Stock Code: 1711

2023 Annual Report
Everlight Chemical Industrial Corporation

March 30, 2024
https://mops.twse.com.tw/mops/web/index
http://www.ecic.com

- Spokesperson

  Name: Weng, Kuo-Pin
  Title: Head of Financial Division
  TEL: (02)2706-6006#190
  Email: spokesman@ecic.com.tw

- Deputy Spokesperson

  Name: Lee, Ming-Wen
  Title: Corporate governance officer
  TEL: (02)2706-6006#125
  Email: deputy@ecic.com.tw

- Addresses and TEL of Headquarters, Branches and Factories

  Headquarters: 5F-6F., No. 77, Sec. 2, Dunhua S. Rd., Da’an Dist., Taipei City
  (02)2706-6006
  Plant I: No.271, Zhongshan N. Rd., Dayuan Dist., Taoyuan City
  (03)386-8081
  Plant II: No. 12, Gongye Rd. 3, Guanyin Dist., Taoyuan City
  (03)483-8088
  Plant III: No.937, Sec. 2, Chenggong Rd., Guanyin Dist., Taoyuan City
  (03)483-7682
  Plant IV: No.399, Datan N. Rd., Guanyin Dist., Taoyuan City
  (03)473-7366
  Pharmaceutical Factory: No. 12, Gongye Rd. 3, Guanyin Dist., Taoyuan City
  (03)483-8088
  Electronic Chemical Factory: No. 12, Gongye Rd. 3, Guanyin Dist., Taoyuan City
  (03)483-8088

- Stock Transfer Agency

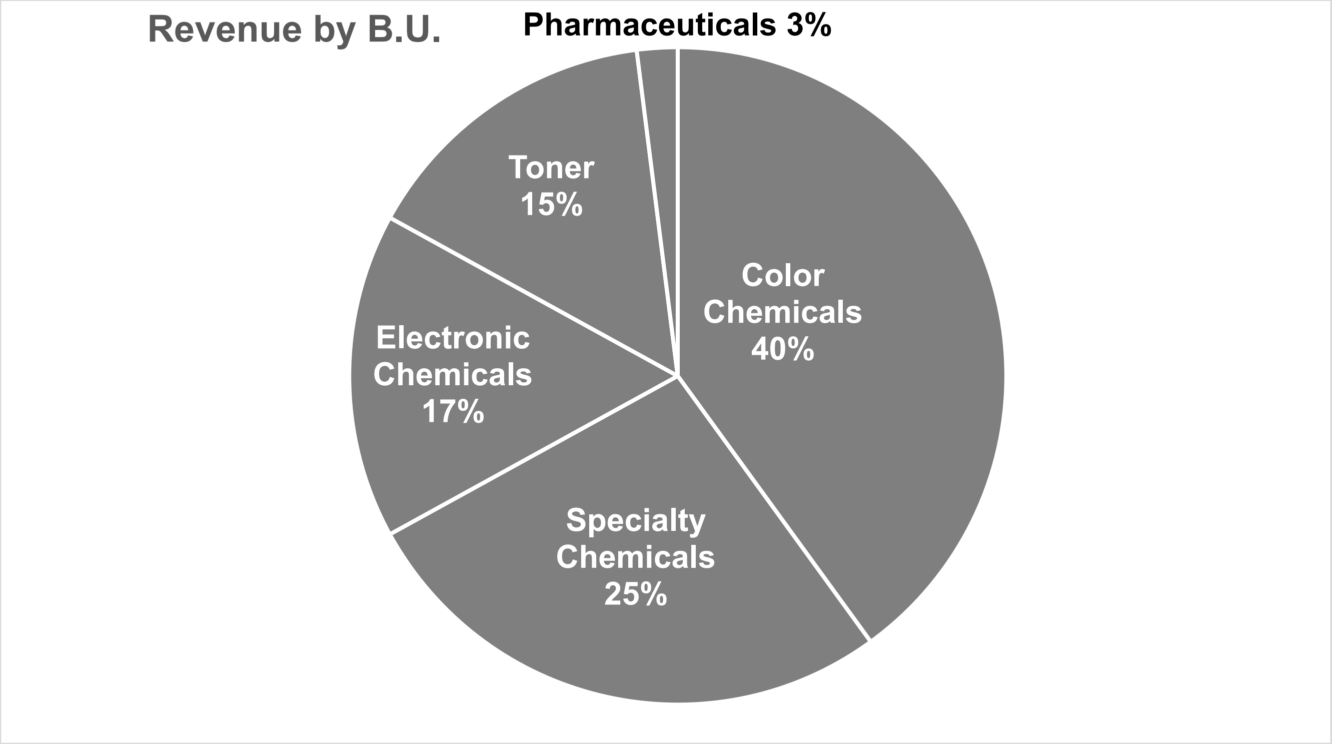
  Name: Share Transfer Agency Dept., Mega Securities Co., Ltd.
  Address: 1F., No.95, Sec. 2, Zhongxiao E. Rd., Zhongzheng Dist., Taipei City
  Website: https://www.emega.com.tw/emegaRegistrar/index.do
  TEL: (02)3393-0898

- CPA for the Financial Reports in the Most Recent Year

  Name: CPA Huang, Ming-Hong and Tang, Chia-Chien
  Accounting Firm: KPMG
  Address: 68F., No.7, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City
  Website: https://home.kpmg/tw/zh/home.html
  TEL: (02)8101-6666

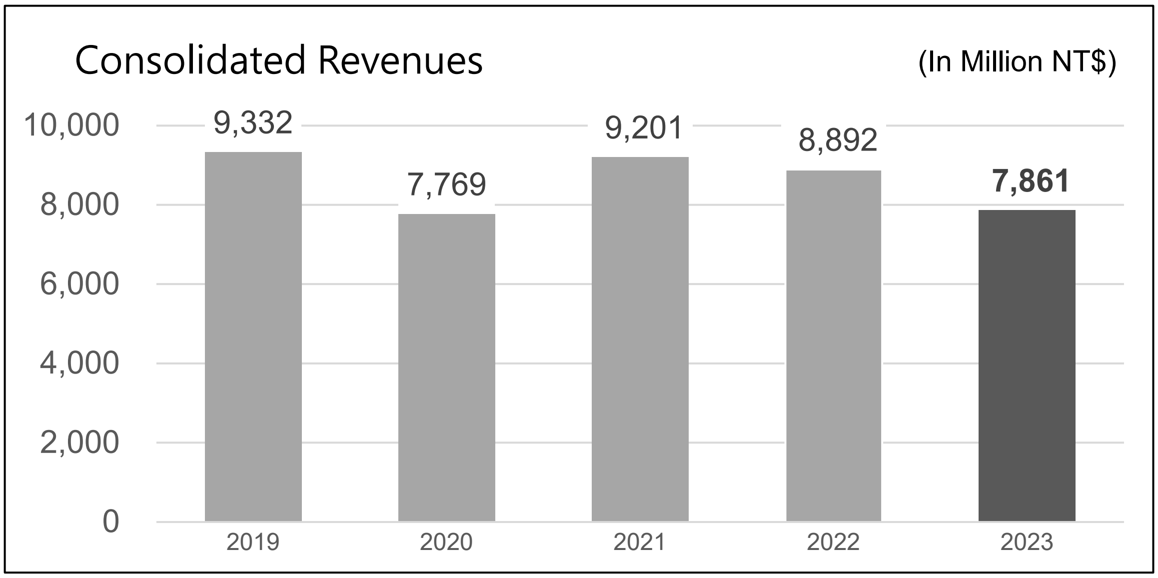
- Transaction location for overseas securities going listed: Not applicable
- Company Website: http://www.ecic.com

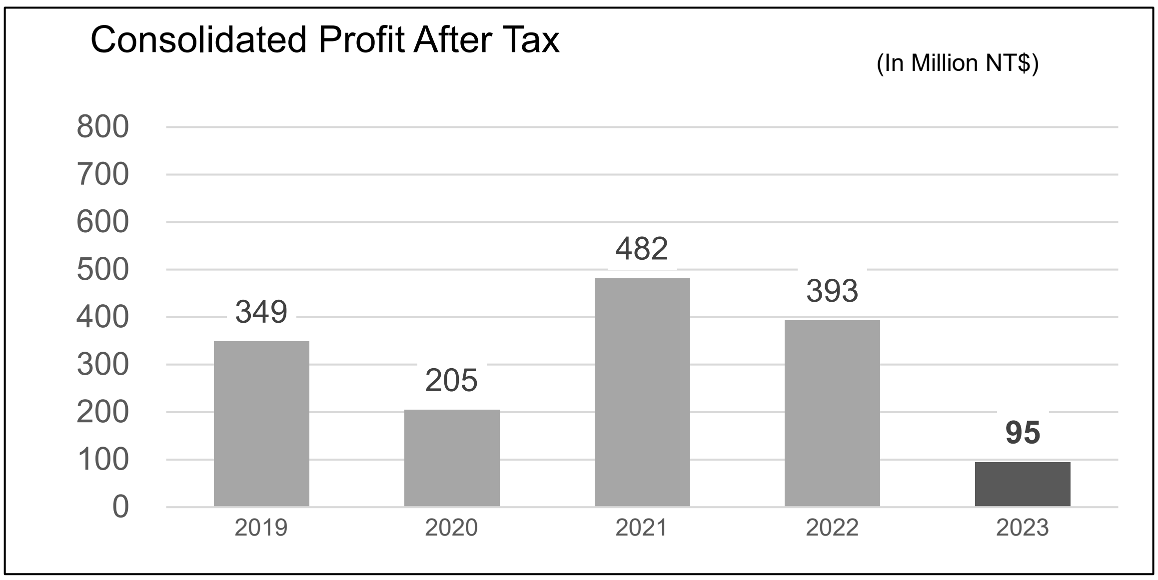
Financial Highlights



In Million NT$

Item	2023	2022
Revenues	7,861	8,892
Profit After Tax	95	393
Total Assets	12,901	13,133
Shareholder’s Equity	8,656	8,807
Earnings Per Share (in NT$)	0.16	0.68


Consolidated Revenues
(In Million NT$)
10,000
8,000
6,000
4,000
2,000
0
9,332
7,769
9,201
8,892
7,861
2019
2020
2021
2022
2023


Consolidated Profit After Tax
(In Million NT$)
800
700
600
500
400
300
200
100
0
349
205
482
393
95
2019
2020
2021
2022
2023

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Letter To Shareholders

Dear shareholders,

Like a patient recovering from a serious illness, the global economy in 2023 remained fragile amid weakening effects of the COVID-19 pandemic. The strength of the rebound was less than expected, leading to sluggish demand in the end markets around the world and ultimately slowdowns in manufacturing activities in various countries. Meanwhile, the escalation of trade disputes between the United States and China, the intensifying of geopolitical turmoil, coupled with the Russia-Ukraine war, conflict between Israel and Hamas in the Gaza Strip, and the Red Sea crisis, compounded the negative impacts on the global economy.

Despite the best efforts from all employees of Everlight Chemical to address these difficult challenges, the impacts of the broader environment could not be eliminated. Except the electronic chemicals business, revenues from all business segments declined from the previous year. The Group's annual sales were NT$7.86 billion, down by 12% compared to the previous year. The net income was NT$95.07 million, a decline of 76%. The annual EPS was NT$0.16.

Below is a summary of operating results and business outlook:

I. Color Chemicals: The 2023 revenue was NT$3.14 billion, contributing to 40.0% of the group-wide total sales and down by 11% from 2022. Pre-tax profits were only NT$15.90 million, a decline of 92% year-on-year. The decline was primarily due to unfavorable factors such as wars, inflation, interest rate hikes, and an economic downturn in China, and the resulting reduction in disposable income of consumers for discretionary items such as apparel and footwear. In addition, working through the inventory buildups in the upstream and downstream of supply chains took time. In sum, the overall demand was weak. The demand recovery remained unclear in the first quarter of 2024. We will continue to leverage our strengths in environmentally-friendly products to pursue major customers in key regions and expand our business scale across various use cases and sectors for color chemicals.

II. Specialty Chemicals: The 2023 revenue was NT$2.01 billion, contributing to 25.6% of the group-wide total sales and down by 17% from 2022. Pre-tax profits were NT$29.80 million, a reduction of 27% year-on-year. This was primarily due to declining demand in the end markets and intensifying competition in the industry. Demand was gradually recovering in the first quarter of 2024, but the price competition deteriorated among industry peers. We adopt a product differentiation strategy and seek to increase high value-added products in the sale mix to mitigate the impact on profitability due to price competition. In the meantime, we accelerate the launch of new products and enhance the variety of offerings. We continue to expand the markets for coatings, specialty and engineering plastics and thin films and develop the markets for PU (polyurethanes) and medical materials in order to increase our operational scale and profitability.

III. Electronic Chemicals: The 2023 revenue was NT$1.32 billion, contributing to 16.8% of the group-wide total sales and up by 1% from 2022. Pre-tax profits were NT$110.5 million, an increase of 3% year-on-year. The growth was primarily due to the steady supply of high-end photoresists for mini-LED and micro-LED to leading LED companies in Taiwan and overseas. Sales of photoresists in semiconductors also continued to increase with customer certifications. One of the focus areas going forwards is the photoresists for RDL (redistribution layer) of FOWLP (fan-out wafer-level packaging) and FOPLP (fan-out panel-level packaging) manufacturing processes. This is followed with OC (over-coating) and BM (Black Matrix) photoresists to enable low-temperature curing and low-exposure required by automotive semiconductors and high-end foldable smartphones. We also provide a colorless, transparent, and heat-resistant photoresist for use as protective/insulating layers in sensor components. This new product offers distinctive advantages of energy efficiency, reduced carbon emissions, sustainability through recycling.

IV. **TTI Toner:** The 2023 revenue was NT$1.16 billion, contributing to 14.8% of the group-wide revenue and down by 17% from 2022.The pretax losses were NT$31.5 million (vs. pretax profits of NT$50.2 million in 2022). The decline was primarily due to the Russia-Ukraine war in Europe and the continued destocking by customers. Sales dropped 27% from the prior year overall and sales to Russia went down by as much as 39%. Secondly, the Chinese market did not rebound as expected. Instead, the demand plummeted. However, the Americans market performed well and sales increased. The priorities going forward are to improve production equipment, increase production efficiency, continue R&D on new products, and strengthen sales and promotion efforts to achieve revenue targets.

V. **API/Pharmaceuticals:** The 2023 revenue was NT$220 million, contributing to 2.8% of the group-wide total sales and down by 5% from 2022. The pretax losses were NT$142.5 million (compared to NT$143.0 million in losses during the prior year). We will proactively seeking orders for contracted manufacturing and expand the markets in Europe and Latin America, in order to boost sales and profits and shake off deficits as soon as possible.

Whilst sales and profits fell short of expectations, we remain committed to strengthening its capabilities. In terms of operations, we successfully completed the SAP ERP software transition and launched multiple smart manufacturing transformation projects. In the Specialty Chemicals segment, AQ Waterborne Series, water-based coating as UV stabilizer blends won the 2024 Taiwan Excellence Silver Award, a testimony of Everlight Chemical’s strength in research and innovation. Moreover, Everlight Chemical’s efforts in sustainable development received “2023 Business Weekly Carbon Competitiveness Top 100” award. In regard to research and development, the analytical laboratory of Everlight Chemical's R&D Division obtained ISO 17043 certification for its analytical capabilities regarding toxic substances such as hexavalent chromium and 1,4-dioxane. Everlight Chemical’s fourth plant also received the 5th National Enterprise Environmental Protection Award, demonstrating our dedication to environmental protection.

Looking ahead to 2024, the global economy still faces many uncertainties, but Everlight Chemical will continue to strengthen product R&D and innovation. We strive for green and sustainable development in order to continue creating value for shareholders amidst the changing environment.

Finally, we thank all shareholders for long-standing support. In return, Everlight Chemical will endeavor to create profits and value.

Chairman：Chen, Chien-Hsin

I. 2023 Operating Performance

(I) Implementation results of operating plan

The Company's consolidated operating revenue in 2023 was TWD 7,861,424,000 which was a decrease of 12% comparing to previous year; in terms of operating income, the consolidated net income after tax was TWD 95,077,000, and EPS was TWD0.16, a decreaseof 76% respectively comparing to previous year.

(II) Budget execution status

Unit: TWD 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%

(III) Analysis on revenue and expense and profitability

Unit: TWD thousand

Item			2023	2022
Revenue 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 (TWD)		0.16	0.68
Profitability Analysis	ROA		1.3%	3.3%
	ROE		1.1%	4.4%
	To paid-in capital	Operating profit	1.5%	7.0%
		Pre-tax income	2.0%	8.8%
	Profit margin		1.2%	4.4%
	EPS (TWD)		0.16	0.68

(IV) R&D status

Developing high-tech, high value-added chemical products, and continuously improving ecological benefits are our R&D goals. R&D expense in 2023 was about TWD 350,000,000, which accounted for 4.5% of operating revenue. The specific results of R&D are as follows:

1. Intellectual property right:

   In 2023, there were3 patents granted. By the end of Feb. 2024, the cumulative number of patents 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 items of Pharmaceuticals, 35 items of toner, which are97items in total.

II. Summary of 2024 Operation Plan

(I) Operation goals for the current year

With the goal of "**strengthening capabilities and enhancing profits**" for this year, we implement the following strategies:

1. Continue improvement to boost profits.
2. Market development to increase revenues.
3. Digital transformation to energize the organization.

(II) Expected sales volume and its reference

According to the assessment of industrial environment and future market supply and demand, the expected sales targets of various products of the Company in 2024 are as follows:

Business and product type		Expected sales volume in 2024	Sales volume in 2023
Color chemicals		17,200tons	14,857tons
Specialty chemicals		4,300tons	3,395tons
Toner		5,490tons	4,845tons
Electronic chemicals	Photoresist	660tons	569tons
	Others	8,200tons	10,035tons
Pharmaceuticals	Prostaglandin	26,000g	21,155g
	Other material medicines	875kg	789kg

(III) Important production and sales policy

1. Sales policy:
   (1) Proactive promotion of products with characteristics and high value.
   (2) Fast responses to product prices via competitive analysis.
   (3) Develop strategic customer management solutions to build longstanding partnerships.
2. Production policy
   (1) Safety: Promote safety culture and reduce disaster risk.
   (2) Innovation: Innovate production technologies, and move towards smart manufacturing.
   (3) Environment: Promote green chemistry, and initiate zero carbon transition.

III. Impacts of External Environment

(I) External competitive environment

1. Competition intensifying due to demand softness, information flows, geopolitical turmoil and inflation, etc.
2. Only the chemical companies able to develop value propositions such as net-zero, green chemistry, circular economy, and low-cost alternatives can stay in the game.
3. Multinational chemical companies with local production and short supply chains have competitive advantages.

(II) Regulatory environment:

1. Climate change and sustainable development will be on the top of policy agencies for governments around the world. Relevant legislations will be enacted to drive green transformation of companies, reduce carbon emissions and alleviate environmental burdens.
2. Different countries are promulgating legislations on chemicals management and strengthening measures in order to achieve the United Nations' SDGs (Sustainable Development Goals) by 2030.

(III) Macroeconomic operating environment:

1. The Russia-Ukraine war, the Israel-Palestine conflict, and the US-China trade disputes continue to impact global supply chains and are major sources of current inflationary pressures. End-user demand remains stagnant, and the global economic outlook is still highly uncertain.
2. Regional supply chain resilience will continue to be strengthened through regional trade agreements and bilateral collaboration initiatives. Southeast Asia and South Asia will become Asia's production center, second to China.
3. Given the development trends of emerging technologies such as artificial intelligence and cloud computing, digital transformation has become a prerequisite for companies, in order to enhance operational efficiency, improve customer experience and expand into new markets.

IV. Future Corporate Development Strategies

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

Company Profile

I. Date of Establishment: September, 1972

II. Company History:

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

2012 • Established Qingdao Branch of Everlight (Shanghai) Ltd.
• Established Suzhou Branch of Everlight (Shanghai) Ltd.
• Established Zhuhai Branch of Everlight (Suzhou) Advanced Chemicals Ltd.
• Passing the verification of BS 25999 Business Continuity Management System (BCMS).
• Introduced the inventory of product carbon footprint and passed the inspection of PAS 2050 and ISO/TS 14067.
• Trend Tone Imaging won the Safety and Hygiene Role Model Award of MOEA.

2013 • Established Greatlight Investment Corp.
• Won the 1st Potential Mittelstand Award of MOEA.
• The material medicine of Prostaglandin, Bimatoprost and Misoprostol-HPMC, passed the inspection of US FDA.
• Won the Safety and Hygiene Role Model Award of MOEA.
• Passing the verification of ISO/TS16949 Quality Management System.
• Continually won the Excellence in Corporate Social Responsibility Award for seven years.
• Everlight (Suzhou) Advanced Chemicals Ltd. passing the verification of ISO 14001 and OHSAS 18001.
• Trend Tone Imaging passing the verification of TOSHMS CNS15066 and OHSAS 18001.

