the Company's Chairman. If the Chairman is on leave, the Vice Chairman serves as the proxy.

Article 11: If a shareholder cannot attend the shareholders' meeting due to several reasons, he/she may appoint a proxy to attend the shareholders' meeting in his/her/its behalf by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy. When a person acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of issued shares; otherwise, the portion of excessive voting power shall not be counted.

Article 12: Except otherwise regulated by relevant laws, each shareholder of the Company has one vote per share.

Article 13: Unless otherwise specified by the Company Act, the resolutions of the shareholders' meeting require the attendance of shareholders representing more

than a half of all shares issued, and is passed if more than a half of the attending shareholders give their consent.

Article 14: The resolution items of the shareholders' meeting shall be recorded as the meeting minutes, which list clearly the date and time period of the meeting, resolution items, name of the chairman, method of resolution and number of attending shareholders, and number of representative shares. The minutes are then signed and stamped by the chairman of the shareholders' meeting, and distributed to each shareholder within 20 days after the shareholders' meeting. The distribution may be made by publishing.

Chapter 4 Directors and Audit Committee

Article 15: The Company has 7~11 directors, including three independent directors, shall be elected among persons with legal capacity from the shareholders' meeting.

The total registered shares held by all the directors and supervisors shall not be less than a certain percentage of total issued shares of the Company. The total registered shares held by the directors and supervisors mentioned in the above paragraph shall not be less than the percentage specified by the competent authority.

The election of directors shall be done with the candidate nomination system. Shareholders shall elect them from the list of director candidates.

The professional qualifications, shareholdings, concurrent position restrictions, nomination and selection methods of independent directors and other matters to be complied with shall be handled in accordance with the relevant provisions of the securities authorities and the Company.

Article 16: The Company has set up the Audit Committee and other functional committees.

The Audit Committee is composed of the entire independent directors, one of whom is the convener, and at least one of whom shall have accounting or financial expertise.

The exercise of power of the Audit Committee and other related matters shall be set forth in accordance with the relevant provisions of the securities authorities and the Company.

Article 17: The directors shall serve for a term of three years and may all be re-elected. The term of office may be extended at the expiration of the shareholders' meeting until the re-election date of the general shareholders' meeting.

Article 18: If a director has transferred more than one half of the total number of shares of the Company he/she holds at the time of his/her election as such, then his/her election as a director shall become invalid. When the number of vacancies in the Board of Directors equals to one third of the total number of directors, the Board of Directors shall call, within 60 days, an ad hoc shareholders' meeting to elect succeeding directors to fill the vacancies. The term of office of the elected succeeding directors is limited to the remaining term of the prior directors.

If the directors are re-elected before the last term expires, for the elected directors who have transferred more than one half of the total number of shares of the Company he/she holds at the time of his/her election as such; or had transferred more than one half of the total number of shares he/she held within the share transfer prohibition period prior to the convention of a shareholders' meeting, then his/her

election as a director shall become invalid.

Article 19: The board meeting shall be attended by more than two-third of the directors, and one of the directors shall be elected as the Chairman by the consent of over one-half of the attending directors. One Vice Chairman can also be elected by and among the directors in the same way in accordance with the Articles of Incorporation. The Chairman represents the Company externally. If the Chairman cannot exercise his or her duties due to several reasons, the Vice Chairman can serve as the proxy. If there is no Vice Chairman or the Vice Chairman is also on leave or cannot exercise his or her duties due to several reasons, the Chairman may designate one director to be the proxy. If the Chairman has not designated a proxy, the proxy may be elected by and among the directors.

Article 20: The operation goals and other important matters of the Company are decided by the Board of Directors. Board meetings are convened by Chairman, who also serves as the chairperson of the board meeting. If Chairman is absent, the meeting affairs are handled in accordance with the regulations mentioned in the previous paragraph. The convention of a board meeting may be done in correspondence, by E-mail or FAX, in order to inform each director.