2014 • Passing the CG6008 General-Edition Corporate Governance System Evaluation of Taiwan Corporate Governance Association.
• Passing the verification of ISO 22301 Business Continuity Management System.
• Trend Tone Imaging passing the verification of ISO 14001.
• Trend Tone Imaging passing the greenhouse gas inventory inspection of ISO 14064-1.

2015 • Won the National Invention and Innovation Award of MOEA.
• Established Audit Committee and Nomination Committee.

2016 • Reactive dye (Everzol Black-B 133%) passed the Material Flow Cost Accounting inspection of ISO 14051 MFCA.
• The Plant III won the Work-Life Balance Award of MOL.

2017 • The Plant IV was awarded the Green Building Label certificate from the Ministry of the Interior.
• 2016 CSR Report passed the inspection of British Standards Institution (BSI).
• Won the Taiwan TOP50 Business Sustainability Award and Business Sustainability Report Award.
• Trend Tone Imaging passing the verification of TTQS Talent Quality-Management System.

2018 • We signed the Safe Partner Declaration with the Occupational Safety and Health Administration, Ministry of Labor.
• The Plant IV obtained the Certificate of Cleaner Production Assessment and Green Factory Label from the Industrial Development Bureau.
• Passing the verification of Taiwan Intellectual Property Management System (TIPS) Grade A (Version 2016).
• We won the China Dyestuff Centennial Merit Award, Outstanding Entrepreneur Award, Science and Technology Contribution Award and Outstanding Enterprise Award of the China Dyestuff Industry Association.

2019 • Won the 1st Green Chemical Application and Innovation Award held by Environmental Protection Agency (EPA).
• Passing the verification of ISO 45001 Occupational Health and Safety Management System
• The administration building of the Plant I was awarded the Green Building Label certificate from the Ministry of the Interior (for the renovation of existing buildings category).
• The Plant I passed the Cleaner Production Assessment by the MOEA.

2020 • Won the 2st Green Chemical Application and Innovation.

2021 • Passing the verification of ISO 27001 Information Security Management System.

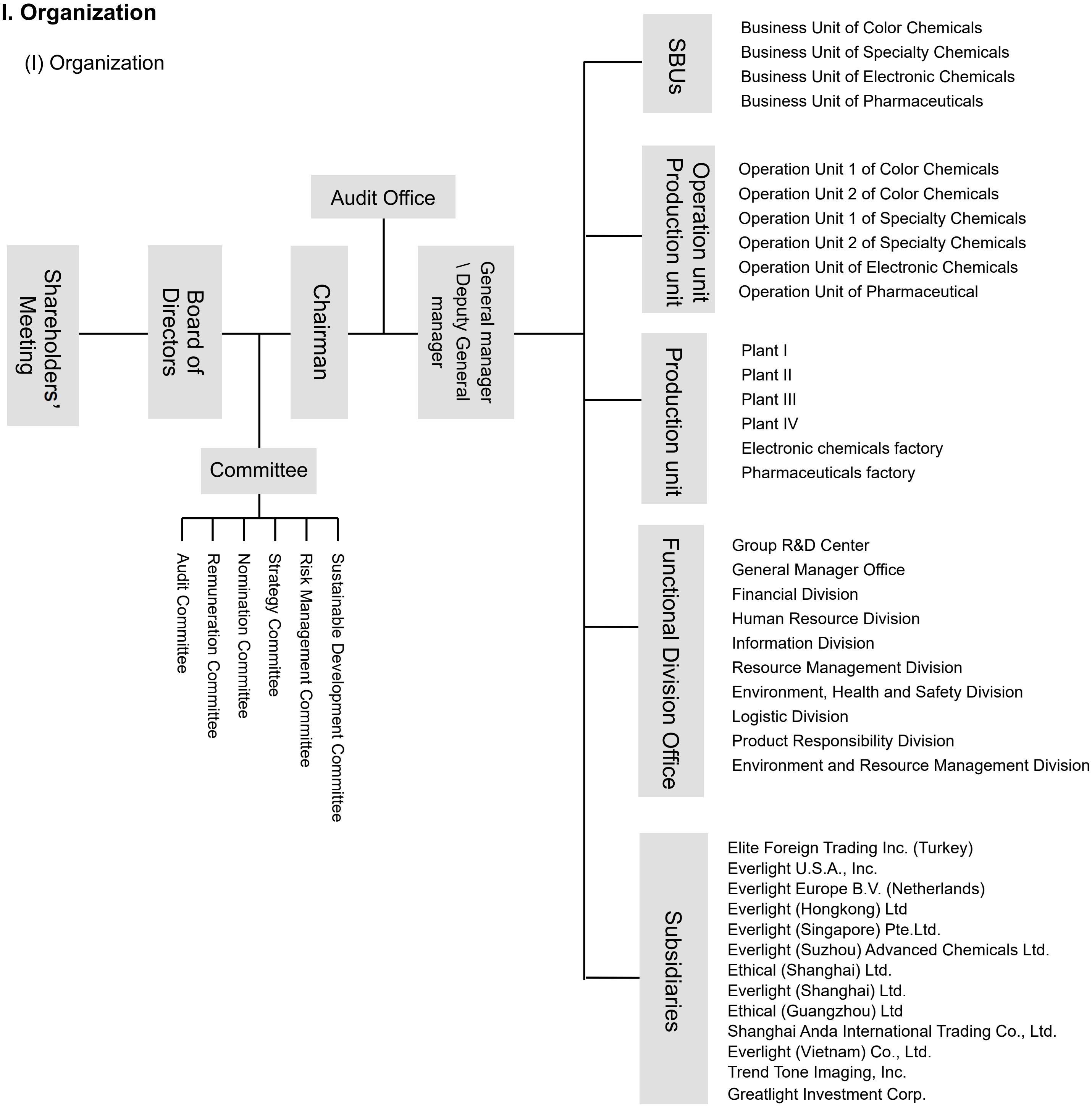
2022 • Established Everlight Chemicals (Vietnam) Company Ltd.

2023 • Passing the greenhouse gas inventory inspection of ISO 14064-1
• Won the Taiwan Excellence Silver Award of MOEA.

Corporate Governance

I. Organization

(I) Organization



(II) Business of major department

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

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

(I) Director information

Mar. 30, 2024

Title	Nationality or registration place	Name	Gender	age				Date Elected / Appointed	Term period	Date elected for the 1st time	Shareholding when elected		Share number held currently		Shareholdings of spouse and minor children		Shares held with other person's name		Major working (educational) experience (Note)	Positions concurrently served in the Company and other companies	Other managers, directors or supervisors with relationship of spouse or within the kinship of the second-degree relatives		
				51-60	61-70	71-80	81-90				Share number	Shareholding ratio	Share number	Shareholding ratio	Share number	Shareholding ratio	Share number	Shareholding ratio			Title	Name	Relationship
Chairman	Taiwan R.O.C	Chen, Chien-Hsin	Male		V			July 29, 2021	July 29, 2021-July 28 2024	May 26, 1997	6,730,000	1.22	6,745,000	1.23	500,000	0.09	0	0	Master of Public Health (MPH), Harvard University	Chairman of Everlight Chemical Singapore and director of Elite Turkey and Good TV Broadcasting Corp, etc.	Director Director and General Manager Associate Manager	Chen, Ding-Chuan Chen, Wei-Wang Jason Ju	Father and son Brothers Brother-in-law
Director	Taiwan R.O.C	Yung-De Investment Co., Ltd.						July 29, 2021	July 29, 2021-July 28 2024	July 29, 2021	37,000,000	6.75	56,000,000	10.22	0	0.00	0	0					
		RepresentativeChen, Ding-Chuan	Male				V	July 29, 2021	July 29, 2021-July 28 2024	Aug. 26, 1972	68,000,000	12.41	53,000,000	9.67	7,000,000	1.27	0	0	Department of International Trade, Tamkang University, Honorary doctorate of Management at Chang, Jung Christian University, Honorary doctorate of Tamkang University, Honorary Doctorate of bussiness at National Taipei University of Business	None	Director Chairman Director and General Manager Associate Manager	Chen, Ding-Chi Chen, Chien-Hsin Chen, Wei-Wang Jason Ju	Brothers Father and son Father and son Father- and son-in-law
Director	Taiwan R.O.C	Chen, Ding-Chi	Male				V	July 29, 2021	July 29, 2021-July 28 2024	Aug. 26, 1972	14,195,254	2.59	13,395,254	2.44	1,166,659	0.21	0	0	Doctor of Education, Cohen University, USA	None	Director Director	Chen, Ding-Chuan Chen, Chien-Ming	Brothers Father and son
Director	Taiwan R.O.C	Chen, Wei-Wang	Male	V				July 29, 2021	July 29, 2021-July 28 2024	May 26, 2000	6,300,000	1.15	6,300,000	1.15	154,350	0.02	0	0	PhD in Industrial and Operations Engineering, University of Michigan, USA	General Manager of Everlight Chemical and Chairman of Everlight (Hongkong) Ltd., Ethical (Guangzhou) Ltd., Everlight USA, Everlight Europe B.V. (Netherlands), and Director of Trend Tone Imaging, Inc., Everlight (Suzhou) Advanced Chemicals Ltd., Elite, Turkey, Shanghai Anda International Trading Co., Ltd., and Suzhou Sanyi companies.	Director Chairman Associate Manager	Chen, Ding-Chuan Chen, Chien-Hsin Jason Ju	Father and son Brothers Brother-in-law
Director	Taiwan R.O.C	Chen, Chien-Ming	Male	V				July 29, 2021	July 29, 2021-July 28 2024	Jun. 8, 2006	3,923,192	0.71	3,508,192	0.64	380,000	0.06	0	0	PhD in Mechanical Engineering, University of Michigan, USA	Director and Deputy General Manager of Trend Tone Imaging, Inc. and director of Everlight USA and Everlight (Suzhou) Advanced Chemicals Ltd.	Director	Chen, Ding-Chi	Father and son
Director	Taiwan R.O.C	Lee, Yung-Long	Male			V		July 29, 2021	July 29, 2021-July 28 2024	May 26, 1994	2,281,007	0.41	2,281,007	0.41	143,672	0.02	0	0	Department of Public Administration, National Chung Hsing University	None	None	None	None
Director	Taiwan R.O.C	Ken, Wen-Yuen	Male		V			July 29, 2021	July 29, 2021-July 28 2024	May 26, 2000	2,951,405	0.53	2,951,405	0.53	0	0	0	0	Master in Science in Computer Science, University of San Francisco	Chairman of Chung Hwa Chemical Industrial Works, Ltd.,	None	None	None
Director	Taiwan R.O.C	Chao, Rong-Shiang	Male			V		July 29, 2021	July 29, 2021-July 28 2024	July 29, 2021Jun e 6, 2018	3,740,500	0.68	3,770,500	0.68	680,050	0.12	0	0	EMBA, National Taiwan University	Independent director of Brillian Network & Automation Co., Ltd., and Marketech International Corp.	None	None	None
Independent Director	Taiwan R.O.C	Wu, Chung-Fern	Female		V			July 29, 2021	July 29, 2021-July 28 2024	June 11, 2015	0	0	0	0	0	0	0	0	PhD in Accounting and Information Management and Systems, UCLA, USA	Professor in Department of Accounting and Independent director of Chunghwa Precision Test Tech.Co., Ltd., Kinpo Electronics, Inc., and Taiwan sugar co.	None	None	None
Independent Director	Taiwan R.O.C	Yang, Way-Wen	Male	V				July 29, 2021	July 29, 2021-July 28 2024	July 29, 2021	0	0	0	0	0	0	0	0	Doctor of Juridical Science, Duke University	Associate Prof., Department of Law, Kainan University Municipal Advisor, Taipei City Government	None	None	None

Title	Nationality or registration place	Name	Gender	age				Date Elected / Appointed	Term period	Date elected for the 1st time	Shareholding when elected		Share number held currently		Shareholdings of spouse and minor children		Shares held with other person's name		Major working (educational) experience (Note)	Positions concurrently served in the Company and other companies	Other managers, directors or supervisors with relationship of spouse or within the kinship of the second-degree relatives		
				51-60	61-70	71-80	81-90				Share number	Shareholding ratio	Share number	Shareholding ratio	Share number	Shareholding ratio	Share number	Shareholding ratio			Title	Name	Relationship
Independent Director	Taiwan R.O.C	Chang, Yuan-Jan	Female		V			July 29, 2021	July 29, 2021-July 28 2024	July 29, 2021	0	0	0	0	0	0	0	0	M.S. in Engineering-Economic Systems, Stanford University M.S. in Civil Engineering, Stanford University M.S. in Engineering Management, Southern Methodist University M.S. in Mechanical Engineering, National Chiao Tung University	Senior Vice President of Industrial Technology Investment Corp., Director of Iron Force Industrial Co., Ltd. and Director/Legal Representative of companies including Jiuding Electric Power Information, Jianlin, Taiwan Electron Optics Instrument, Taisheng International Technology, Xiangcheng Technology, Analytic Ind. Material Technology, Risen Biotech, Bellex International Corp., and Yesheng Technology Corp.	None	None	None

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

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

Table 1: Major Shareholders of Corporate Shareholders

Mar.30, 2024

Name of Corporate Shareholder	Major shareholders of corporate shareholders and shareholding ratio	
Yung-De Investment Co., Ltd.	Chen, Ding-Chuan	63%
	Wu, Lee-Ji	9%
	Chen, Ru-Aei	5%
	Chen, Chien-Hsin	5%
	Chen, Wei-Wang	4%
	Jason Ju	1%
	Zheng, Ling	1%
	Kuo, Yen-Ju	1%
	Chen, Yu-An	1%
	Chen, Jia-En	1%

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

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

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

Criteria / Name	Professional qualifications and experience (Note 1)	Status of independence (Note 2)	Number of public-listed companies concurrently served as an independent director
Yang, Way-Wen	Ability in judicial affairs, business operations, investment by M&A, risk management and strategy management Currently serving as Associate Professor, Department of Law at Kai Nan College Past experience: Chairman of Star Buck Power Corporation, Independent Director and part-time, Managing Director of Agricultural Bank of Taiwan Corporation	An independent director, meeting the criteria of independence for independent directors	0
Chang, Yuan-Jan	Ability in business operations, technology, chemical industry, investment by M&A, risk management, crisis management, leadership and decision making Currently serving as Senior Deputy General Manager of ITIC Past experience: Independent Director of Iron Force Industrial Co, Senior Strategic Investment Advisor of Lite-On IT Corporation, Senior Deputy General Manager of DelSolar Co., Ltd., Development Manager of AES	An independent director, meeting the criteria of independence for independent directors	0

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

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

2. Diversity and independence of Board of Directors:

(1) Diversity of Board of Directors:

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

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

c. The Company’s directors with employee status account for 18% of the board; 36% of the 4 directors are over 71 years old, 36% of the 4 directors are between 61 and 70 years old, and 27% of the3 directors are under 60 years old. In addition, the gender diversity of the Directors is important to the Company. Currently, the target for female Director seats is one, and for the actual status, there is one female Director, which meets the target. It represents 9% of the total number of Directors.

(2) Independence of Board of Directors

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

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

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

Mar.30, 2024

Title (Note 1)	Nationality	Name	Gender	Date Elected / Appointed	Shareholding		Shareholdings of spouse and minor children		Shares held with other person's name		Major working (educational) experience (Note 2)	Positions concurrently served in other companies	Managers with relationship of spouse or within the kinship of the second-degree relatives (Note3)		
					Share number	Shareholding ratio	Share number	Shareholding ratio	Share number	Shareholding ratio			Title	Name	Relationship
General manager	R.O.C	Chen, Wei-Wang	Male	Jan. 1, 2001	6,300,000	1.15	154,350	0.02	0	0	PhD in Industrial and Operations Engineering, University of Michigan, USA	Chairman of Everlight (Hongkong) Ltd., Ethical (Guangzhou) Ltd., Everlight U.S.A., Everlight Europe B.V. (Netherlands), and director of Trend Tone Imaging, Inc., Everlight (Suzhou) Advanced Chemicals Ltd., Elite, Turkey, Shanghai Anda International Trading Co., Ltd., Suzhou Sanyi, Ethical investment corporation.	Associate Manager	Jason Ju	Brother-in-law
Special Asst. to Chairman	R.O.C	Du, Yi-Zhong	Male	Jan. 1, 2020	13,989	0.00	9,951	0.00	0	0	Master in Chemical Engineering, NTUST	Chairman of Everlight (Suzhou) Advanced Chemicals Ltd. and Trend Tone Imaging Inc., and director of Greatlight Investment Corp.,	None	None	None
Deputy General Manager	R.O.C	Lin, Zhao-Wen	Male	Jan. 1, 2013	71,691	0.01	270	0.00	0	0	Macromolecule Fiber, NTUST Master	None	None	None	None
Deputy General Manager	R.O.C	Chen, Qing-Tai	Male	Jan. 1, 2020	14,037	0.00	0	0	0	0	Master in Chemical Engineering, National Cheng Kung University	None	None	None	None
Deputy General Manager	R.O.C	Chen, Ke-Lun	Male	Nov.1, 2020	0	0	0	0	0	0	PhD in Chemistry, National Tsing Hua University	Director of Polytronics Technology Corp., Trend Tone Imaging Inc., and Greatlight Investment Corp.	None	None	None
Plant II Factory Director	R.O.C	Yeh, Shun-Xing	Male	Jan. 1, 2020	1,157	0.00	43,792	0.00	0	0	MBA, National Central University	None	None	None	None
Deputy General Manager	R.O.C	Lee, Fu-Xing	Male	Mar. 31, 2020	40,647	0.00	11,850	0.00	0	0	MBA, Saint Louis University, USA	Director of Everlight U.S.A., Everlight Europe B.V. (Netherlands), and Everlight (Vietnam) Co., Ltd.	None	None	None
Deputy General Manager	R.O.C	Liang, Jen-Yang	Male	Jan. 1, 2023	0	0.00	0	0	0	0	Master in Chemical Engineering, Chung Yuan Christian University	Director of Everlight U.S.A., Everlight Europe B.V. (Netherlands) , Everlight (Hongkong) Ltd., Ethical (Shanghai) Ltd., Everlight (Shanghai) Ltd., and Ethical (Guangzhou) Ltd.,	None	None	None
Associate Manager	R.O.C	Jason Ju	Male	Jan. 1, 2005	300,924	0.05	5,966,000	1.08	0	0	PhD in Environmental Engineering, University of Delaware, USA	Director and General Manager of Everlight (Suzhou) Advanced Chemicals Ltd., director of Trend Tone Imaging, Anda Semiconductor Technology (Suzhou), Shanghai Anda International Trading, and supervisor of Suzhou Sanyi and Ethical investment corporation.	General manager	Chen, Wei-Wang	Brother-in-law
Associate Manager	R.O.C	Chen, Xin-Zhi	Male	Jan. 1, 2012	0	0	0	0	0	0	MBA, Chang Gung University	Chairman of Ethical (Shanghai) Ltd. and Everlight (Shanghai) Ltd., and Supervisor of Everlight (Suzhou) Advanced Chemicals Ltd.	None	None	None
Associate Manager	R.O.C	Chen, Yi-Tang	Male	Nov. 16, 2017	1,577	0.00	0	0.00	0	0	Department of Fiber, NTUST	General Manager of Ethical (Guangzhou) Ltd.	None	None	None
Associate Manager	R.O.C	Huang, Tsung-Wen	Male	Jan. 1, 2018	10,000	0.00	0	0	0	0	Master in Chemistry, National Sun Yat-sen University	Factory Director of Everlight (Suzhou) Advanced Chemicals Ltd.	None	None	None
Associate Manager	R.O.C	Chen, Wen- Zheng	Male	Jan. 1, 2020	1,153	0.00	0	0	0	0	PhD in Fibe, University of Manchester, UK	Director of Chung Hwa Chemical Industrial Works, Ltd.	None	None	None
Associate Manager	R.O.C	Xie, Qing-Xiong	Male	Jan. 1, 2022	257	0.00	0	0	0	0	Master in Chemistry, National Chung Hsing University	Deputy General Manager of Everlight (Suzhou) Advanced Chemicals Ltd. and Everlight (Hongkong) Ltd.	None	None	None
Associate Manager	R.O.C	Hsiao, Chong-Kun	Male	Jan. 1, 2015	11,063	0.00	2,800	0.00	0	0	MBA, Chinese Culture University	Director and General Manager of Everlight (Vietnam) Co., Ltd.	None	None	None
Chief Officer of Plant I	R.O.C	Chen, Kun-Mu	Male	Jan. 1, 2021	0	0.00	0	0	0	0	Master in Chemical Engineering, Chung Yuan Christian University	None	None	None	None
Chief Officer of Plant III	R.O.C	Kang, Yuan-Sheng	Male	Jan. 1, 2017	593	0.00	94,148	0.01	0	0	Department of Chemical Engineering, Chung Yuan Christian University	None	None	None	None

Title (Note 1)	Nationality	Name	Gender	Date Elected / Appointed	Shareholding		Shareholdings of spouse and minor children		Shares held with other person's name		Major working (educational) experience (Note 2)	Positions concurrently served in other companies	Managers with relationship of spouse or within the kinship of the second-degree relatives (Note3)		
					Share number	Shareholding ratio	Share number	Shareholding ratio	Share number	Shareholding ratio			Title	Name	Relationship
Head of Specialty Chemicals Technics Division	R.O.C	Huang, Yao-Xing	Male	Apr.1, 2016	14,087	0.00	0	0	0	0	PhD in Chemistry, National Tsing Hua University	None	None	None	None
Head of Electronic chemicals	R.O.C	Sun, Che-Jen	Male	Jan. 1, 2022	217	0.00	0	0	0	0	Master in Chemistry, National Cheng Kung University	Director of Everlight (Suzhou) Advanced Chemicals Ltd. And Shanghai Anda International Trading Co., Ltd.	None	None	None
Head of Electronic chemicals Q&C Division	R.O.C	Liu, Wen-Zhi	Male	Jan. 1, 2022	456	0.00	0	0	0	0	Master in Chemistry, Fu Jen Catholic University	None	None	None	None
Head of Pharmaceutical Chemicals Q&C Division	R.O.C	Chen, Si-Feng	Male	Jun. 1, 2020	7,018	0.00	0	0	0	0	PhD in Chemistry, University of Maryland, USA	None	None	None	None
Head of Resource Management Division	R.O.C	Sung, Bai-Li	Male	Jul. 16, 2012	148,812	0.02	4,534	0.00	0	0	Major in Chemical Engineering, NTUT	None	None	None	None
Head of Product Responsibility Division	R.O.C	Huang, Hui-Ching	Female	Jan. 1, 2020	3,782	0.00	0	0	0	0	PhD in Chemistry, Central University	Chairman of Greatlight Investment Corp.	None	None	None
Audit Office General Auditor	R.O.C	Zhang, Jin-Rong	Male	Jan. 1, 2022	9	0.00	0	0	0	0	Master of Business Administration, Fu Jen Catholic University	None	None	None	None
Head of Financial Division and Supervisor of Financial and Accounting Department	R.O.C	Weng, Kuo-Pin	Male	Jan. 1, 2010	7,726	0.00	0	0	0	0	Department of Business Administration, Feng Chia University	Directors of Everlight U.S.A., Everlight (Singapore) Ltd., Ethical (Shanghai) Ltd., Everlight (Shanghai) Ltd. and Ethical (Guangzhou) Ltd., and supervisors of Trend Tone Imaging, Inc., and Greatlight Investment Corp.	None	None	None
Corporate governance officer	R.O.C	Lee, Ming-Wen	Male	Jan. 1, 2021	0	0.00	0	0	0	0	Master of Business Administration, Temple University, USA	Chairman of Everlight (Vietnam) Co., Ltd., directors of Everlight (Hongkong) Ltd., Everlight (Singapore) Ltd. Everlight Europe B.V. (Netherlands), Andros Pharmaceuticals Co., Ltd. and supervisor of Ethical (Guangzhou) Ltd.	None	None	None

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

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

Note 3: If the general manager, or manager of equivalent position (the highest manager) and the Company Chairman are the same person, or his or her spouse, or the kinship of the first degree, related information regarding the arrangement in term of reasons, rationale, necessity and response measures (e.g. increase the number of independent directors, and more than half of the directors do not concurrently serve as employees or managers and et cetera) shall be provided.

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

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

Unit: TWD thousand; thousand shares

Title	Name	Remuneration to directors								Total remuneration (A+B+C+D) and percentage of net income (Note 10)		Remuneration received for concurrently serving as employees								Total remuneration (A+B+C+D+E+F+G) and percentage of net income (Note 10)		Whether receiving remuneration from invested companies other than subsidiaries or parent company (Note 11)
		Remuneration (A)(Note2)		Severance pay and pensions (B)		Remuneration to directors (C) (Note 3)		Business execution expense (D) (Note 4)				Wages, Bonuses and Special Disbursements, etc. (E) (Note 5)		Severance pay and pensions (F)		Remuneration to employees (G) (Note 6)						
		The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company		All companies in the financial statements (Note 7)		The Company	All companies in the financial statements (Note 7)	
																Cash amount	Stock amount	Cash amount	Stock amount			
Chairman	Chen, Chien-Hsin	3,607	3,607	0	0	2,110	2,110	3,847 (Illustration 1)	3,847 (Illustration 1)	9,564 (11.14%)	9,564 (11.14%)	2,891	5,048	108 (Illustration 2)	198 (Illustration 2)	17	0	80	0	12,580 (14.65%)	14,890 (17.34%)	None
Director	Chen, Ding-Chuan																					
Director	Chen, Ding-Chi																					
Director	Chen, Wei-Wang																					
Director	Chen, Chien-Ming																					
Director	Lee, Yung-Long																					
Director	Ken, Wen-Yuen																					
Director	Chao, Rong-Shiang																					
Independent director	Wu, Chung-Fern	0	0	0	0	0	0	2,520	2,520	2,520 (2.93%)	2,520 (2.93%)	0	0	0	0	0	0	0	0	2,520 (2.93%)	2,520 (2.93%)	None
Independent director	Yang, Way-Wen																					
Independent director	Chang, Yuan-Jan																					

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

Illustration 1: Business execution expenses include automobile and fuel expense; if there is a driver accompanied, the remuneration is TWD 1,250,000.
Illustration 2: Severance pay and pensions belong to the expense recognition amount of severance pay and pensions.

Table of Remuneration Range

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. Remuneration to General Managers and Deputy General Managers:

Unit: TWD thousand; thousand shares

Title	Name	Salary (A)		Severance pay and pensions (B)		Bonus and special allowances, etc. (C)		Amount of employee compensation (D)				Total remuneration (A+B+C+D) and percentage of net income (%)		Whether receiving remuneration from invested companies other than subsidiaries or parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
General manager	Chen, Wei-Wang	13,531	13,531	583 (Illustration 1)	583 (Illustration 1)	3,517 (Illustration 2)	3,517 (Illustration 2)	95	0	95	0	17,725 (20.64%)	17,725 (20.64%)	None
Special Asst. to Chairman	Du, Yi-Zhong													
Deputy General Manager	Lin, Zhao-Wen													
	Chen, Qing-Tai													
	Chen, Ke-Lun													
	Yeh, Shun-Xing													
	Lee, Fu-Xing													
	Liang, Jen-Yang													

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

Table of Remuneration Range

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

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

Title	Name	Stock amount	Cash amount	Total	Total amount as a percentage of net income (%)
For the name list, refer to the information of general managers, deputy general managers, associate managers and supervisors of each department.		0	243	243	0.28

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

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

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

(1) The proportion of the total remuneration of directors to net profit after tax increased by 6.54% compared with last year, which was due to the decrease in net profit after tax compared with the previous year; while the total remuneration of the general manager and deputy general manager accounted for net profit after tax increased by 16.34% compared with last year. This is because a new deputy general manager was added this year and the net profit after tax decreased compared with the previous year, resulting in a significant increase in the ratio of net profit after tax. There was no significant change in the overall total remuneration and there was no unreasonable situation.

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

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

III. Status of Corporate Governance

(I) Operation status of the Board of Directors

In 2023, the Board of Directors has convened 5 meetings (A), and the participation status of directors is listed below:

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

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

Other matters that shall be recorded:

1. The following situations did not occur during Board meetings:
   (1) Matters listed in Article 14-3 of the Securities and Exchange Act.
   (2) In addition to matters mentioned above, others that are opposed or reserved by the Independent Directors and have records or written statements.
2. Implementation status of Director's avoidance of conflict of interest:
   (1) On the 10th meeting of the 18th Board - Regarding the motion for remuneration distributed to managers in accordance with the Securities and Exchange Act: Directors Chen, Wei-Wang recused because he concurrently served as a manager. As directors Chen, Ding-Chuan, Chen, Chien-Hsin, and Chen, Wei-Wang were second-degree relatives, they recused themselves from discussion and voting.
   (2) On the 10th meeting of the 18th Board - Regarding the motion for appointment of general manager of subsidiary Trend Tone Imaging, Inc. and reassignment of directors of subsidiary Everlight (Suzhou) Advanced Chemicals Ltd. : Director Chen, Chien-Ming recused himself as a party to this case. As directors Chen, Ding-Chi and Chen, Chien-Ming were second-degree relatives, they recused themselves from discussion and voting.
   (3) On the 13th meeting of the 18th Board - Regarding the motion for sponsored the case of Taiwan Dyestuff and Pigment Industry Association: Chairman Chen, Chien-Hsin recused himself as a party to this case. As directors Chen, Ding-Chuan, Chen, Wei-Wang and Chen, Chien-Hsin were second-degree relatives, they recused themselves from discussion and voting.
   (4) On the 14th meeting of the 18th Board - Regarding the motion for year-end bonus of managers as defined in the Securities and Exchange Act: As directors Chen, Wei-Wang recused because he concurrently served as a manager. As directors Chen, Ding-Chuan, Chen, Chien-Hsin, and Chen, Wei-Wang were second-degree relatives, they recused themselves from discussion and voting.
3. For self (or peer) evaluation performance results, please visit the company website.
4. Measures undertaken during the current year and the most recent years in order to strengthen the functions of the Board of Directors and assessment of their implementation:
   (1) Implementation of the project "enhancing the functions of the Board of Directors": a. Streamline statutory reporting and focus on discussions on operations. b. Increase comparison in peers and provide specific figures for decision making. c. Operational policies and some important investment cases are first discussed by the Strategy Committee to increase the depth of director participation. d. 2023/12/8 The Nomination Committee resolved that the "Taiwan Institute of Integrity Management" will carry out the work of external organizations to evaluate the performance of the board of directors every three years.
   (2) Enhancing information transparency: 2 investor conferences were held on 2023/4/25 and 9/4. In accordance with the Corporate Governance 3.0-Sustainable Development Blueprint, the self-financed financial information of the previous year shall be announced within 75 days after the end of the year. The company has declared within the deadline of 2023/3/16

Note: (1) If a director or supervisor resigns before the end of the year, the resignation date shall be indicated in the Remarks field. The actual attendance rate (%) was calculated on the basis of the number of board meetings held during each director's term and the number of meetings actually attended by that director.
(2) If there is a reelection of directors and supervisors before the end of the year, the new and old directors and supervisors must be stated in the Remarks field, and indicated if such director and supervisor is old, new, or reelected, as well as the reelection date. The percentage of actual (proxy) attendance (%) will be calculated based on the number of Board of Directors' meetings held during active duty and the number of actual (proxy) attendance.

The execution status of evaluation on the Board of Directors

Assessment period	Term of assessment	Scope of assessment	Assessment methodology	Content of assessment
Once every year	2023/1/1 ~ 2023/12/31	The Board of Directors, individual Directors, and Functional Committees	The assessment shall be executed by the Secretary of Nomination Committee via internal questionnaire. 1. Self-assessment of the performance evaluation of the Board of Directors: members of Nomination Committee shall individually provide assessment for 45 evaluation items pertaining to five major areas. 2. Self-assessment of Directors on self-evaluation: all Directors shall individually provide assessment for 23 evaluation items pertaining to six major areas. 3. Self-assessment of the performance evaluation of Functional Committees: independent directors shall individually provide assessment for 24 evaluation items pertaining to five major areas.	1. Five major areas of the performance evaluation items of the Board of Directors: (1) Participation level in the Company's operation. (2) Improvement on the quality of decision making of the Board of Directors. (3) Composition and structure of the Board of Directors (4) Election and continued education of the directors. (5) Internal control. 2. Six major areas of self-assessment of directors on self-evaluation: (1) Understanding of the goal and mission of the Company. (2) Understanding of director's responsibilities. (3) Participation level in the Company's operation. (4) Management and communication of internal relationship. (5) Professionalism and continued education of Directors. (6) Internal control. 3. Five major areas of self-assessment on the performance evaluation of Functional Committees (Audit, Nomination, and Remuneration): (1) Participation level in the Company's operation. (2) Understanding of the responsibilities of Functional Committees. (3) Improvement on the quality of decision making of Functional Committees. (4) Composition and structure of Functional Committees. (5) Internal control.

(II) Operation of Audit Committee

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

The Audit Committee held 5 meetings in 2023, and the matters reviewed mainly included:

1. Audit of financial statements and accounting policies and procedures
2. Internal control system and related policies and procedures
3. Significant investment transactions
4. Report on the implementation of integrity management
5. Earnings distribution
6. Legal compliance
7. Whether or not the managerial officer and the Director have transactions with related parties and the possible conflicts of interest?
8. Complaint report
9. Fraud prevention plan and fraud investigation report
10. Information security
11. Corporate risk management
12. Qualifications, independence and performance evaluation of Certified Public Accountants
13. Appointment or dismissal of Certified Public Accountants, or remuneration to there to.
14. Implementation of the responsibilities of the Audit Committee
15. Audit Committee performance evaluation self-assessment questionnaire

Review of financial reports

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

Evaluate the effectiveness of the internal control system

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

Commissioned Certified Public Accountant

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

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

To ensure the independence of the CPA firm, the Audit Committee has drawn up an independent assessment form referring to Article 47 of the Certified Public Accountant Act and the “integrity, Impartiality and objectivity and independence” of the Bulletins No. 10 of the Norm of Professional Ethics for Certified Public Accountant. It evaluates whether or not the CPA firm and the Company are related parties, have business with each other or have a relationship involving financial interests and others based on independence, professionalism and suitability of CPAs. The 14th Meeting of the 3rd Term of the Audit Committee on 2023/12/8 and the 9th Meeting of the 18th Term Board of Directors on 2023/12/14 reviewed and resolved that the two CPAs, Huang, Ming-Hung and Tang, Chia-Chien of KPMG Taiwan both met the standards for the evaluation of independence and are sufficient to act as CPAs for our financial statements.

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

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

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

1. Other matters that shall be recorded:

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

Date of Audit Committee meeting	Contents of the Motion	Resolution results of Audit Committee	The Company's handling of the opinions expressed by Audit Committee
2023/3/15 The 3nd Term The 10th Meeting	Motion for 2022 remuneration distribution of employees and directors	After the chair has inquired all attending commissioners, the motion was passed without objection.	The motion was passed by all attending directors at the Board meeting held on 2023/3/16
	Motion for 2022 business report and financial statements		
	Motion for 2022 earnings distribution		
	Motion for review on the results of the self-evaluation results of internal control		
	Amendments to the Corporate Governance Code of Practice		
	Amendment to the Practice on Sustainable Development		
	Amendment to the Measures for the Promotion of Directors' Training		
	Amendment to the Rules Governing Financial and Business Matters Between this Corporation and its Related Parties		
	Amendment to the Company's Long-term Equity Investment Processing Procedures		
	Amendment to the Revision of Internal Audit Implementation Rules	After discussion, all the members present unanimously agreed that the case would be discussed again and submitted to the board of directors for discussion.	All directors present agreed to reconsider the case in accordance with the recommendations of the Audit Committee.
2023/5/10 The 3nd Term The11th Meeting	Motion for the consolidated financial report for 2023 Q1	After the chair has inquired all attending commissioners, the motion was passed without objection.	The motion was passed by all attending directors at the Board meeting held on 2023/5/11
	Amendment to the Risk Management Procedure		
2023/8/7 The 3nd Term The 12th meeting	Motion for the consolidated financial report for 2023 Q2	After the chair has inquired all attending commissioners, the motion was passed without objection.	The motion was passed by all attending directors at the Board meeting held on 2023/8/10
	Plan to participate in the cash capital increase case of ANDROS PHARMACEUTICALS CO., LTD.		After full discussion by the board of directors on 2023/8/10, the directors unanimously decided not to participate in this capital increase.
	Amendment to the Revision of Internal Audit Implementation Rules	It was adopted after the chairman consulted all members present and made amendments based on the opinions of the committee without objection.	The motion was passed by all attending directors at the Board meeting held on 2023/8/10

Date of Audit Committee meeting	Contents of the Motion	Resolution results of Audit Committee	The Company's handling of the opinions expressed by Audit Committee
2023/11/7 The 3rd Term The 13th Meeting	Motion for the consolidated financial report for 2023 Q3	After the chair has inquired all attending commissioners, the motion was passed without objection.	The motion was passed by all attending directors at the Board meeting held on 2023/11/9
	Amendment to the Company's internal control system		
	Subsidiary Everlight (Singapore) Co., Ltd. capital increase in Antai Semiconductor Technology (Suzhou) Co., Ltd.	1. After the chair has inquired all attending commissioners, the motion was passed without objection. 2. Present committee recommendations to the Board of Directors.	
2023/12/8 The 3rd Term The 14th Meeting	Motion for 2024 internal audit plan	After the chair has inquired all attending commissioners, the motion was passed without objection.	The motion was passed by all attending directors at the Board meeting held on 2023/12/14
	Motion for appointment of 2024 CPAs of financial statements and their compensation		
	Motion for formulation of Procedures for Non-Assurance Services provided by the CPA firm		
	Amendment to the Rules of Procedure for Shareholders Meetings		

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

2. Implementation status of Independent Director's avoidance of conflict of interest: None.
3. Communication between Independent Directors and internal audit supervisors and accountants is as follows

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

(II) The audit supervisor attended the 2023 of Audit Committee for 5 times, and all conducted separate business reports to Independent Directors, and fully communicated the implementation and effectiveness of the audit business.

Date of Audit Committee meeting	Matters of communication	Results
2023/3/15	2022/12/1 ~ 2023/2/28 Internal Audit Business Execution Report.	Acknowledged.
	Proposal for 2022 Management's Reports on Internal Control to be Discussed.	The motion was passed without objection, and was reported to the Board of Directors for resolution.
2023/05/10	2023/3/1 ~ 4/30 Internal Audit Business Execution Report.	Acknowledged.
2023/08/07	2023/5/1 ~ 7/25 Internal Audit Business Execution Report.	Acknowledged.
2023/11/07	2023/7/26 ~ 10/25 Internal Audit Business Execution Report.	Acknowledged.
2023/12/08	2023/10/26 ~ 11/30 Internal Audit Business Execution Report.	Acknowledged.
	The Company's 2024 Annual Audit Plan Discussion.	The motion was passed without objection, and was reported to the Board of Directors for resolution.

(III) The accountants attended the 2023 Audit Committee for 5 times to report the review or review results and findings on Financial Statements to the Independent Directors.

Date of Audit Committee meeting	Matters of communication	Results
2023/03/15	Report of the Review on 2022 Financial Statements (separate).	Acknowledged.
2023/05/10	Report of the Review on the First Quarter 2023 Financial Statements.	Acknowledged.
2023/08/07	Report of the Review on the Second Quarter 2023 Financial Statements.	Acknowledged.
2023/11/07	Report of the Review on the Third Quarter 2023 Financial Statements.	Acknowledged.
2023/12/08	2023 Audit Quality Indicator Report.	Acknowledged.