Article 21: The resolutions of the Board of Directors shall be made by the consent of over one-half of the attending directors and the board meeting shall be attended by more than one-half of the directors.

The meeting minutes of the board shall be signed or stamped by the chairperson and kept in the Company, and shall be distributed to each director within 20 days after the board meeting.

If a director cannot attend the meeting due to several reasons, he or she may present a proxy form stating the authorization scope of the convening reasons and the designation of other director as the proxy. The proxy mentioned above is limited to serve as the proxy for only one person.

Article 22: The remuneration of the Company's directors is decided by the Board of Directors under authorization based on their devotion to the Company's operation and the value of their contribution, no matter the Company realizes profits or losses, and also based on the compensation level of the industry peers.

The Company may purchase liability insurance for the legal compensation liabilities of its directors and important staff within the scope of their business during their term of office.

Chapter 5 Managers

Article 23: The Company may appoint one general manager, and several vice general managers, which shall be consented by over one-half of the directors.

Article 24: The General Manager adheres to the commands of Chairman and the resolutions of the Board of Directors to deal with the Company's daily affairs.

Article 25: The General and Vice General Manager shall not concurrently serve in equivalent positions in other companies, and shall not engage in similar businesses by themselves or for others; however, this restriction is relaxed if over one half of the

directors have agreed.

Chapter 6 Accounting

Article 26: During Jan. 1 and Dec. 31 of the Company's fiscal year, the board shall prepare the following statements and reports and submit to the general shareholders' meeting for recognition: 1. business report; 2. financial statements; and 3. proposals of earnings distribution or loss compensation.

Article 27: 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.

Article 28: If the Company realizes any earnings in the current year, it shall first pay taxes and reimburse previous losses. If there are any remaining earnings, they shall be appropriated in the following orders: 1. 10% of the legal reserve; 2. special reserve in accordance with relevant laws and regulations (the reversal shall also be conducted in accordance with relevant rules); 3. other accumulated undistributed earnings in the beginning period may serve as distributable earnings; however, a certain amount shall be retained depending on the business condition before distributed as shareholders' bonuses, and shall not be distributed until the motion of earnings distribution is proposed by the Board of Directors to the shareholders' meeting and has been passed.

If the shareholders' dividends mentioned in the previous paragraph are distributed with cash, the Board of Directors are authorized to have more than two thirds of directors attending the meeting and over half of the attending directors resolving, and then the resolution is reported to the shareholders' meeting.

Article 29: 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 motion of earnings distribution stated in Article 28 shall be conducted in accordance with this Article.

Chapter 7 Additional provisions

Article 30: The Company may make external guarantees for its industry peers or affiliates regarding relevant businesses.

Article 31: If there are incomplete matters in the Articles of Incorporation, they are handled in accordance with the Company Act and other relevant laws and regulations.

Article 32: The Articles of Incorporation were formulated on Aug. 28, 1972.

The first amendment was made on Jul. 28, 1973.

The second amendment was made on Nov. 16, 1974.

The third amendment was made on Apr. 15, 1975.