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

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

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

Evaluation Item	Implementation Status			Departure of such implementation from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and the reason for any such departure
	Yes	No	Summary	
I. Does the company follow the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" to establish and disclose its corporate governance practices?	V		The practices were set up on 2010/8/26, , amended on 2023/3/16 and disclosed on the company website and the MOPS.	No discrepancy.
II. Shareholding structure and shareholders' interests				
(I) Does the company set up internal operation procedures for recommendations, concerns, disputes, and litigation raised by shareholders, and implement such matters in accordance with the procedures?	V		(I) The Company has designated dedicated personnel such as the supervisor of Shareholder Service Room and the Company's spokesperson, etc., to handle the suggestions of shareholders or problems such as disputes.	No discrepancy.
(II) Does the company have a roster of its major, actual controlling shareholders as well as the ultimate controllers?	V		(II) The Company's Shareholder Service Room regularly provides reports and statements and relevant information every quarter or during the preparation period of shareholders' meeting.	No discrepancy.
(III) Has the company built and executed risk management and firewall system between the Company and its affiliates?	V		(III) The Company has formulated "Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises" and "Rules Governing Transfer Pricing in Affiliated Enterprises" to control the transaction management, endorsements and guarantees, fund lending, etc., with its affiliates. In addition, the Company has defined the operation of "Supervision and Management on Subsidiaries" in the "Internal Control System" and "Rules Governing Subsidiaries", in order to implement its risk control mechanism on subsidiaries.	No discrepancy.
(IV) Has the company established internal rules prohibiting insider trading on undisclosed information?	V		(IV) The Company has formulated "Operating Procedures for Preventing Insider Trading," "Ethical Corporate Management Principles," and "Procedures for Ethical Management and Guidelines for Conduct," and volunteers to instantly publish its revenue and profitability information after clearance every month, which lowers the information gap of shareholders as much as possible and prevents insiders from seizing the opportunities of using unpublished information. The Company will also irregularly conduct reviews to meet the needs of the existing laws and regulations and practical management. The above-mentioned rules can be looked up from the Company's website.	No discrepancy.
III. Composition and responsibilities of the Board of Directors				
(I) Does the Board of Directors have a diversity policy, specific management objectives and implementation?	V		(I) The Company's policy on diversity of board members, specific management objectives and implementation are described on page 13.	No discrepancy.
(II) Other than the Remuneration Committee and the Audit Committee which are established in accordance with laws, does the company plan to set up other functional committees?	V		(II) The company set up other functional committees including Nomination Committee, Strategy Committee, Risk Management Committee and Sustainable Development Committee.	No discrepancy.
(III) Has the company established methodology for evaluating the performance of its Board of Directors, and conducts performance evaluation annually and regularly, and reported the evaluation result to the Board of Director and used the result as a reference on the consideration of individual directors' remuneration and reelection nomination?	V		(III) "Regulations for the Board Performance Evaluation" formulation has been adopted by the Company through Board of Directors resolution on 2015/3/26,. Each year, the regular assessments shall be conducted by the Nomination Committee in accordance with the Regulations for the Board Performance Evaluation, and for at least three years conducted by an external institution. It has added the performance evaluation of the Functional Committee since 2018. In March every year, the evaluation result will be reported by the Convener of Nomination Committee to the Board of Directors and serves as a reference for future reelection nomination.	The remuneration of the company's directors depends on the company's annual operating profit.
(IV) Has the company regularly evaluate its auditor's independence?	V		(IV) Before the Company's Board of Directors resolve to elect CPAs in the end of each year, the independence and suitability of the certified public accountants by reference to the Audit Quality Indicators (AQIs) will be examined first, in which the Company will check whether they are the Company's directors, shareholders or receive wages from the Company. At the same time, the CPAs will be checked if they are not stakeholders and have no other financial gains and business relationships with the Company except for receiving the fees for certificating and financial and tax cases. Once all of the above standards have been met and the CPAs have provided the "Confirmation of independence," the audit on the CPAs' hiring and fees are then conducted. The most recent evaluation was conducted at the meeting of the Board of Directors on December 14, 2023 and the results showed that the CPAs met the criteria for independence and suitability. The election of the CPAs was approved.	No discrepancy.

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Departure of such implementation from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and the reason for any such departure</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td>V</td><td></td><td>
<table>
<tr><th>evaluation items</th><th>evaluation result</th><th>consistent with independence</th></tr>
<tr><td>Whether the accountant has a direct or significant indirect financial interest relationship with the company</td><td>no</td><td>yes</td></tr>
<tr><td>Whether the accountant has any financing or guarantee activities with the company or its directors</td><td>no</td><td>yes</td></tr>
<tr><td>Whether the accountant has a close business relationship and potential employment relationship with the company</td><td>no</td><td>yes</td></tr>
<tr><td>Whether the accountants and members of the audit team currently or in the past two years have served as directors, managers or positions
that have significant influence on the audit work in the company</td><td>no</td><td>yes</td></tr>
<tr><td>Whether the accountant has provided non-audit services to the company that may directly affect the audit work</td><td>no</td><td>yes</td></tr>
<tr><td>Whether the accountant has brokered shares or other securities issued by the company</td><td>no</td><td>yes</td></tr>
<tr><td>Whether the accountant serves as the company's defender or mediates conflicts with other third parties on behalf of the company</td><td>no</td><td>yes</td></tr>
<tr><td>Whether the accountant has a family relationship with the company's directors, managers, or persons with significant influence on the audit case</td><td>no</td><td>yes</td></tr>
</table>
</td><td></td></tr>
<tr><td>IV. As a public listed company, has the Company allocated competent managers or sufficient number of managers to be in charge of corporate governance, and designated supervisors thereof to be in charge of corporate governance affairs (including but not limited to providing information required for business execution by directors and supervisors, assisting the Board and supervisors in legal compliance, handling matters related to the Board and shareholder meetings in accordance with laws, and producing handbooks of board meetings and shareholders meetings, and et cetera)?</td><td>V</td><td></td><td>On 2020/12/17, the Board of Directors approved the appointment of Associate Manager Li Ming-Wen as the corporate governance manager. Mr. Li is responsible for protecting the rights and interests of shareholders and strengthening the functions of the Board. Associate Manager Mr. Li has more than 3 years of experience in financial and corporate governance-related affairs in public companies. The main duties of the Corporate Governance Manager is to, in compliance with the law, handle matters associated with meetings of the Board of Directors and shareholders; prepare minutes of meetings of the Board of Directors and shareholders; assist in appointment of directors and their continuous education; and provide the information required for directors in order for them to carry out business and assist directors in regulatory compliance.
The total training hours for corporate governance supervisors in 2023 is 15 hours, which meets the training hours regulations.</td><td>No discrepancy.</td></tr>
<tr><td>V. Has the company provided proper communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.), and created dedicated sections on its website to address corporate social responsibility issues that are of significant concern to stakeholders?</td><td>V</td><td></td><td>The company most recently identified eight types of major stakeholders through the five principles of the AA1000 SES stakeholder negotiation standard in December 2022, including customers/brand owners, shareholders/investors, employees, suppliers/contractors , neighboring communities, government agencies, banks, external public associations, etc., and establish and maintain good communication channels with various stakeholders, proactively contact or visit each other to share various company information with stakeholders, and respond to investors ...etc. to ask questions.
The Company publishes quarterly journals of Everlight Chemical and Sustainability Report on a regular basis, sharing the updates of the Company and responding to important issues concerning stakeholders, and also discloses specific windows and contact information on the website.</td><td>No discrepancy.</td></tr>
<tr><td>VI. Has the company appointed a professional shareholders service agent to process the affairs related to shareholders' meetings?</td><td>V</td><td></td><td>Yes; since 2015/4/20, the Company's shareholders' meeting affairs have been outsourced to Share Transfer Agency Department of Mega Securities Co., Ltd.</td><td>No discrepancy.</td></tr>
<tr><td>VII. Information disclosure
(I) Has the company established a company website to disclose information regarding its financial, operational and corporate governance status?</td><td>V</td><td></td><td>(I) Company website: http://www.ecic.com.tw/</td><td>No discrepancy.</td></tr>
</table>

Evaluation Item	Implementation Status			Departure of such implementation from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and the reason for any such departure
	Yes	No	Summary	
(II) Does the company use other information disclosure channels (e.g. maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, and webcasting investors conference to be put on the company website, etc.)? (III) Does the Company publicly announce and file the annual financial reports within two months after the accounting year-end, and publicly announce and file the first, second and third quarterly financial reports and the monthly operating status report before stipulated deadlines?	V	V	(II) The Company has set up dedicated personnel in each department for collection the Company's information and sending to the Company's spokesperson for disclosure; the "Operation Guidelines for Company Spokesperson and Deputy Spokesperson" have been implemented and operated for many years; before investor conferences, important information is released and published in accordance with regulations, and slides prepared in Chinese and English and videos will be uploaded and disclosed on company website. (III) The annual, first, second and third quarterly financial reports, and the monthly operating status report are all publicly announced and filed within stipulated deadlines.	No discrepancy. Financial reports are still unable to be made public at earlier dates.
H. Has the company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, rights of stakeholders, training of directors and supervisors, implementation of risk management policies and risk evaluation measures, implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		(I) Employee rights and care: Please refer to the section for labor-employer relationship in the annual report. (II) Investor relationship: 1. The Company published conditions of operation and profitability every month, and has a spokesperson set up for answering the questions asked by shareholders. 2. On the company website (http://www.ecic.com), there is information of investor relationship, ESG sustainability operation and stakeholders, providing information that investors care about. (III) Supplier relationship: The Company establishes long-term, trusting and beneficial relationship with its suppliers based on the Company's quality policy, environmental policy, and safety and hygiene policy; supports the spirit of green procurement and purchases from suppliers doing environmental protection well with priority; integrates the shipping mode of suppliers and utilizes information tools to lower carbon emission of the supply chain, enhance efficiency and transparency of procurement business; holds conferences; video; and educational training programs for suppliers to advocate cyclical economics, ESG, green gold vision, sustainability operation and fulfilling CSR; requires contractors to obey the Management Rules in Safety and Hygiene for Contractors, in order to maintain the safety in the work place and the rights of employees. (IV) Rights of related parties: 1. Setting up the Technical Marketing and Service Department, assisting customers in the application of technology and problem solving, and conducting customer satisfaction survey every year. 2. Sticking to the principles of fair competition and reaching business goals with methods not violating business ethics. 3. Others: such as starting up group meetings of risk management to respond to the sudden changes of the economic environment, and continuously communicating with stakeholders such as customers, suppliers, and correspondent banks, etc., in order to maintain the rights of both parties. (V) On-the-job further study of directors: All directors meet the time requirement of on-the-job further study. (VI) Implementation status of risk control policies and risk measuring standards: See the company website. (VII) The Company's purchase of liability insurance for directors: The Company has bought liability insurance for all directors and has reported on the board meeting on 2023/8/10.	No discrepancy.

IX. Please state the corrective actions already taken and also propose the matters to be improved as the first priority and countermeasures against them, based on the corporate governance evaluation results released by the Corporate Governance Center of TWSE in the most recent year.

(I) 2022 corporate governance evaluation result: The Company is 6% to 20% in the listed company category; 10% of the non-financial electronics category with net worth of over NT$10 billion in the non-financial electronics category. Improvements made in the year - notified directors by SMS that they may not trade the Company's shares during the closed period 30 days prior to the date of the publication of the annual financial report and 15 days prior to the publication of the quarterly financial report; all interim reports were approved by the Audit Committee and submitted to the Board of Directors for discussions; the sustainability report in English was also filed.

(II) Priorities for improvement in 2023: The company formulates financial business-related operating procedures with related parties.Minutes of the 2023 General Meeting of Shareholders record the important content of shareholders' questions and the company's responses.The 2023 regular shareholder meeting will be broadcast live online。

(IV) Remuneration Committee

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

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

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

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

2. Information about the operations of Remuneration Committee

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

(2) The term of the commissioners: Committee members is from 2021/7/29 until 2024/7/28. The Committee has convened 5 meetings (A) during the most recent year. The qualification and participation of the commissioners are listed below:

Title	Name	Attendance in person (B)	By proxy	Rate of attendance in person (%) (B/A)	Number of public-listed companies concurrently served as an Remuneration Committee	Notes
Convener	Chang, Yuan-Jan	5	0	100%	0	
Commissioner	Wu, Chung-Fern	5	0	100%	2	
Commissioner	Yang, Way-Wen	5	0	100%	0	

Other items that shall be recorded: none

Operation of the year

Date／Term	Reasons for Discussion	Resolution Results	The Company's handling of Member's Opinions
2023/3/5 The 5th Term The 7th Meeting	Motion for pension payment for Associate Manager Lai, Bao-Kun	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
	Motion for salary adjustment of the general manager of subsidiary Trend Tone Imaging, Inc.	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
	Motion for 2022 distribution of remuneration to directors	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
	Motion for 2022 employee remuneration of managers as defined in the Securities and Exchange Act	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
2023/5/10 The 5th Term The 8th Meeting	motion for pension payment for assistant manager Wu, Tian-Wang	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
	motion for pension payment for assistant manager Liao, Nan-Ming	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
	Motion for employee remuneration of managers as defined in the Securities and Exchange Act	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
2023/8/7 The 5th Term The9th Meeting	motion for pension payment for assistant manager Wu, Yao-Ming	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
	Motion for employee remuneration of managers as defined in the Securities and Exchange Act	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
2023/11/7 The 5th Term The10th Meeting	Motion for employee remuneration of managers as defined in the Securities and Exchange Act	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
2023/12/8 The 5th Term The11th Meeting	Motion for 2023 Year-end Bonus Distribution of managers as defined in the Securities and Exchange Act	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
	Motion for The company's annual high-level bonus distribution plan	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.

(V) Nomination Committee

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

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

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

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

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

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

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

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

(2) The term of the commissioners: Committee members is from 2021/8/12 until 2024/7/28. The Nomination Committee has convened 5 meetings (A) during the most recent year. The qualification and participation of the commissioners are listed below:

Title	Name	Attendance in person (B)	By proxy	Rate of attendance in person (%) (B/A)	Notes
Convener	Yang, Way-Wen	5	0	100%	
Commissioner	Chen, Chien-Hsin	5	0	100%	
Commissioner	Chen, Ding-Chuan	4	0	80%	
Commissioner	Wu, Chung-Fern	5	0	100%	
Commissioner	Chang, Yuan-Jan	5	0	100%	

Other matters that shall be recorded:

Date／Term	Reasons for Discussion	Resolution Results	The Company’s handling of Member’s Opinions
2023/3/18 The 3nd Term The 7th meeting	Implementation results of the 2022 Board performance evaluation	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
	Motion for appointment of general managers of subsidiaries of Trend Tone Imaging, Inc.	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
2023/5/10 The 3rd Term The 8th Meeting	Motion for reappointment of chairman of Ethical (Shanghai) Ltd. and Everlight (Shanghai) Ltd.,	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.
2022/11/1 The 3rd Term The 9th Meeting	Motion for appointment of general managers of subsidiaries of Ethical (Shanghai) and Everlight (Shanghai)	All members agreed and passed the motion.	All attending Directors agreed and passed the motion.

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

<table>
<tr><th rowspan="2">Promotion Items</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</th></tr>
<tr><th>yes</th><th>no</th><th>Summary</th></tr>
<tr><td>I. Has the Company constructed a governance structure to promote sustainable development and established a dedicated (part-time) unit for the promotion of sustainable development, which is managed by senior management through the authorization of and supervised by the board of directors?</td><td>V</td><td></td><td>1. The board of directors of the company is the highest governance body. The "Social Responsibility Committee" was established in 2012 and will be renamed the "Sustainable Development Committee" (ESG Committee) in 2022. It is a professional unit responsible for promoting sustainable development. The chairman is authorized to coordinate the company's sustainable development direction and set goals. The ESG Committee is chaired by the Chairman. Set up a governance team, an environmental team and a social team, which are supervised by three senior executives.
2. The ESG Committee holds regular meetings twice a year to review the progress of ESG projects, the operation/performance of each Team, and discuss ESG-related issues. The executive secretary reports the ESG promotion plan and implementation results to the board of directors every year.
3. The ESG Committee identifies sustainability issues concerning the Company’s operations and stakeholders every two years and proposes corresponding strategies or concrete improvement approaches to be submitted to the Board of Directors. The Board of Directors supervises the subsequent implementation of sustainable management matters and follows up on their effectiveness, while urging the ESG team to make adjustments when necessary.</td><td>No discrepancy.</td></tr>
<tr><td>II. Has the Company adhered to Materiality Principles to conduct risk assessment son environmental, social and corporate governance issues related to its operations and established relevant risk management policies or strategies? (Note2)</td><td>V</td><td></td><td>1. The information disclosed covers the Company's sustainable development performance in key locations for the entirety of 2023. The risk evaluation boundary is based on the Company’s existing locations in Taiwan, China, the Americas and Europe. Based on the degree of influence in the production nature of subsidiaries on materiality topics, Everlight (Suzhou) Advanced Chemicals and Trend Tone Imaging have been included in the scope.
2. In accordance with the Materiality Principle, the Company conducts risk evaluations on important issues, and formulates risk management strategies and action plans according to risk after evaluation has taken place. Please see the following Table (Table 1).</td><td>No discrepancy.</td></tr>
<tr><td>III. Environmental Issues
(I) Does the Company have an appropriate environmental management system established in accordance with its industrial characteristics?</td><td>V</td><td></td><td>1. All Company locations including the parent company (Plants I-IV) and subsidiaries (Trend Tone Imaging, Everlight (Suzhou) Advanced Chemical) have established an ISO 14001 environmental management system appropriate to their industries. Third-party certification has been maintained through continuous improvements to the applicability, completeness and validity of the environmental management system. The validity and scope of third-party assurance statements are collated in the table below. The Company has also obtained other third party and brand-name vendor certification including bluesign® and the Zero Discharge of Hazardous Chemicals (ZDHC) program. Related information is disclosed in the Sustainability Report and the corporate website.
2. ISO 14001 Environmental Management System
<table>
<tr><th>Certification Unit</th><th>Effective period</th><th>Scope</th></tr>
<tr><td rowspan="2">DNV</td><td>2022/11/21
｜
2025/11/21</td><td>Everlight Chemical Plants I-IV, Everlight (Suzhou) Advanced Chemical</td></tr>
<tr><td>2022-/7/17
｜
2025/7/17</td><td>Trend Tone Imaging, Inc.</td></tr>
</table></td><td>No discrepancy.</td></tr>
</table>

<table>
<tr><th rowspan="2">Promotion Items</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</th></tr>
<tr><th>yes</th><th>no</th><th>Summary</th></tr>
<tr><td>(II) Is the company committed to enhancing the utilization efficiency of resources and using renewable materials with low impact on the environment?</td><td>V</td><td></td><td>1. The energy management policy of the Company is Improve energy efficiency to realize net zero emissions and sustainable development.
The ISO 50001 energy management system was introduced by the Company in 2022 to make further improvements with third-party assurance planned for 2023. The introduction of the energy management system is expected to improve energy utilization efficiency. Key performance metrics included >1% savings in electricity consumption and energy intensity, with both meeting their 2023 targets.
ISO 50001 Energy Management System
<table>
<tr><th>Certification Unit</th><th>Effective period</th><th>Scope</th></tr>
<tr><td>DNV</td><td>2023/11/01
|
2026/10/31</td><td>Everlight Chemical Plants I-III</td></tr>
</table>
<table>
<tr><th>Performance Metric</th><th>2022 Outcomes</th><th>2023 Outcomes</th><th>2023 Targets</th><th>Status</th></tr>
<tr><td>Electricity savings (%)</td><td>1.1</td><td>1.5</td><td>>1</td><td>Achieved</td></tr>
<tr><td>Energy Intensity (GJ/NT$Million of production)</td><td>72</td><td>68</td><td><79</td><td>Achieved</td></tr>
</table>
2. In order to reduce the environmental load and impact, the company develops products and technologies that comply with green chemistry in the manufacturing process by reducing the use of raw materials, using recycled materials, and recycling and reusing resources; it has established a circular economy promotion committee to continue to promote and develop various A circular economy activity and won multiple awards, showing that the promotion and implementation of green chemistry and circular economy over the years has been effective.</td><td>No discrepancy.</td></tr>
<tr><td>(III) Does the Company assess the present and future potential risk and opportunities of climate change and adopt countermeasures related to climate issues?</td><td>V</td><td></td><td>1. The Company formed a Climate Change Taskforce in 2021, which is part of the ESG Committee's Environmental Team responsible for the identification of risks and opportunities and recommendations for management. Climate risk identification was carried out by the Climate Change Taskforce based on the TCFD framework, chemical industry case studies from the WBCSD, and the nature of the chemical industry. Short, medium and long-term climate risk and opportunity topics were summarized using the risk matrix. please refer to P37.</td><td>No discrepancy.</td></tr>
<tr><td>(IV) Has the Company made an inventory of its total GHG emission volume, water consumption and waste volume for the past two years and established relevant management policies for GHG reduction, water conservation and waste management?</td><td>V</td><td></td><td>1. The data on all Scope 1 and Scope 2 GHG emissions produced by Company locations as well as GHG emission intensity for the past two years, please refder to 40. The data encompassed all Group production locations (Everlight Chemical's Plants I-IV , Trend Tone Imaging and Everlight (Suzhou) Advanced Chemicals).
2. The Company understands that water is a finite resource. Improvement of water recycling rate has therefore been one of our key management strategies in recent years. Total water withdrawals in recent years were as follow:
<table>
<tr><th>Year</th><th>Total water withdrawal Million liters</th><th>Water recovery rate %</th></tr>
<tr><td>2022</td><td>721.5</td><td>93</td></tr>
<tr><td>2023</td><td>593.9</td><td>95</td></tr>
</table></td><td>No discrepancy.</td></tr>
</table>

<table>
<tr><th rowspan="2">Promotion Items</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</th></tr>
<tr><th>yes</th><th>no</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>The total water consumption in 2023 will be reduced by 18% compared with 2022, and the water recovery rate will reach 95%, an increase of 2% from 2022, achieving the goal.
3. Total volume of waste
<table><tr><th>Year</th><th>Hazardous waste (tons)</th><th>Non-hazardous waste (tons)</th><th>Total (tons)</th><th>Waste recovery rate (%)</th></tr><tr><td>2022</td><td>1693.4</td><td>8,804.0</td><td>10,497.4</td><td>72</td></tr><tr><td>2023</td><td>1761.3</td><td>6,854.7</td><td>8,616.0</td><td>71</td></tr></table>Under various waste reduction and circular economy improvement measures, the waste recycling rate will reach 71% in 2023.</td><td></td></tr>
<tr><td>IV. Social Issues
(I) Does the Company have the relevant management policies and procedures stipulated in accordance with the applicable laws and regulations and international conventions on human rights?</td><td>V</td><td></td><td>In response to international trends and corporate governance development, and in accordance with the 4 workplace core principles and rights of the International Labour Organization (ILO), we adhere to our corporate cultural core and business concepts, the foundation of developing into a happy company, follow local regulations where we operate, and promulgated the “Everlight Chemical Human Rights Policy” on 2019/8/16.
Our global operating bases around the world are required to follow local laws and we conduct regular supplier surveys. On our 3,000 procurement contracts each year, we require suppliers to make sure that there is no “child labor” and only after the supplier signs the reply is a qualified supplier.
We provide education and training via the Company's monthly meeting, human resources website and quarterly newsletters. In 2023, a total of 1,156 employees received a “Human Rights Policy Advocacy” course, with a course completion rate of 100%, for a total of 57.8 training hours.</td><td>No discrepancy.</td></tr>
<tr><td>(II) Has the Company established and implemented reasonable employee welfare measures (including wages, leaves and other benefits) to reflect its operational performance/successes in employees’ remuneration?</td><td>V</td><td></td><td>1. The Company's leave system for employees is handled in accordance with the regulations stipulated in the Labor Standards Act. A Welfare Committee is also in place. For welfare measures, please refer to Labor Relations. In a bid to promote workplace diversity and equal promotion opportunities for both genders, we have gradually increased the ratio of female managers. In 2023, female managers will account for 14.5% of the total number of managers.
2. We take part in salary surveys in the market on a regular basis so as to maintain our overall salary competitiveness. Furthermore, the Company has also established relevant procedures including Procedures for Remuneration, Procedures for Year-End Bonuses, Procedures for Performance Bonuses, and Procedures for Production Bonuses to ensure the Company’s management performance is duly reflected in employees’ remunerations.</td><td>No discrepancy.</td></tr>
<tr><td>(III) Does the company provide employees with a safe and healthy working environment, and regular safety and health training?</td><td>V</td><td></td><td>1. The company provide employees with a safe and healthy working environment, and regular safety and health training, please refer to Labor Relations.
2. The operating headquarters of Everlight Chemical group, Plants I-IV of Everlight Chemical and the subsidiary of Trend Tone Imaging, and Everlight (Suzhou) Advanced Chemicals have all obtained ISO 45001:2018 certification, which was certified by a third party on August, 2022. The certification is continuously effective.
3. The company's total injury index (FSI) in 2023 is 0.29, excluding a total of 6 incapacitating injuries caused by workers commuting to and from get off work, of which 2 were injuries to employees due to cuts and abrasions and 4 were injured due to being pinched. With a total of 187 lost days and a total of 6 people, accounting for 0.32% of the total number of workers at the end of 2023.</td><td>No discrepancy.</td></tr>
</table>

<table>
<tr><th rowspan="2">Promotion Items</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</th></tr>
<tr><th>yes</th><th>no</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>4. In 2023, a fire broke out in Plants III of our company, resulting in 0 deaths and injuries. According to the investigation, the air above the reaction barrel was not completely replaced with nitrogen, and the static electricity in the pipeline for transporting raw materials was not eliminated. The personnel have been retrained, the operating standards have been revised, and the plastic material of the transport pipeline has been replaced with metal and grounded to prevent similar incidents. Happen again.</td><td></td></tr>
<tr><td>(IV) Has the Company established effective career development training plans?</td><td>V</td><td></td><td>Training courses were arranged and implemented for employees through the education and training system in accordance with the annual training plan including: Orientation training (including general and specialist subjects) and in-service training (including inspiration education, grade-based training, and specialist training). In addition to pre-employment training courses, we have also adopted the “mentor-apprentice” system in which new employees are taught professional knowledge and skills by assigned senior employees. Moreover, new blood is able to learn the required functions through personal instructions and audio-visual aids. Employees may be designated by the Company to study domestically or abroad if necessary for their work or function. A total of 39 employees have pursued master’s degree or PhD degrees or attended on-the-job training courses so far. In 2023, 6 colleagues took part in online courses (including 3 still studying master’s degrees or PhD degrees. Most chose business management and professional courses for their continuing education.
2023 employee training implementation
<table><tr><th>Item</th><th>Manager</th><th>Non-manager</th></tr><tr><td>Number of people</td><td>436</td><td>867</td></tr><tr><td>Total hours</td><td>35,011</td><td>67,584</td></tr><tr><td>Average hours/persons</td><td>80</td><td>78</td></tr></table></td><td>No discrepancy.</td></tr>
<tr><td>(V) In terms of customer health and safety, customer privacy, marketing and labeling issues for the company’s products and services, has the company adhered to pertinent regulations and international standards and established relevant policies and grievance procedures for the protection of consumers or customer rights?</td><td>V</td><td></td><td>We have set up review operations of “Hazardous Chemical Control Procedures” and “Chemical Registration Review Procedures” from the use of raw materials, R&D and production stages to the final sales of products in order to continue to update, follow up and ensure compliance. For example, management laws and regulations for chemicals in different countries, such as REACH SVHC, RoHS standards, safety requirements of multinational brands and customers, including ZDHC MRSL, Bluesign BSS/BSBL, in order to fulfill our commitment to product safety and chemical safety management.
Chemical safety data sheet (Safety Data Sheet, SDS) and product labeling are vital information provided to ensure the safety and health of users. We label chemical products according to Taiwan Regulations for the Labeling and Hazard Communication of Hazardous Chemicals, GHS and REACH CLP regulations in order to meet the regulatory requirements of each country. We have product warranty opening operating processes in place and are striving to obtain third-party environmental product certifications. In doing so, we ensure that customers use our products with peace of mind. Customers may also obtain a product safety certificate from the Company through a built-in process, or report a non-conformity of chemical safety to the Company. The Product Responsibility Division and the security units of quality assurance unit of each business division assist sales colleagues in handling customer grievances and customer complains, protecting their rights and interests.</td><td>No discrepancy.</td></tr>
</table>

Promotion Items	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	yes	no	Summary	
			In terms of customer privacy, the company complies with the "Personal Data Protection Act" and internally formulates relevant management regulations and forms such as "Personal Data Protection Management Measures" and "Information Security and Personal Information Incident Management Procedures" to protect customer privacy and safeguard customer rights.	
(VI) Has the company established supplier management policies that require suppliers to comply with pertinent regulations relating to issues of environmental protection, occupational safety and health, labor rights and so forth and report their status of implementation?	V		The procurement policy of the Company is defined by "Compliance, green procurement, and the building of supplier partnerships based on ethical principles." Supplier management policy is aimed at "helping suppliers to fulfill their corporate social responsibilities, follow labor rights standards, and to achieve win-win through solid EHS measures, stable quality, punctual delivery, competitive prices and quality services in the provision of raw materials." Our "Material Supplier Assessment Form" incorporates environmental protection (based on the requirements of the ISO 14001 system), Occupational Health and Safety Management System (based on the requirements of the ISO 45001 system), fulfillment of corporate social responsibility, corporate risk identification, business continuity and so on are all part of the scoring criteria. The scoring results provide an important basis for the screening of new critical suppliers; we are continuing to implement the "Everlight Chemical E-ESG (Everlight ESG) certification system as well ans suppliers are encouraged to participate so that we can take the green supply chain to a the next level. In addition, suppliers are also required to sign the Hazardous Substance Free (HSF) statement. Risk assessment, supplier review and management are employed to examine the social responsibility and environmental performance of key suppliers. Suppliers also receive assistance on raising their awareness of social responsibility and standard of' environmental management. A variety of opportunities and channels are used by the Company to educate suppliers about environmental responsibility, supplier social responsibility standards, and the establishment of green supply chains including supplier education and training (Zoom video conferencing), supplier interviews (Zoom video conferencing), inspections, supplier visits, and procurement web pages. In 2023, 19key manufacturers were reviewed on their environmental, social, and CSR performance with the following results: (1) ISO 14001 certified: 17 companies (2) ISO 45001 certified: 14 companies (3) CSR reports issued or declarations of CSR compliance on corporate website: 16 companies (4) Investigation into violation of occupational safety and health laws and regulations: 0 company/violation (5) Investigation into violation of labor laws and regulations: 0 companies/violations	No discrepancy.
V. Has the company referred to internationally adopted reporting guidelines or initiatives in the preparation of its Sustainability Report and other reports that disclose non-financial information of the company? Has the aforementioned report been assured or guaranteed by a valid 3rd-party validation organization?	V		1. The Sustainability Report prepared by the Company was structured in accordance with GRI Standards 2021 issued by the Global Reporting Initiative (GRI). Disclosures also took the SASB requirements for the chemical engineering industry into account. 2. The Company commissioned BSI Taiwan to conduct third-party assurance of the 2023 Sustainability Report in accordance with the AA1000AS v3 standard. The accounting firm KPMG was also commissioned to carry out limited assurance on the contents of the seven assurance indicators required by the competent authority in	No discrepancy.

Promotion Items	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	yes	no	Summary	
			accordance with Bulletin No.1 “Assurance engagements other than audits or reviews of historical financial information” issued by the Accounting Research and Development Association of the R.O.C. to provide assurance that the contents and quality of this report satisfies the requirements of the competent authority.	
VI. If the company has established sustainable development best practice principles based on the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies ”, please describe any discrepancy between the policies and their implementation: The company has promulgated the "Sustainable Development Code of Practice" in accordance with the " Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies ", and there has been no difference in implementation so far.				
VII. Other important information that helps understand the promotion of sustainable development implementation: At Everlight Chemical, we are keen to learn from international rating institutions (e.g., Sustainalytics、FTSE Russell). We continue to improve ESG risk ratings and engage in effective sustainable performance communication with outside stakeholders through coaching by external experts on enhancing the disclosure of relevant information (e.g., quality management system certification, environmental management system certification, inclusion/diversity policies, hazardous waste management, sustainable products and services, etc.), continuously improve ESG risk ratings, and effectively communicate sustainable performance with external stakeholders.				

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

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

(Table 1)

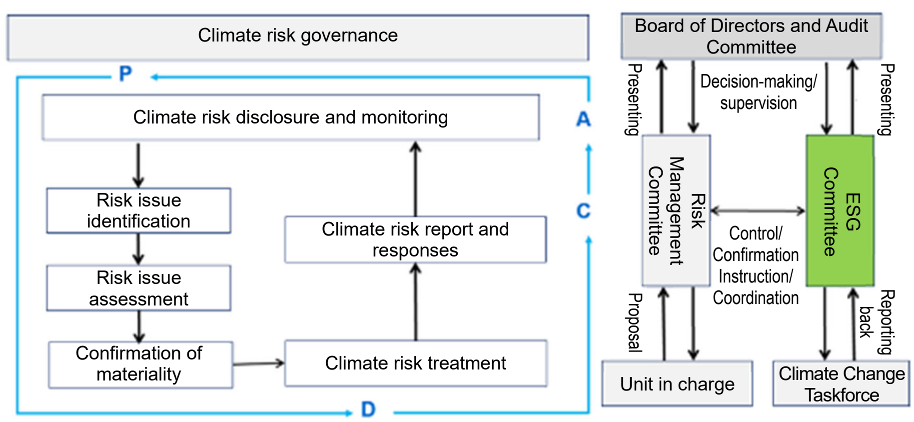
Major Issues	Risk Assessment Projects	Risk Management Strategy
Environment (E)	Environmental protection and management	1. The Company’s environmental policy is “Prepare environmental risks against environmental sustainability” and we have adopted the following actions: 1) Implement ISO 14001 environmental management system. Each year, we set implementation plans and target values, and regularly follow up and review the progress of each program. By doing this, we are able to ensure the achievement of our target. 2) Process is continuously improved to increase resource utilization rate according to the 12 Principles of Green Chemistry. 3) Promote industrial waste reduction (including waste resources, air pollutants, waste), implement pollution prevention, improve recovery rates, and reduce overall emissions. 4) In line with government policies, the Company actively promotes various energy-saving and carbon-reduction measures with the goal of “saving >1% electricity per year”. 5) Research and develop environmental protection technology to improve the efficiency of pollution treatment. 6) Continue to develop products that are friendly to the environment and reduce the impact of product applications on the environment. 7) Implement education and training to enhance the environmental protection awareness and ability of all employees. 2. The Company takes GHG emission issues very seriously, and monitors the GHG emissions of all plants as a proactive approach to manage carbon. Furthermore, we continue to improve the performance GHG emissions in all plants and subsidiaries in accordance with the ISO14064-1 standard. 3. We have introduced the TCFD framework to construct the Company's climate risk identification process. In addition, we also organize education and training to strengthen our personnel’s understanding of and abilities on climate change impact. After interdepartmental discussions on climate risks and opportunities in 2023, a total of 5 risks and 2 opportunities were identified. 4. We continue to promote the “Everlight Chemical Green Partner Certification System” and conduct green supply chain management while facilitating green procurement. As well as this, our suppliers are required to place emphasis on corporate governance responsibility. 5. Plan and implement the annual internal audit plan and conduct an audit on the Company's compliance with all relevant environmental regulations. In doing so, operational process compliance is ensured. 6. Continue to monitor and disclose regulatory compliance situations and provide a description in accordance with GRI standards.

Major Issues	Risk Assessment Projects	Risk Management Strategy
Society (S)	Occupational safety and health management	1. The Company places a high significance on occupational safety and health, and has imposed a safety and health policy of “respect for life, pursue zero disasters”, while implementing the requirements of the occupational safety and health management system, setting various management indicators and target values, and continuing to eradicate hazards and reducing EHS risks to protect employees’ and workers’ physical and mental health while promoting industrial safety. 2. The company's operating headquarters and all production plants including subsidiaries have passed the ISO 45001 occupational safety and health management system certification, and through annual internal regular audits and third-party audits, the continuous effectiveness of the system is ensured. 3. Each year, fire training/drills and occupational safety education and training are organized to develop employee’s emergency response abilities and self-safety management.
	Product management	1. The company has established and implemented the "Hazardous Substances Management" and "Product Assurance and Product Registration Review" processes to ensure that the products comply with registration regulations of various countries and comply with GHS labeling requirements. The Company also promises to implement “Zero Discharge of Hazardous Substances” to ensure safe product transportation and use. 2. The Company’s quality policy is “caring for customers to jointly create value”, and we continue to implement the requirements of the “Quality Management System (ISO 9001 and IATF 16949)” to continuously improve product quality and customer satisfaction.
Corporate Governance (G)	Social Economy and Legal Compliance	1. The Company’s core culture is “upright operation, loving management.” Through the establishment of a corporate governance organization, implementation of internal control mechanisms, and annual “ethical management” and “whistleblowing system” training, the awareness of personnel is strengthened, to ensure that employees and various operations actually comply with relevant laws and regulations. The Company also rents “Regulations Cloud” software to effectively grasp the latest requirements due to changes in laws and regulations. 2. The Company has passed the Business Continuity Management System Certification of ISO 22301, and through annual internal regular audits and third-party audits, the continuous effectiveness of the system is ensured. 3. The company attaches great importance to information security, formulated the "Information Security Management Policy", and passed the ISO 27001 Information Security Management System Certification in 2021; and through annual internal regular audits and third-party audits, the continuous effectiveness of the system is ensured. 4. The company passed the Taiwan Intellectual Property Management System (TIPS) A-level verification in 2018, and re-verified every two years to ensure the effectiveness of the TIPS system. In addition to implementing various intellectual property management regulations, complying with government regulations, and respecting the intellectual property rights of others, at the same time, ensure that key technologies such as patents, trademarks, copyrights, and trade secrets are properly protected.
	Strengthen Board functions	1. In 2021, the Company appointed a corporate governance manager to provide directors with information needed in order to carry out their duties and the necessary assistance to enhance the efficiency of the Company's Board of Directors. 2. To plan for related continuous education issues for directors and provide them with the latest regulations, system development and policies each year. 3. To conduct a self-evaluation on the performance of the Board as a whole, each Board member and functional committee. Additionally, a third-party evaluation is performed by an outside agency every 3 years and the results of all evaluations are disclosed on the company website.
	Stakeholder communication	1. As the Company values stakeholder interaction and communication, a sustainability issues questionnaire is conducted every 2 years to collect and analyze important stakeholder concerns. The Company publishes an annual Sustainability Report and discloses material topics. Information is also updated on the official website and other social media. 2. According to the types of stakeholders, we have established various communication outlets and frequencies, such as website, telephone, email, meeting visits, and activity participation to engage in proactive communication.

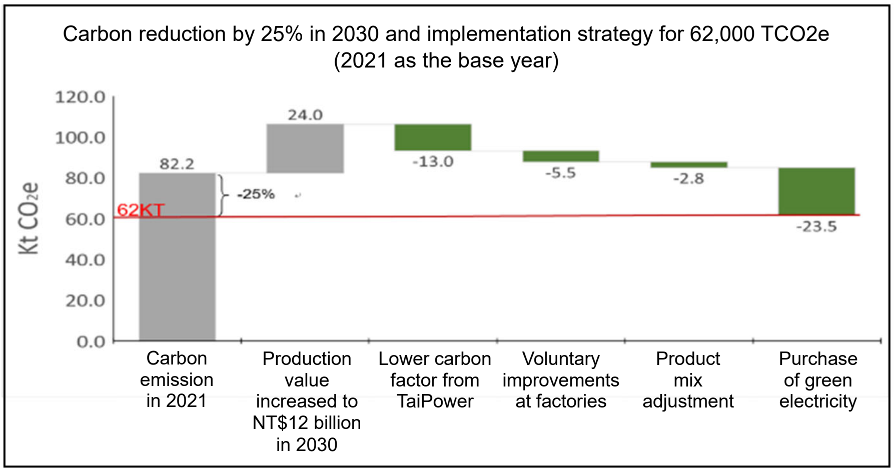
(Table 2) Everlight Chemical’s Climate Related Information r

1. Implementation of climate-related information

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td>1. Please describe the Board of Directors and management's oversight and governance of climate-related risks and opportunities.</td><td>1.1 Everlight Chemical’s Board of Directors is the highest-level organization that oversees the Company's climate-related risks and opportunities.
1.2 Risk Management Committee and Sustainable Development Committee under the Board of Directors are responsible for the management of climate change related risks and opportunities.
1.3 The Company formed Climate Change Taskforce in 2021 as part of the ESG Committee’s Environmental Team, responsible for the identification of risks and opportunities and recommendations for management.
1.4 The respective management levels are responsible for managing the physical risks.
<table>
<tr><th>Management organization</th><th>Function</th></tr>
<tr><td>Board of Directors
Governance level of climate-related risks and opportunities</td><td>1. Assessment of risk management policies and structures
2. Supervision of effective functioning of the risk management mechanism</td></tr>
<tr><td>Risk Management Committee
Management level of climate-related risks and opportunities</td><td>1. Review of management reports on significant risk issues
2. Timely reporting to the Board of Directors about the functioning of risk management</td></tr>
<tr><td>ESG Committee - Climate Change Taskforce within Environmental Team
Identification and assessment of risks and opportunities and recommendations</td><td>Responsible for identification, assessment and handling of climate change related risks and opportunities and reporting back with recommendations via administrative channels</td></tr>
<tr><td>Unit in charge
Operation level of climate-related risks and opportunities</td><td>Identification and assessment of day-to-day climate changes; management, reporting and adoption of necessary responding policies</td></tr>
</table></td></tr>
<tr><td>2. Please describe how the identified climate risks and opportunities affect the Company’s business, strategy and financials (in the short, medium and long term).</td><td>Identification results of short-term, medium-term and long-term climate risks and opportunities
<table>
<tr><th>Period</th><th>Risk identification results</th><th>Opportunity identification results</th></tr>
<tr><td>Short-term
0-4 years</td><td>Physical risks:
primarily due to increasing severity of extreme weather events (intense rainfall, drought and drastic temperature changes).
Transition risks:
due to carbon policy changes; control of existing products and services; market risks. Primarily due to high materials costs and dispatch costs.</td><td>Development of long-term development of business continuity management, with agility and flexibility.
Establishment of R&D for green and advanced chemicals and manufacturing capabilities for the circular economy</td></tr>
<tr><td>Medium-term
5-10 years</td><td>Physical risks:
greater severity of extreme climate events and shortage of water resources
Transition risks:
Carbon management costs refer to the increase in capital expenditures or operating costs as a result of high volumes of carbon emission reductions. Carbon taxes/carbon tariffs, high pricing for greenhouse gas emissions, and use of renewable energy all contribute to increased costs. There are reputation risks related to changes in customer behavior and consumer preferences and the need to launch low-carbon products to meet market demand. There are also technological risks associated with failure to substitute existing products and services with alternatives of lower emissions.</td><td>Everlight Chemical emphasizes continued improvement, formulation of comprehensive climate adaptation strategy and integration into the overall operational strategy.
Ability to develop low-carbon products and sustainable products that assist customers in carbon reduction.
Ability to ensure product quality and strengths in technical services.</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td></td><td>
<table>
<tr><th>Period</th><th>Risk identification results</th><th>Opportunity identification results</th></tr>
<tr><td>Long-term
>10 years</td><td>Physical risks: Higher average temperatures cause changes in lifestyle and consumption patterns. Rising sea levels may affect factory operations.</td><td>Proactive development of R&D talent and momentum, to benefit the development and construction of the value chain for low-carbon products/services that meet customer needs.</td></tr>
</table>
</td></tr>
<tr><td>3. Please describe the impact of extreme climate events and transition actions on the financials.</td><td>Extreme weather events (heavy rainfall, droughts, extreme temperature changes, etc.) will lead to flooding at factory sites, water shortages, and disruptions to manufacturing processes and hence will have adverse effects on financials. Enhancement in the resilience and adaptivity of the factory infrastructure to withstand these events will increase operating costs.
The development of low-carbon and sustainable products to address various transition risks; the introduction of energy management systems, the implementation of carbon inventory and carbon risk management systems; and the use of renewable energy are all transition actions that may increase operating costs.</td></tr>
<tr><td>4. Please describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management system.</td><td>Everlight Chemical’s climate risk management systems have integrated management mechanisms for different functional units and levels. We consider management policies, assessment practices, confirmation of preparedness measures, etc., in order to reduce operational impacts.
In 2021, cross-departmental Climate Change Taskforce was established under the Environmental Team of the Sustainable Development Committee, responsible for identifying and assessing climate change-related risks (transition risks and physical risks) and opportunities.
Each responsible unit handles the physical risks related to operations and confirms effective control measures. The risk status and risk treatment results are reported to Risk Management Committee or respective management systems for review. This serves as a reference for adjusting risk control mechanisms and operational strategies.
Assessment process: Risk identification→Risk ranking→Risk impact assessment→Risk adaptation and preparedness measures are planned to be integrated into the existing risk management systems.