The fourth amendment was made on May 28, 1977.
The fifth amendment was made on Jun. 18, 1978.
The sixth amendment was made on Mar. 17, 1979.
The seventh amendment was made on Apr. 1, 1980.
The eighth amendment was made on Mar. 14, 1981.
The ninth amendment was made on Mar. 20, 1982.
The tenth amendment was made on Mar. 26, 1983.
The eleventh amendment was made on Mar. 10, 1984.
The twelfth amendment was made on Oct. 3, 1985.
The thirteenth amendment was made on Mar. 28, 1986.
The fourteenth amendment was made on Apr. 11, 1987.
The fifteenth amendment was made on Apr. 26, 1988.
The sixteenth amendment was made on Apr. 27, 1989.
The seventeenth amendment was made on Apr. 27, 1990.
The eighteenth amendment was made on May 24, 1991.
The nineteenth amendment was made on May 15, 1992.
The twentieth amendment was made on May 21, 1993.
The twenty-first amendment was made on May 26, 1994.
The twenty-second amendment was made on May 26, 1995.
The twenty-third amendment was made on May 24, 1996.
The twenty-fourth amendment was made on May 22, 1997.
The twenty-fifth amendment was made on May 22, 1998.
The twenty-sixth amendment was made on May 20, 1999.
The twenty-seventh amendment was made on May 19, 2000.
The twenty-eighth amendment was made on May 18, 2001.
The twenty-ninth amendment was made on Jun. 21, 2002.
The thirtieth amendment was made on Jun. 5, 2003.
The thirty-first amendment was made on Jun. 16, 2005.
The thirty-second amendment was made on Jun. 8, 2006.
The thirty-third amendment was made on Jun. 13, 2008.
The thirty-fourth amendment was made on Jun. 12, 2009.
The thirty-fifth amendment was made on Jun. 9, 2010.
The thirty-sixth amendment was made on May 24, 2011.
The thirty-seventh amendment was made on May 24, 2012.
The thirty-eighth amendment was made on Jun. 11, 2013.
The thirty-ninth amendment was made on Jun. 20, 2014.
The fortieth amendment was made on Jun. 11, 2015.
The forty-first amendment was made on Jun. 15, 2016.
The forty-second amendment was made on Jun. 8, 2017.
The forty-third amendment was made on May 30, 2019.
The forty-fourth amendment was made on May 26, 2022.
The forty-fifth amendment was made on May 25, 2023.

Disclose the shareholdings of directors in accordance with Article 3 of the Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies

According to Term 5, Provision 1 and Provision 2 of Article 2 of “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”: If the company’s paid-in capital lies in NT\$ 4 billion ~ NT\$ 10 billion, the total shareholding of registered shares held by the whole directors shall not be lower than 4% and not lower than 0.4% for the whole supervisors. However, if the total shareholding held by the whole directors or supervisors calculated with the percentage is lower than the highest total shareholding in the previous term, it shall be calculated with the highest total shareholding in the previous term. The shareholdings of the independent directors elected by publicly listed companies are not calculated into the total amount in the previous paragraph; if two and more independent directors are elected, the shareholdings of the whole directors and supervisors except for independent directors calculated with the ratios in the previous paragraph are cut down to 80%.

The Company’s paid-in capital was NT\$5,477,522,260 (547,752,226 shares). The total registered shares held by all directors shall not be less than 17,528,071 shares.

The shareholding of individual and overall directors listed on the shareholders name list as of the book closure date of the shareholders’ meeting:

April. 1, 2024

Title	Name	The shareholding listed on the shareholders name list as of the book closure date	
		Shareholding	Shareholding ratio %
Chairman	Chen, Chien-Hsin	6,745,000	1.23%
Director	Ethical Investment Corp.	56,000,000	10.22%
Director	Chen, Ding-Chi	13,395,254	2.44%
Director	Chen, Wei-Wang	6,300,000	1.15%
Director	Chen, Chien-Ming	3,508,192	0.64%
Director	Lee, Yung-Long	2,281,007	0.41%
Director	Ken, Wen-Yuen	2,951,405	0.53%
Director	Chao, Rong-Shiang	3,770,500	0.68%
Independent director	Wu, Chung-Fern	0	0%
Independent director	Yang, Way-Wen	0	0%
Independent director	Chang, Yuan-Jan	0	0%
Total shareholding of all directors		94,951,358	17.33%

The background is a solid teal color. On the left side, there are several hexagonal patterns. The top-left pattern is a solid light blue hexagon with a darker teal border. Below it are several white-outlined hexagons of varying sizes and positions, some overlapping each other. The text 'Better Chemistry Better Life' is centered in the right half of the image.

**Better Chemistry
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