</td></tr>
<tr><td>5. If a scenario analysis is conducted to assess resilience in face of climate change risks, the scenario used, it is necessary to explain the scenarios, parameters, assumptions, analysis factors, and major financial impacts.</td><td>Assessment of the Group’s strategy to reduce carbon by 25% by 2030:
Scenario: Business as Usual (BAU), national medium and long-term target pathways, 1.5°C pathway.
Parameters: green electricity prices, carbon pricing, emission factor of electricity, and production value.
Scenario analysis assumptions: Production value will grow along with economic development; green electricity prices will not fluctuate greatly; gray electricity prices will increase 5% annually; and the voluntary factory improvements will be completed.
Analysis factors: including carbon reduction costs, carbon reduction benefits and financial risks.</td></tr>
</table>

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td></td><td>Major financial impacts: According to the analysis on the main financial effects, the adoption of the above strategy to reduce carbon by 25% by 2030 will increase operating costs by about 1%. Meanwhile, financial risks will be heightened due to carbon pricing fluctuations.</td></tr>
<tr><td>6. If a transition plan is in place to manage climate related risks, please provide the content, the metrics and targets to identify and manage physical risks and transition risks.</td><td>Transition plan:
Energy-intensive equipment phase-out plan: Energy-intensive equipment phase-out is scheduled for 2021 to 2030, aiming to reduce electricity consumption by 12 million kWh/year and save NT$360 million in aggregate.
Metrics and targets in relation to management of physical risks and transition risks:
<table>
<tr><th>Risk Type</th><th>Risk Source</th><th>Risk Topic</th><th>Corresponding Opportunities and Response Strategies</th><th>Performance Metric</th><th>2023 Outcomes</th><th>2024 Targets</th></tr>
<tr><td rowspan="7">Transformation Risk</td><td rowspan="3">Changes in carbon policy and regulatory changes</td><td>Carbon tax/carbon fee policy</td><td rowspan="7">1. Introduction of energy management system.
2. Introduction of total carbon inventory for carbon risk management,
3. Development of sustainable products.
4. Replacement of old, worn and energy-intensive equipment.
(1) Use low-carbon energy.
(2) Improve energy utilization efficiency.
(3) Reduce GHG emission intensity.
5. Increase waste recycling rate
6. Improve water recovery rate.</td><td>Progress on “external verification of ISO 50001 Energy Management System” in 2023Q3.</td><td>100%</td><td>Expansion in scope of assurance</td></tr>
<tr><td rowspan="2">Regulation of existing products and services</td><td>Progress on “organizational inventory and external verification” of parent company in 2023Q3.</td><td>100%</td><td>External verification for the Group</td></tr>
<tr><td>Progress on “external verification of carbon footprint for designated products” in 2023Q4</td><td>100%</td><td>Inspection of specific products</td></tr>
<tr><td>Reputation risk</td><td>Shift in consumer preferences</td><td>Proportion of turnover from sustainable products</td><td>≧ 70%</td><td>≧ 73%</td></tr>
<tr><td>Technology</td><td>Failure to replace existing products and services with lower-emission versions</td><td>GHG emission intensity (CO2e/per NT$million in revenue)</td><td>8.6</td><td>≦ 8.3</td></tr>
<tr><td rowspan="2">Market</td><td>Shift in customer behavior</td><td>Water recovery rate R2</td><td>95%</td><td>≧ 94%</td></tr>
<tr><td>Increase in raw material costs</td><td>Waste recycling rate</td><td>71%</td><td>≧ 71%</td></tr>
<tr><td>Substantive risk</td><td>Immediate</td><td>Increase in severity of extreme weather events (e.g., intense rainfall, drought, typhoons and floods)</td><td>Strengthen the storm water drainage capacity of factories and improvement of organizational resilience|</td><td>Survey on inundation potential as a substantive risk to factory sites</td><td>–</td><td>Assessment completed</td></tr>
</table></td></tr>
<tr><td>7. If internal carbon pricing is used as a planning tool, it is necessary to explain the basis of pricing.</td><td>None. Internal carbon pricing is not in use.</td></tr>
<tr><td>8. If climate-related targets have been set, it is necessary to provide information on the activities covered, scopes of greenhouse gas emissions,</td><td>Carbon reduction targets: a further reduction of 25% by 2030 from the base year of 2021 and the corresponding GHG emission intensity.
Activities covered: phase-out of energy-intensive equipment; installation of solar systems; improvement of manufacturing processes for carbon reduction; procurement of green electricity and certificates, etc.</td></tr>
</table>

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td>planned timeline and annual progress achieved. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve relevant targets, the source and amount of carbon reductions offset or the number of RECs should be stated.</td><td>Scope for GHG improvement: Scope 1 and Scope 2
Timeline: 2021 to 2030
Progress: carbon reduction target and strategy for 2030


Based on the green electricity procurement plan, it is necessary to obtain certificates corresponding to carbon reduction by 23,500 TCO2e if the production value reaches NT$12 billion.
Unit: tCO_2e/NT$m
<table>
<tr><td>Year</td><td colspan="3">2021</td><td colspan="3">2022</td><td colspan="3">2023</td><td>2024</td><td>2030</td></tr>
<tr><td>Item</td><td>Scope 1</td><td>Scope 2</td><td>Total</td><td>Scope 1</td><td>Scope 2</td><td>Total</td><td>Scope 1</td><td>Scope 2</td><td>Total</td><td colspan="2">Total</td></tr>
<tr><td>Company</td><td>2.4</td><td>6.2</td><td>8.6</td><td>2.6</td><td>5.5</td><td>8.1</td><td>2.8</td><td>5.4</td><td>8.3</td><td>8.1</td><td>6.4</td></tr>
<tr><td>Group</td><td>2.0</td><td>6.8</td><td>8.8</td><td>2.1</td><td>6.5</td><td>8.6</td><td>2.3</td><td>6.2</td><td>8.6</td><td>8.3</td><td>6.6</td></tr>
</table></td></tr>
<tr><td>9. Greenhouse gas inventory and verification status, as well as reduction targets, strategies, and concrete action plans</td><td>(Please also fill in 1-1 and 1-2)</td></tr>
</table>

1-1 Greenhouse gas inventory and verification during the past two years

1-1-1 Information on Greenhouse Gas Inventory

Please describe the greenhouse gas emissions (tCO2e), intensity (tCO2e/nT$million) and the scope of data for the most recent two years.

GHG emission data during the past two years

Unit: eCO2e

Year	Item	Everlight Factory 1	Everlight Factory 2	Everlight Factory 3	Everlight Factory 4	Trend Tone Imaging, Inc.	Everlight (Suzhou) Advanced Chemicals Ltd.	Company	Group
2022	Scope 1	3,525.74	9,462.30	5,370.70	130.17	119.25	132.52	18,488.90	18,740.67
	Scope 2	12,785.23	12,193.38	13,633.24	584.96	10,105.84	7,243.15	39,196.81	56,545.79
	Total	16,310.96	21,655.68	19,003.93	715.13	10,225.09	7,375.67	57,685.71	75,286.47
	Production value (NT$m)							7,103	8,744
2023	Scope 1	2,980.30	8,614.21	4,936.36	128.15	106.39	143.13	16,659.01	16,908.53
	Scope 2	11,157.97	11,040.47	9,502.31	556.42	8,216.95	4,934.89	32,257.18	45,409.02
	Total	14,138.28	19,654.68	14,438.67	684.57	8,323.34	5,078.01	48,916.20	62,317.55
	Production value (NT$m)							5,985	7,344

GHG emission intensity during the past two years

Unit: tCO_2e/NT$m

Year	Item	Company	Group
2022	Scope 1	2.6	2.1
	Scope 2	5.5	6.5
	Total	8.1	8.6
2023	Scope 1	2.8	2.3
	Scope 2	5.4	6.2
	Total	8.3	8.6

Note 1: Direct emissions (Scope 1, i.e. direct emissions from sources owned or controlled by the company); energy indirect emissions (Scope 2, i.e. indirect greenhouse gas emissions from the generation of purchased electricity, heat or steam), and other indirect emissions (Scope 3, i.e. emissions resulting from the company's activities but not from sources owned or controlled by the company, excluding energy indirect emissions).

Note 2: The scope of data for direct emissions and energy indirect emissions should follow the timeline specified in Paragraph 2, Article 10 of these regulations. Information on other indirect emissions may be disclosed voluntarily.

Note 3: Greenhouse gas accounting standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 published by the International Organization for Standardization, ISO)

Note 4: Greenhouse gas emission intensity may be measured by product/service unit or by revenue. However, it is necessary to provide the calculation of revenues (in NT$ million).

1-1-2 Information on Greenhouse Gas Verification

Please describe the verification status for the most recent two years to the print date of this annual report by including verification scopes, verification organizations, verification standards and verification opinions.

Verification year	Verification scope	Verification organization	Verification standard	Verification opinion
2022	The parent company, including Everlight Factory 1, Everlight Factory 2 (including Electronic Chemicals and API/Pharmaceuticals), Everlight Factory 3 and Everlight Factory 4, the headquarters in Taipei, and offices in Taichung and Tainan.	DNV GL Business Assurance Co., Ltd.	Based on ISO 14066:2011, ISO 14065:2020 and ISO 14064-3:2019 standards	Reasonable assurance for Scope 1 and Scope 2
2023	The comprehensive verification information will be disclosed in the sustainability report.			

Note 1: It is necessary to follow the timetable prescribed in Paragraph 2 of Article 10 of these standards. If the company is unable to obtain a comprehensive assurance opinion on greenhouse gas inventory before the print date of the annual report, please note “The comprehensive verification information will be disclosed in the sustainability report”. If the company does not produce a sustainability report, please note “The comprehensive verification information will be disclosed via Market Observation Post System. The comprehensive verification information should also be disclosed in the annual report for the following year.

Note 2: The verification organization should meet the relevant requirements set forth by Taiwan Stock Exchange Corporation and Taipei Exchange regarding the verification organizations for sustainability reports.

1-2 GHG reduction targets, strategies, and concrete action plans

Please describe the base year and the statistics of GHG reduction, reduction targets, strategies, concrete action plans and achievement of reduction targets.

Base year and statistics for GHG emission reduction: In 2021, the Group’s carbon emissions from its factories were 82,500 tCO_2 for Scope 1 and Scope 2 in total.

Reduction targets: Targets: 25% carbon reduction by 2030 from the base year of 2021, i.e., a reduction of CO_2 by approximately 20,000 tCO_2

Concrete action plans: Including the phase-out of energy-intensive equipment; installation of solar systems; improvement of manufacturing processes for carbon reduction; procurement of green electricity and certificates, etc.

Achievement of carbon reduction targets:

Energy-intensive equipment phase-out plan: Approximately 31.2% of the target has been achieved from 2021 to 2023. The electricity consumption was reduced by 1,231,000 kWh in 2023 and carbon reduction was about 609 tCO_2e. The investment was c. NT$30 million.

Installation of solar systems: On March 1, 2023, Factory 2 obtained the timetable for solar generation and self-consumption. The installation cost was NT$21.4 million. By the end of 2023, a total of 366,000 kWh of solar electricity was generated and consumed internally. Going forward, the generation is expected to increase to about 450,000 kWh each year and result in a reduction of carbon emission by approximately 229 tCO_2e. Deployment, planning and assessment are ongoing at other factory sites.

Improvement of manufacturing processes to reduce carbon emissions: Ongoing as planned

Procurement of green electricity and certificates: Ongoing as planned

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

Evaluation Item	Implementation Status			Departure of such implementation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reason for any such departure
	Yes	No	Summary	
I. Formulation of ethical corporate management policies and projects (I) Has the Company enacted ethical management policies as per the motion passed by the Board, and stated in its Memorandum or external correspondences about the said policies, practices and the commitment of the Board and higher management in actively implementing the policies?	V		(I) The Company has issued the "Ethical Corporate Management Principles" and "Procedures for Ethical Management and Guidelines for Conduct," and detailed the policy of the Company's ethical corporate management in the annual report and CSR report. With the business philosophy of integrity, transparency and responsibility, the Company developed a policy based on honesty and establish a good corporate governance and risk control mechanism to create an operating environment of sustainable development; the Board of Directors and the management level actively implement the commitment of ethical corporate management policies, and require all employees of the Group to abide by. In accordance with the Ethical Corporate Management Best Practice Principles, all 11 directors of the Company have signed the “Declaration of Compliance with the Ethical Corporate Management Policy” and “Director Confidentiality Agreement”. All23 company officers have signed the “Declaration of Compliance with the Ethical Corporate Management Policy” and “Company Officer Confidentiality Agreement”.	No discrepancy.
(II) Has the Company established evaluation mechanism for unethical conduct, analyzed and assessed operating activities that may contain a higher risk of unethical conduct on a regular basis, and provided solutions for prevention of unethical conduct, which at least comprise preventive measures for conducts as listed in Article 7 Section 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”?	V		(II) The Company has established a risk evaluation mechanism for unethical conduct, analyzed and assessed operating activities that may contain a higher risk of unethical conduct on a regular basis, and provided solutions for prevention of unethical conduct.	No discrepancy.
(III) Has the Company specified relevant operating procedures, behavioral guidelines, disciplinary actions for violations and appeal system in the solutions for the prevention of unethical conduct established, implemented accordingly, and review the aforementioned solution on a regular basis?	V		(III) The Company has specified relevant operating procedures, behavioral guidelines and Reporting System for Violation of Ethical Corporate Management Regulations in the solutions for the prevention of unethical conduct established, and implemented accordingly as stipulated. Those who are found to have violated the regulations are punished according to the Company’s rules. The aforementioned solution is reviewed on a regular basis.	No discrepancy.
II. Implementation of ethical corporate management (I) Does the company evaluate the integrity of all counterparts it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?	V		(I) The Company has assessed the integrity record of the counter party. The terms of ethical behavior are specified in the signed contract. If any act of dishonesty is involved, the Company may terminate or dissolve the terms of the contract at any time.	No discrepancy.

Evaluation Item	Implementation Status			Departure of such implementation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reason for any such departure
	Yes	No	Summary	
(II) Does the company set up a unit dedicated to or tasked with promoting the company's ethical standards that reports directly to the Board of Directors with periodical updates (at least once a year) on ethical corporate management policies, solutions for the prevention of unethical conduct and the status of supervision and execution thereof?	V		(II) The Human Resources Department is responsible for the promotion of the integrity management system and the prohibition of dishonest practices, and reports to the Board of Directors on a regular basis (at least once a year) and makes recommendations for improvement to ensure the implementation of integrity management.	No discrepancy.
(III) Does the company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	V		(III) The Company has formulated a policy to prevent conflicts of interest to identify, supervise and manage the risks of conflicts of interest that may lead to dishonest behavior. It has also provided appropriate channels for directors and managers and other stakeholders attending the Board of Directors to actively explain whether they have potential conflicts of interest with the Company.	No discrepancy.
(IV) Has the company implemented the ethical management by establishing an effective accounting system and internal control system, and had the internal audit unit devised relevant audit plans according to the evaluation result on risk of unethical conduct, as well as executing the said plan to inspect the compliance of solutions for the prevention of unethical conduct, or appointed an external auditor to conduct audits?	V		(IV) In response to the risk of higher dishonest behavior, the Company has established an effective accounting and internal control system. The internal audit department shall prepare an annual audit plan based on the risk assessment results, and report to the Board of Directors and the management level about the audit results and subsequent improvement plans, in order to implement audit effectiveness.	No discrepancy.
(V) Does the company provide internal and external ethical conduct training programs on a regular basis?	V		(V) The company regularly organizes internal integrity management education training and publicity every year, and arranges relevant personnel to receive external training as needed. On August 10, 2023, the Principles of Ethical Corporate Governance Best Practice and the complaint system were disseminated to all directors. In 2023, 20 monthly publicity sessions will be held in the form of lectures and short videos, and 1,707 employees will be trained. The cumulative training hours are 142.2 hours, and the course completion rate is 99.5%.	No discrepancy.
III. The operating status of the company's reporting system (I) Does the company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?	V		(I) The Company has issued a "Reporting System for Violation of Ethical Corporate Management Regulations," which specifies the details of the reporting hotline：+886-2-2326-3502 and mailbox：informant@ecic.com.tw, and clearly designates dedicated personnel as the responsible person of Ethical Management Team. Also set up the Audit Committee mailbox：AuditCommittee@ecic.com.tw.	After discussion, the Company temporarily excludes reward measures.
(II) Does the company establish standard operating procedures for investigating complaints received, take follow-up measures after investigation, and implement confidentiality protocol?	V		(II) The system of the preceding paragraph clearly defines the procedures for handling reports and the confidentiality measures for relevant personnel.	No discrepancy.

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

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

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

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

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

(IX) Execution status of internal control system

1. Statement of internal control:

Everlight Chemical Industrial Corporation
Statement of Internal Control System

Date: March 14, 2024

Based on the findings of the self-auditing, the Company states the following with regard to its internal control system during the year 2023:

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

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

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

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

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

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

VII. This statement was passed by the Company's board in their meeting held on March 14, 2024, with none of the 11 attending directors expressing dissenting opinions, and all of them affirming the content of this Statement.

Everlight Chemical Industrial Corporation

Chairman: Chen, Chien-Hsin

General manager: Chen, Wei-Wang

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

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

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

1. Resolutions of the Board of Directors:

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

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

(2) Resolutions by the Board of Directors on May 11, 2023:

Approved the (1) Motion for the consolidated financial report for 2023 Q1, (2) Risk Management Procedure Amendment, (3) motion for pension payment for assistant manager Wu, Yao-Ming, (4) motion for pension payment for assistant manager Liao, Nan-Ming, (5) motion for reappointment of chairman of Ethical (Shanghai) Ltd. and Everlight (Shanghai) Ltd., (6) motion for appointment of the directors of the Company's investment

(3) Resolutions by the Board of Directors on August 10, 2023:

Approved the (1) Motion for the consolidated financial report for 2023 Q2, (2) Revision of Internal Audit Implementation Rules, (3) motion for appointment of general managers of the investment business Anda Semiconductor Technology (Suzhou), (4) motion for pension payment for assistant manager Wu, Tian-Wang, (5) motion for salary and remuneration adjustment for general manager of the Securities and Exchange Act.

(4) Resolutions by the Board of Directors on November 9, 2023:

Approved the (1) Motion for the consolidated financial report for 2023 Q3, (2) motion for amendment to internal control system, (4) motion for capital increase of the subsidiary in Singapore, (4) Everlight Group's 2030 Carbon Reduction Target Plan, (5) motion for appointment of general manager of Ethical (Guangzhou) Ltd., (6) motion for sponsoring Taiwan Dyestuff and Pigment Industry Association.

(5) Resolutions by the Board of Directors on December 14, 2023:

Approved the (1) Motion for 2024 the operational plan and operating budget, (2) motion for 2024 internal audit plan, (3) motion for the group's total quota of bank loans for 2024, (4) motion for appointment and remuneration of the CPAs auditing 2023 financial statements, (5) motion for formulation of Procedures for Non-Assurance Services provided by the CPA firm. (6) motion for amendment to the Articles of Incorporation, (7)motion for amendment to the Rules of Procedure for Shareholders' Meeting, (8) motion for convening of general meeting of shareholders on May 30, 2024, (9) period and place to receive proposals of the shareholders for the 2024 general meeting of shareholders, (10) Subsidiary Everlight (Suzhou) Advanced Chemicals Ltd. signed an industrial land renewal supervision agreement with Suzhou Industrial Park, (11) motion for year-end bonus for company officers pursuant to the Securities and Exchange Act.

(6) Resolutions by the Board of Directors on March 14, 2024:

Approved the (1) Motion for reporting matters at the2023 general meeting of shareholders, (2) motion for 2023 remuneration distribution of employees and directors, (3) motion for 2023 distribution of remuneration to directors (4) motion for 2023 employee remuneration of company officers pursuant to the Securities and Exchange Act, (5) motion for 2023 financial statements (6) motion for 2023 earnings distribution, (7) June 28, 2024 was set as the ex-dividend date for cash dividends to shareholders, to be distributed on July 18, 2024, (8) motion for review of self-evaluation result for the 2023 internal control, (9) motion for Director re-election proposal, (10) motion for lifting the prohibition of competition for directors of the Company, (11) Amendment to the Rules of Procedure for Board of Directors, (12) amendment to the Organizational Instructions of the Audit Committee, (13) amendment to the Measures for the Promotion of Directors' Training, (14) securities and Exchange Act manager promotion case, (15) motion for reappointment of director of a subsidiary, (16) motion for appointment of directors of the investment business PTTC, (17) motion for appointment of directors of the investment business CHCIW.

2. Resolutions of the 2023 general meeting of shareholders and implementation:

(1) Approved the 2022 financial statements.

(2) Approved the motion for amendment to the Articles of Incorporation; the change of registration was approved by the Ministry of Economy on May 25, 2023.

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

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

IV. Information of CPA's Professional Fees

Unit: TWD thousand

<table>
<tr><th>Name of the accounting firm</th><th>Name of the CPA</th><th>Audit period of CPA</th><th>Audit fee</th><th>Non-audit fee</th><th>Total</th><th>Notes</th></tr>
<tr><td rowspan="2">KPMG</td><td>Huang, Ming-Hong
Tang, Chia-Chien</td><td rowspan="2">Jan. 1, 2023~Dec. 31, 2023</td><td>3,550</td><td></td><td rowspan="3">4,760</td><td></td></tr>
<tr><td>Chen, Tsai-Feng
Lin, Chia-Yen
Tang, Chia-Chien</td><td></td><td>910</td><td></td></tr>
<tr><td>KPMG Business Management Co., Ltd.</td><td>Chen, Jun-Guang</td><td>Jan. 1, 2023~Dec. 31, 2023</td><td></td><td>300</td><td></td></tr>
</table>

Note: Non-audit services: NT$350,000 for tax visa; NT$530,000 for transfer pricing service; NT$300,000 for IT system maintenance and technical support; and NT$30,000 for human resources.

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

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

V. Information of changing accountants: None.

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

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

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

Unit: shares

Title (Note 1)	Name	2023		The current year as of Mar. 30, 2024		Notes
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged	
Chairman	Chen, Chien-Hsin	0	0	0	0	
Director	Yung-De Investment Co., Ltd.	6,000,000	0	1,000,000	0	major shareholder
	RepresentativeChen, Ding-Chuan	(5,000,000)	0	0	0	
Director and General Manager	Chen, Wei-Wang	0	0	0	0	
Director	Chen, Ding-Chi	(150,000)	0	0	0	
Director	Chen, Chien-Ming	(515,000)	0	0	0	
Director	Lee, Yung-Long	0	0	0	0	
Director	Ken, Wen-Yuen	0	0	0	0	
Director	Chao, Rong-Shiang	0	0	0	0	
Independent director	Wu, Chung-Fern	0	0	0	0	
Independent director	Yang, Way-Wen	0	0	0	0	
Independent director	Chang, Yuan-Jan	0	0	0	0	
Special Asst. to Chairman	Du, Yi-Zhong	0	0	0	0	
Special Asst. to Chairman	Liao, Ming-Zhi	0	0	0	0	
Deputy General Manager	Tsai, Kuang-Feng	0	0	0	0	
Deputy General Manager	Lin, Zhao-Wen	0	0	0	0	
Deputy General Manager	Chen, Qing-Ta	0	0	0	0	
Deputy General Manager	Chen, Ke-Lun	0	0	0	0	
Factory Director of the 2rd Plant	Yeh, Shun-Xing	0	0	0	0	
Deputy General Manager	Lee, Fu-Xing	0	0	0	0	
Deputy General Manager	Liang, Jen-Yang	0	0	0	0	
Associate Manager	Wu, Tian-Wang	0	0	0	0	Retired on 2023/6/30
Associate Manager	Wu, Yao-Ming	0	0	0	0	Retired on 2023/8/31
Associate Manager	Jason Ju	0	0	0	0	
Associate Manager	Chen, Xin-Zhi	0	0	0	0	
Associate Manager	Liao, Nan-Ming	0	0	0	0	Retired on 2023/6/30
Associate Manager	Chen, Yi-Tang	0	0	0	0	
Associate Manager	Huang, Tsung-Wen	0	0	0	0	
Associate Manager	Chen, Wen- Zheng	0	0	0	0	
Associate Manager	Xie, Qing-Xiong	0	0	0	0	
Associate Manager	Hsiao, Chong-Kun	0	0	0	0	

Title (Note 1)	Name	2023		The current year as of Mar. 30, 2024		Notes
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged	
Head of Technical Marketing Division	Lai, Bao-Kun	0	0	0	0	Retired on 2023/5/01
The 1rd Plant Factory Director	Chen, Kun-Mu	0	0	0	0	
The Plant III Factory Director	Kang, Yuan-Sheng	0	0	0	0	
Head of Specialty Chemicals Technics Division	Huang, Yao-Xing	0	0	0	0	
Head of Electronic chemicals	Sun, Che-Jen	0	0	0	0	
Head of Electronic chemicals Q&C Division	Liu, Wen-Zhi	0	0	0	0	
Head of Resource Management Division	Sung, Bai-Li	0	0	0	0	
Head of Product Responsibility Division	Huang, Hui-Ching	0	0	0	0	
Audit Office General Auditor	Zhang, Jin-Rong	0	0	0	0	
Head of Financial Division and Supervisor of Financial and Accounting Department	Weng, Kuo-Pin	0	0	0	0	
Corporate governance officer	Lee, Ming-Wen	0	0	0	0	

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

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

(II) Information of stock transfer

Name	Reasons for transfer	Transfer date	Counter parties	Relationship with the Company's directors, supervisors and shareholders with shareholdings of 10% and more	Share number (shares)	Transfer price
Chen, Ding-Chi	Gift	2023/9/13	Chen, Chien-Ming	Father and son	105,000	19.01
			Chen, Yi-jun	Father and Daughter	45,000	
Chen, Chien-Ming	Gift	2023/11/30	Chen, Fang-Hua	husband and wife	500,000	-
		2023/12/20	Chen, Qian-Rou	Father and Daughter	120,000	19.7

(III) Information of equity pledge: Not applicable.

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

Ex-dividend date: June 17, 2023

Rank	Name (Note 1)	Shareholding held by the person		Shareholdings of spouse and minor children		Total shares held with other person's name		Disclosure of information on related parties, spousal relationship or relations within second degree of kinship, among the top ten shareholders, including their names and relationships (Note 3)		Notes
		Share number	Shareholding ratio	Share number	Shareholding ratio	Share number	Shareholding ratio	Name	Relationship	
1	Chen, Ding-Chuan	58,000,000	10.58%	7,000,000	1.27%	0	0	Chen, Ding-Chi Wu, Lee-Ji Chen, Chien-Hsin Chen, Wei-Wang Chen, Ru-Aei	Brothers Spouse Father and son Father and son Father and daughter	
2	Yung-De Investment Co., Ltd.	49,000,000	8.94%	0	0	0	0	None	None	Representative, Chen, Ru-Aei
3	Chen, Ding-Chi	13,545,254	2.47%	1,331,659	0.24%	0	0	Chen, Ding-Chuan Chen, Chien-Ming	Brothers Father and son	
4	Wu, Lee-Ji	7,000,000	1.27%	58,000,000	10.58%	0	0	Chen, Ding-Chuan Chen, Chien-Hsin Chen, Wei-Wang Chen, Ru-Aei	Spouse Mother and son Mother and son Mother and daughter	
5	Chen, Chien-Hsin	6,745,000	1.23%	500,000	0.09%	0	0	Chen, Ding-Chuan Wu, Lee-Ji Chen, Wei-Wang Chen, Ru-Aei	Father and son Mother and son Brothers Brother and sister	
6	Chen, Wei-Wang	6,300,000	1.15%	154,350	0.02%	0	0	Chen, Ding-Chuan Wu, Lee-Ji Chen, Chien-Hsin Chen, Ru-Aei	Father and son Mother and son Brothers Brother and sister	
7	Chen, Ru-Aei	5,966,000	1.08%	300,924	0.05%	0	0	Chen, Ding-Chuan Wu, Lee-Ji Chen, Chien-Hsin Chen, Wei-Wang	Father and daughter Mother and daughter Brother and sister Brother and sister	
8	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	5,104,329	0.93%	0	0	0	0	None	None	
9	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	4,236,200	0.77%	0	0	0	0	None	None	
10	Chen, Chien-Ming	4,023,192	0.73%	0	0	0	0	Chen, Ding-Chi	Father and son	

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

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

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

IX. Comprehensive Shareholding Ratio

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

Dec. 31, 2023 Unit: shares; %

Re-invested business (Note)	The Company's investment		Investment by directors, managers and directly- or indirectly-controlled businesses		Comprehensive investment	
	Share number	Shareholding ratio	Share number	Shareholding ratio	Share number	Shareholding ratio
Elite, Turkey	21,900	50%	0	0%	21,900	50%
Everlight U.S.A.	300,000	100%	0	0%	300,000	100%
Everlight (Hongkong) Ltd.	1,000,000	100%	0	0%	1,000,000	100%
Everlight Europe B.V. (Netherlands)	500	100%	0	0%	500	100%
Everlight (Singapore) Ltd.	24,800,000	100%	0	0%	24,800,000	100%
Trend Tone Imaging, Inc.	44,906,400	76%	5,148,964	9%	50,055,364	85%
Greatlight Investment Corp.	10,000,000	100%	0	0%	10,000,000	100%
Good TV Broadcasting Corp	1,900,000	22%	0	0%	1,900,000	22%
TAK Technology Co., Ltd.	4,856,000	17%	1,591,380	5%	6,447,380	22%

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

Capital Overview

I. Capital and Shares

(I) Source of capital

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

Unit: shares; TWD thousand

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

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

Unit: shares

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

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

(II) Composition of shareholders:

Stop transfer day: Jun. 17, 2023

Shareholder structure / Amount	Government agency	Financial institution	Other corporations	Individual	Foreign institution and individual	Total
Number of shareholders	0	9	188	72,617	131	72,945
Shareholding	0	1,128,856	60,941,799	451,297,240	34,384,331	547,752,226
Shareholding ratio	0.00%	0.21%	11.13%	82.39%	6.27%	100.00%

(III) Distribution of shares

1. Common stock:

Stop transfer day: Jun. 17, 2023

Shareholder ownership	Number of shareholders	Shareholding	Shareholding ratio
1 ~ 999	30,729	2,922,902	0.53%
1,000 ~ 5,000	31,823	68,476,533	12.50%
5,001 ~ 10,000	5,414	43,276,054	7.90%
10,001 ~ 15,000	1,583	20,197,260	3.69%
15,001 ~ 20,000	1,054	19,672,286	3.59%
20,001 ~ 30,000	877	22,396,163	4.09%
30,001 ~ 40,000	358	12,777,070	2.33%
40,001 ~ 50,000	258	11,885,360	2.17%
50,001 ~ 100,000	431	30,816,521	5.63%
100,001 ~ 200,000	213	29,287,796	5.34%
200,001 ~ 400,000	103	28,648,396	5.23%
400,001 ~ 600,000	34	16,335,977	2.98%
600,001 ~ 800,000	17	11,851,249	2.16%
800,001 ~ 1,000,000	8	6,977,886	1.27%
1,000,001 above	43	222,230,773	40.59%
Total	72,945	547,752,226	100.00%

2. Preferred stock: Not applicable.

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

Stop transfer day: Dec. 31, 2023

Shares / Name of major shareholders	Share amount	Shareholding ratio
Yung-De Investment Co., Ltd.	55,000,000	10.04%
Chen, Ding-Chuan	53,000,000	9.67%

Note: Information of the shareholders with top 10 shareholding ratio, please refer to page 49.

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

Unit: TWD

Item \ Year			2023	2022	The current year as of Feb. 29, 2024 (Note 8)
Market price per share (Note 1)	Highest		24	29.25	23.8
	Lowest		18.20	16.4	18.35
	Average		19.83	21.49	20.46
Net worth per share (Note 2)	Before distribution		15.23	15.44	–
	After distribution		–	15.09	–
EPS	Weighted average shares (thousand shares)		547,752	547,752	–
	EPS (Note 3)	Before retroactive adjustment	0.16	0.68	–
		After retroactive adjustment	–	0.68	–
Dividends per share	Cash dividends		0.15	0.35	–
	Stock grants	Stock dividends from retained earnings	–	–	–
		Stock dividends from capital reserve	–	–	–
	Accumulated undistributed dividend (Note 4)		–	–	–
Analysis of return on investment	P/E Ratio (Note 5)		124	32	–
	P/D Ratio (Note 6)		132	61	–
	Cash dividend yield (Note 7)		0.01	0.02	–

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

Note 1: The highest and lowest market price of common shares in each year are listed, and the average market price each year is calculated according to the trading value and volume each year.
Note 2: Please refer to the shares issued at the end of the year and fill in based on the distribution resolved by the shareholders' meeting next year.
Note 3: If there are any numbers not needed to be retrospectively adjusted due to conditions such as stock grants, the EPS before and after adjustment shall be listed.
Note 4: If the issuing condition of equity securities contains the requirement that the undistributed dividends in the current year may be accumulated to the year with earnings, the accumulated undistributed dividends as of the current year shall be disclosed.
Note 5: PE ratio = Average closing price per share of the current year / EPS.
Note 6: PD ratio = Average closing price per share of the current year / cash dividends per share.
Note 6: Cash dividend yield = cash dividends per share / average closing price per share of the current year.
Note 8: Net worth per share and EPS shall be filled in with the data audited by the CPA in the most recent quarter and up to the date when the annual report was printed; the remaining columns shall be filled in with the data in the current year and up to the date when the annual report was printed.

(VI) Dividend policy and its implementation status

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

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

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

On March 14, 2024, the board of directors decided to distribute cash dividends of TWD 0.15 per share to shareholders.

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

(VIII) Remuneration to employees and directors

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

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

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

2. If there is any difference between the estimated basis of remuneration to employees and directors, the calculation basis for the number of shares distributed to employees as remuneration, the actual distribution amount and the estimated numbers in the current period, please state the method of accounting treatment:

   (1) The estimated amount of the remuneration paid to employees and directors in the current period is based on the basis set out in the preceding paragraph, and the distributed amount has been passed by the resolution of the Board of Directors.

   (2) Not applicable. The remuneration to employees and directors are all distributed with cash this period.

3. The remuneration distribution passed by the Board of Directors:

   (1) Amount of remuneration to employees and directors distributed with cash or shares If there is any discrepancy with the estimated amount in the expense recognition year, the difference amount, reasons for the difference and the handling situation shall be disclosed:
   The remuneration amount paid to employees and directors proposed to be distributed in the current period is the same with the estimated amount in the recognition year.

   (2) The amount of employee remuneration paid by stocks and its proportion to the summation of net income after tax in individual financial reports and total amount of employee remuneration in the current period: Not applicable.

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

   The amount of employee remuneration in 2022 was TWD 24,194,064 and the amount of director remuneration was TWD 9,677,625, which are the same as the original estimated amount recognized as expenses.

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

II. Issuance of corporate bonds: None.

III. Issuance of preferred stocks: None.

IV. Issuance of GDRs: None.

V. Issuance of employee stock warrants: None.

VI. Issuance of new restricted employee shares: None.

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

VIII. Implementation of Capital Allocation Plans: None.

Operational Highlights

I. Contents of Business

(I) Scope of business

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

2. Business percentages in 2023:

Business and product type		Sales volume	Sales amount (TWD thousand)	Percentage
Color chemicals		14,857 tons	3,143,444	40.0%
Specialty chemicals		3,395 tons	2,012,460	25.6%
Toner		4,845 tons	1,162,095	14.8%
Electronic chemicals	Photoresist	569 tons	481,481	16.8%
	Others	10,035 tons	841,571	
Pharmaceuticals	Prostaglandin	21,155 g	194,194	2.8%
	Other material medicines	789kg	26,179	
Total			7,861,424	100.0%

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

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

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

(II) Industry overview

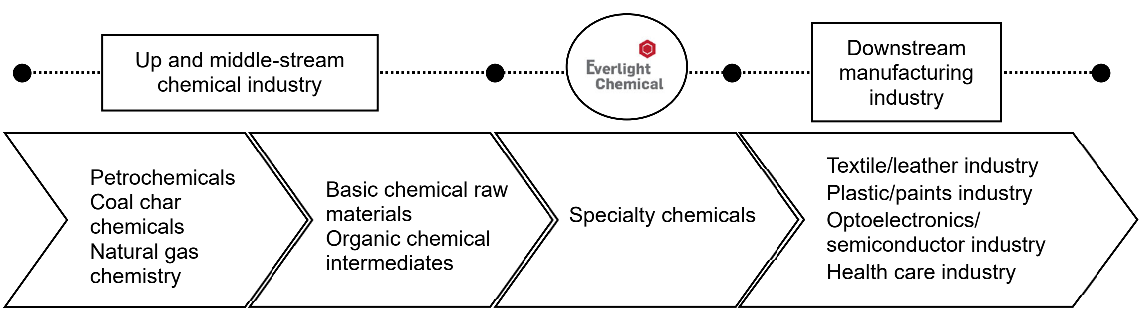
1. The current condition and development of the industry

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

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

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

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



3. Product development trends and competition situations

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

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

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

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

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

(III) Overview of technology and R&D

The R&D expenses devoted and successfully developed technology or products in2023 and up to the publication date of the annual report:

Amount: TWD thousand

Item \ Year		2023	The current year until Feb.29,2024
R&D expense devoted		352,401	51,802
R&D results:			
Patent	Patents granted	3 items	0 items
	Accumulated patents	198 items	198 items
New products developed		97 items	14 items

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

1. Long-term development program:

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

2. Short-term development program:

   (1) Global production partner network project.

   (2) Sustainable products inventory and development blueprint.

   (3) Carbon emission reduction implementation plan.

   (4) Establishment of automation and smart plants.

   (5) Revitalize the organization to increase per capita productivity

II. Market and Production Profile

(I) Market analysis

1. Sales areas of major products:

Unit: TWD thousand

Sales areas	2023		2022	
	Dollar amount	Percentage (%)	Dollar amount	Percentage (%)
Asia	4,257,550	54	4,569,167	51
Taiwan	1,447,847	19	1,647,159	18
Europe	1,101,422	14	1,382,675	16
Americas	866,503	11	1,044,136	12
Other areas	188,102	2	248,565	3
Total	7,861,424	100	8,891,702	100

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

Color Chemicals:

In 2023, due to negative factors such as global inflation and Russia-Ukraine war, the global dyestuff market suffered a decline to 1.42 million and the Company's market share was approximately 1.05%. If inflation slows down and the war gradually calms down, global demand for dyestuff is expected to return to normal in 2025 with a compound growth rate of 4.1% by 2026. in the past decade, the dye capacity of Mainland China and India in the same industry has expanded rapidly and the supply is sufficient. Overall, the market situation is oversupply. However, the supply side of the dye and intermediate industry in the Mainland China has been tightening due to strengthening of chemical safety enforcement brought about by safety accidents, and high environmental compliance requirements. In the long run, there is an opportunity for supply and demand to reach a balance gradually. In the future, due to the rising awareness of environmental protection, dye products will be researched and developed in the direction of high exhaustion, high fixation, water saving, and non-toxicity to reserve competitiveness in the net-zero era.

Specialty Chemicals:

In 2023, the global market for UV absorbers and light stabilizers totaled approximately TWD 40.7 billion, and the market share of Everlight Chemical was approximately4.9%. The global compound annual growth rate is estimated to be 5.7% in the next five years. The main growth momentum comes from the demand for various types of plastics, including packaging materials, automotive plastics and agricultural films. The second largest growth momentum comes from the coatings industry, such as industrial coatings and construction coatings. Due to the high technical threshold, additive manufacturers are concentrated in a few developed industrial countries. Emerging markets and new application areas have become the most important growth opportunities.

Toner business:

In 2023, the world entered the post-pandemic era. However, the Chinese market did not experience the expected retaliatory rebound, and market demand decreased significantly. At the same time, as the global supply chain gradually recovered, the European and the U.S. markets entered a period of inventory adjustment. The total market volume subsequently decreased to 58,000 tons, and the company's market share was approximately 8.3%. Whilst the demand in the European and American markets did not drop significantly, customers in these markets focused on reducing the inventories increased from the pandemic period. Orders declined as a result. In order to maintain stable profitability, the Company focused on the sale of toner powder and increased its revenue share by 4%. The priorities going forward are to improve production equipment, increase production efficiency, continue R&D on new products, and strengthen sales and promotion efforts to achieve revenue targets.

Electronic Chemicals:

In 2023, the global market for semiconductor photoresists and process chemicals was affected by the slowdown in the overall semiconductor market. As a result, the operating momentum weakened. However, the semiconductor industry bottomed out and rebounded in the second half of the year and the market size was expected to reach NT$140 billion. In the long run, the semiconductor markets in both Taiwan and China still have high growth potential. Given the continued evolution of advanced processes and capacity expansion of wafer fabs, the demand for photoresists or process chemicals will continue to grow at 5-6% p.a. over the next 3 years. Currently, the Company's market share is less than 1%. Looking ahead, the semiconductor market will be driven by emerging applications such as new information services, energy and environmental protection, and technology integration. The mainstream demand in the packaging market for advanced technologies such as FOWLP (fan-out wafer level packaging) and FOPLP (fan-out panel-level packaging) will drive the growth of thick-film photoresists and chemically amplified photoresists. The focus in the optoelectronics industry on the development of flexible, low-temperature, and high-end process materials and as well as Mini/Micro LED are the growth opportunities for high-end photoresists.

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

④ Large-scale international chemical counterparts continue to conduct M&As, and the Chinese counterparts are actively expanding capacity to occupy market share with low prices.

⑤ Affected by factors such as geopolitics, trade conflicts, and monetary policies, exchange rates change relatively drastically, and exchange gains and losses fluctuate greatly.

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

(3) Response measures:

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

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

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

④ Pay keen attention to market changes, flexibly adjust product structure, and provide diversified products to meet the needs of different customers in the market。

⑤ Effectively grasp the current situation of trading countries and customers and adequately adjust trading terms and credit facilities to further reduce account risks.

⑥ Integrating the R&D, sales and production resources of the cross-strait toner business.

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

1. Important uses of main products:

<table>
<tr><th>Product type</th><th>Product name</th><th>Purposes</th></tr>
<tr><td rowspan="10">Color chemicals</td><td>Textile dye</td><td>For cotton, hemp, rayon, wool, silk and nylon</td></tr>
<tr><td>Leather dye</td><td>For leather and fur</td></tr>
<tr><td>High-purity dye used in ink jet printing</td><td>For office supplies, advertisement printing, labeling, and packaging materials</td></tr>
<tr><td>High-purity dye used in digital textile printing</td><td rowspan="2">For textile printing, leather printing, wallpaper, and outdoor advertising</td></tr>
<tr><td>Digital textile printing Printing ink</td></tr>
<tr><td>Metal dye</td><td>For aluminum metal, 3C housing, bicycle, and screw</td></tr>
<tr><td>Paper dye</td><td>Used in the paper industry</td></tr>
<tr><td>Functional chemicals used in textile</td><td>Used in the textile/leather industry</td></tr>
<tr><td>Solar energy dye</td><td>For solar sensitized dye batteries</td></tr>
<tr style="display:none"><td></td><td></td></tr>
<tr><td rowspan="6">Specialty chemicals</td><td>UV-absorber</td><td rowspan="5">For coatings, adhesives, plastics, polyurethanes, elastomers and cosmetics</td></tr>
<tr><td>Hindered amine light stabilizer</td></tr>
<tr><td>Functional Masterbatches</td></tr>
<tr><td>Antioxidants</td></tr>
<tr><td>Formulated product</td></tr>
<tr><td>High-molecular polymerizable dye</td><td>For polyurethane foams, adhesives and elastomers</td></tr>
<tr><td rowspan="6">Toner</td><td>Colored toner</td><td>For color laser printers, color printers and multifunction printers</td></tr>
<tr><td>Black toner</td><td>For black and white laser printers, black and white printers and multifunction printers</td></tr>
<tr><td>Toner finished cartridges</td><td rowspan="2">For color / black and white printers and multifunction printers</td></tr>
<tr><td>Carrier and developer</td></tr>
<tr><td>Ceramic toners</td><td>Used for coloring ceramic ware</td></tr>
<tr><td>Electronic paper pigment</td><td>Used for electronic paper color development</td></tr>
</table>

Product type	Product name	Purposes
Electronic chemicals	Photoresist	Used in yellow lithography process such as IC, LCD, LED, TP and IC assembly
	Developer	For rinsing imaging process
	Slurry	For substrate flattening process
	Wet chemicals	Used in semiconductor and substrate surface cleaning, and process such as electroplating
	Functional ink of thermosetting and UV curing	Used in surface coating for substrates such as metals and glass
	Electronic functional chemicals	Functional chemicals for the electronic assembly industry
Pharmaceuticals	Material medicine for Prostaglandin	Treatment of gastric ulcer, glaucoma, pulmonary hypertension, induction of labor, sexual dysfunction, chronic idiopathic constipation, improvement of local ischemic symptoms of tissues, animal reproductive management, etc.
	Other material medicines	Treatment of high blood pressure, glaucoma, lowering intraocular pressure, actinic keratosis, Parkinson’s disease, cancer, central nervous system, etc.

2. Production process:

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

(1) Production process based on chemical reaction:

Material → Intermediate → Semi-finished product → Finished product

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

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

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

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

(2) Production process based on formula mixing:

Main ingredients → Formula mixing → Filtering → Finished good replenishing

Step 1: precisely putting in the required raw materials.

Step 2: mixing and performing a process inspection.

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

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

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

(3) Production process of toner:

Main ingredients → Formula mixing → Extrusion → Milling →

Mixing → Finished good - replenish

Step 1: precisely putting in the required raw materials.

Step 2: mixing the raw materials with a mixer.

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

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

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

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

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

(III) Supply of main raw materials

The main raw materials of various specialty chemicals of the Company are organic chemical intermediates (benzene and naphthalene series, etc.) and basic chemicals (acid, alkali, salt, and solvent, etc.). Mainland China, India and Taiwan are the main sources of the materials. The supply capacity and prices of raw materials are mainly affected by the following factors: due to the tightening of environmental protection and the inspection on environmental protection and work safety is very strict in China and India and due to work safety incidents, production capacity is limited and production costs and supply risks have also increased. After the epidemic, overall demand dropped, and raw material prices and transportation costs also dropped. However, the war between Ukraine and Russia will continue in 2022, causing economic problems such as the global energy crisis, inflation, and reduced consumption power that have not been resolved. The Israeli-Palestinian war will occur again in October 2023, triggering the Red Sea crisis, and the drought in the Panama Canal, resulting in production costs, Various supply chain risks such as transportation costs still exist. Continuously monitor the supply and logistics status of manufacturers, adjust raw material inventory, purchase in advance according to needs, develop supply sources and other strategies to respond accordingly.

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

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

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

Unit: TWD thousand

Year / Production volume and value / Business and product type		2023			2022		
		Production capacity	Production amount	Production value	Production capacity	Production amount	Production value
Color chemicals		38,850tons	14,321tons	2,161,555	38,560tons	17,583tons	2,797,843
Specialty chemicals		5,000tons	2,978tons	1,283,475	5,000tons	4,241tons	1,867,111
Toner		9,080tons	4,594tons	934,001	9,800tons	6,172tons	1,166,520
Electronic chemicals	Photoresist	1,135tons	611tons	391,698	1,135tons	556tons	345,369
	Others	18,000tons	10,077tons	608,434	18,000tons	9,953tons	639,956
Pharmaceuticals	Prostaglandin	51,000g	20,015g	199,663	51,000g	23,242g	195,418
	Other aterial medicines	3,000kg	767kg	26,856	3,000kg	1,017kg	19,453
Total				5,605,682			7,031,670

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

Note 2: The production value is calculated at cost.

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

Unit: TWD thousand

Business and product type \ Sales volume and value \ Year		2023				2022			
		Domestic sales		Abroad sales		Domestic sales		Abroad sales	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Color chemicals		2,479tons	355,291	12,378tons	2,788,153	2,512tons	379,384	14,097tons	3,134,421
Specialty chemicals		400tons	240,688	2,995tons	1,771,772	487tons	291,076	3,701tons	2,135,638
Toner		75tons	32,058	4,770tons	1,130,037	92tons	38,815	5,685tons	1,365,466
Electronic chemicals	Photoresist	63tons	116,783	506tons	364,698	418tons	221,782	154tons	300,947
	Others	8,590tons	688,739	1,445tons	152,832	8,773tons	706,261	1,363tons	85,110
Pharmaceuticals	Prostaglandin	168g	1,518	20,987g	192,676	385g	2,647	19,072g	204,984
	Other material medicines	213kg	12,770	576kg	13,409	145kg	7,194	767kg	17,977
Total			1,447,847		6,413,577		1,647,159		7,244,543

Note: In 2023, the Company's consolidated domestic and foreign sales ratio was 18%：82%.

III. Information of the employees of the Company and affiliates

Year		2023	2022	The current year as of Mar. 29, 2024
Employee number	Company	297	309	298
	Factory	1,533	1,511	1544
	Total	1,830	1,820	1842
Average age		40.9	40.6	40.2
Average service years		11.8	11.9	11.8
Percentages distribution of education (%)	PhD	2	2	2
	Master	21	22	22
	College	56	57	55
	Below (and include) high school	21	19	21

IV. Information of Environmental Protection Expenditure

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

1. losses incurred due to pollution (including damages): None.
2. Violation of environmental protection law: None.

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

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

V. Labor Relations

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

1. Welfare measures

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

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

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

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

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

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

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

2. Educational training

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

3. Retirement system

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

4. gender equality

In accordance with the spirit of the Gender Equality at Work Act, the company promulgated the "Regulations on Sexual Harassment Complaints and Punishment in the Workplace" and set up a "Sexual

Harassment Complaint Handling Committee". Each factory also set up a complaint hotline and e-mail, and held regular monthly meetings every year to promote harassment prevention and treatment. Grievance Provisions.

5. collective bargaining agreement

   The company has established a corporate trade union and formulated labor-management meeting procedures in accordance with labor standards. Regular labor-management meetings are held every quarter to discuss labor-management issues, strengthen labor-employer relations, and protect labor rights and interests. With the consent of the trade union, the "Work Rules" will be submitted to the North City Government for approval. ◦

   Although our company has established a corporate labor union, it has not signed a group agreement because the labor union has not requested the company to negotiate a group agreement.

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

   The Company adheres to an occupational safety and health policy of “respect for life, pursue zero disasters,” and has been certified pursuant to laws, and implements an Occupational Health and Safety Management System (ISO 45001:2018, valid until October 24, 2025), to ensure employee safety and safeguard company assets through a management spirit that subscribes to the Plan-Do-Check-Action (PDCA) cycle.

   In accordance with clauses in ISO 45001:2018-6.1 regarding addressing risks and opportunities, we have established control procedures for hazard identification, risk and opportunity evaluation, which are carried out on a regular basis or implemented when there are any changes. Each hazard operational activity is identified step by step by all workers through work arrangement means, social factors, organizational leadership and culture, routine and non-routine activities, past events, potential emergencies, personnel, and changes using the job safety analysis (Job Safety Analysis, JSA) method. Afterwards, risks are classified and combined with 5 major control levels, including elimination, substitution, engineering control, administrative control, and personal protective equipment. By taking this approach, high-risk matters can be focused in order to propose improvement measures to eliminate hazards and reduce occupational safety and health risks.

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

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

   (1) Zero-disaster exercise

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

(2) Emergency response

Self-defense firefighting drills, poison disaster drills and specific chemical substance disaster drills are held regularly every year, or irregular drills for high-risk projects continue to be operated by the company. Reviews and continuous improvements are conducted after the drills to ensure that disaster losses can be reduced in emergencies. Reduce it to a minimum so that the company's operations will not be affected.

(3) Monitoring of operation environment

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

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

(4) External training

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

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

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

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

2. Countermeasures

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

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

VI. Cyber Security Management

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

At Everlight Chemical, we understand that information security is an important issue for the sustainability of a company. To ensure the confidentiality, integrity and availability of information, we have formulated an information security management policy as "implementation of protective measures to ensure information security". In August 2021, we passed ISO 27001:2013 (valid from Aug. 20, 2021 to Aug. 20, 2024) Information Security Management System certification. Through the introduction of ISO27001 management system, we continue to reinforce our response in the event of an emergency, regulatory compliance while also strengthening risk evaluation and management of information assets.

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

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

The resources invested by our company in cybersecurity management

1. Dedicated personnel: Chief Information Security Officer (CISO) and one cybersecurity specialist are responsible for the company's information security operation in order to maintain and continue to enhance cybersecurity.
2. Training & education: The company conducts one advocacy campaign "Cybersecurity and Personal Data Protection" each year at the monthly meeting for all employees. Completion rates are always 100%. To enhance awareness in cybersecurity, a total of three simulated phishing email and social engineering attacks and advocacy of information security to new hires were conducted in 2023.Colleagues of Information Division receives at least three hours of cybersecurity training per year.
3. Cybersecurity related meetings: Information security management review meetings are convened at least once each year. Information Division meetings are held once a month.

For 2023 and as of the publication date of the annual report, no major information security incidents occurred.

VII. Important Contracts

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

Contract characteristics	Litigant	Begin and End Date of contract	Main content	Restrictive covenant
Engineering contract	Applied Catalyst Technology Inc.	August 2021- March 2023	Procurement of engineering services for catalytic decomposition of ozone and wastewater treatment	None
Equipment contract	Ettech System Technology Co., Ltd.	December 2022 - May 2023	Deployment of production lines with continuous reactors	None
Equipment contract	DayLight Refrigeration Equipment Co., Ltd.	August 2022 - June 2023	Ice flaker with a daily capacity of 32 tons	None
Equipment contract	Chang Yi Refrigeration Equipment Company	March 2023 - July 2023	Replacement of industrial dehumidifiers	None
Equipment contract	Ho Hsin Machinery Co., Ltd.	January 2023 - August 2023	Renewal of cast iron buckets on the production lines	None
Merchandising contract	SEMIHOME Technology Inc.	July 2023 - September 2023	Aligners, photoresist coating & developing machines, and electron microscopes	None
Engineering contract	SenseWin Co., Ltd.	March 2023 - October 2023	Optimization of the crushing area in Building E	None
Equipment contract	Shuishan Co., Ltd.	January 2023 - October 2023	Membrane distillation (MD) system	None
Equipment contract	Miura Taiwan Eng Co., Ltd.	September 2023 - December 2023	Boiler replacement	None
Engineering contract	Ettech System Technology Co., Ltd.	April 2023- December 2024	MES system procurement	None
Equipment contract	Agia Engineering Co., Ltd	November 2022 - December 2024	Deployment of polymer dewatering facilities on the production lines	None
Equipment contract	Rockwell Automation Taiwan Co., Ltd	February 2024 - December 2024	Manufacturing process control system	None
Engineering contrac	Sinotech Environmental Technology Ltd.	April 2020- July 2025	Soil remediation at Plant III	None
Procurement contracts	IBM Taiwan Corporation	December 2022 -December 2025	Implementation of SAP application system.	None
Procurement contracts	Hua Ya Automobile Co., Ltd	April 2016 – April 2026	Procurement of steam at Plant III	None

Financial Information, Financial Performance, And Risk Management

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

(I) Condensed Balance Sheet and Comprehensive Income Statement Data

Condensed Balance Sheet - Consolidated

Unit: TWD thousand

Item \ Year		Financial data in the most recent 5 years (Note 1)				
		2023	2022	2021	2020	2019
Current assets		6,677,394	6,904,206	7,036,850	6,344,115	6,302,008
Property, plant and equipment (Note 2)		4,535,850	4,541,097	4,891,430	5,265,817	5,527,737
Intangible assets		128,362	151,334	115,756	119,744	122,455
Other assets (Note 2)		1,559,120	1,535,866	2,092,234	1,496,713	1,671,162
Total assets		12,900,726	13,132,503	14,136,270	13,226,389	13,623,362
Current liabilities	Before distribution	2,849,660	2,769,249	3,417,561	3,029,687	3,982,351
	After distribution	—	2,960,962	3,691,437	3,194,013	4,146,677
Non-Current liabilities		1,395,191	1,556,557	1,612,435	1,808,319	1,502,292
Total liabilities	Before distribution	4,244,851	4,325,806	5,029,996	4,838,006	5,484,643
	After distribution	—	4,517,519	5,303,872	5,002,332	5,648,969
Equity attributable to owners of the parent company		8,344,075	8,455,072	8,806,140	8,087,304	7,823,140
Capital stock		5,477,522	5,477,522	5,477,522	5,477,522	5,477,522
Capital surplus		474,558	474,558	474,558	474,558	474,558
Retained earnings	Before distribution	2,351,733	2,432,588	2,248,765	2,019,285	1,901,498
	After distribution	—	2,240,875	1,974,889	1,854,959	1,737,172
Other equity		40,262	70,404	605,295	115,939	(30,438)
Treasury stock		—	—	—	—	—
Non-controlling interests		311,800	351,625	300,134	301,079	315,579
Total equity	Before distribution	8,655,875	8,806,697	9,106,274	8,388,383	8,138,719
	After distribution	—	8,614,984	8,832,398	8,224,057	7,974,393

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

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

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

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

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

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

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

Condensed Balance Sheet - Individual

Unit: TWD thousand

Item \ Year		Financial data in the most recent 5 years				
		2023	2022	2021	2020	2019
Current assets		4,719,286	4,772,605	5,111,590	4,518,431	4,389,443
Property, plant and equipment		3,678,589	3,687,171	3,967,108	4,244,980	4,407,578
Intangible assets		112,009	148,171	110,565	112,489	113,779
Other assets		2,898,628	3,017,438	3,459,076	2,881,641	3,046,677
Total assets		11,408,512	11,625,385	12,648,339	11,757,541	11,957,477
Current liabilities	Before distribution	1,990,592	1,925,031	2,456,307	2,094,534	2,922,645
	After distribution	–	2,116,744	2,730,183	2,258,860	3,086,971
Non-Current liabilities		1,073,845	1,245,282	1,385,892	1,575,703	1,211,692
Total liabilities	Before distribution	3,064,437	3,170,313	3,842,199	3,670,237	4,134,337
	After distribution	–	3,362,026	4,116,075	3,834,563	4,298,663
Equity attributable to owners of the parent company		–	–	–	–	–
Capital stock		5,477,522	5,477,522	5,477,522	5,477,522	5,477,522
Capital surplus		474,558	474,558	474,558	474,558	474,558
Retained earnings	Before distribution	2,351,733	2,432,588	2,248,765	2,019,285	1,901,498
	After distribution	–	2,240,875	1,974,889	1,854,959	1,737,172
Other equity		40,262	70,404	605,295	115,939	(30,438)
Treasury stock		–	–	–	–	–
Non-controlling interests		–	–	–	–	–
Total equity	Before distribution	8,344,075	8,455,072	8,806,140	8,087,304	7,823,140
	After distribution	–	8,263,359	8,532,264	7,922,978	7,658,814

Condensed Comprehensive Income Statement - Consolidated

Unit: TWD thousand

Item \ Year	Financial data in the most recent 5 years (Note 1)				
	2023	2022	2021	2020	2019
Operating revenue	7,861,424	8,891,702	9,200,988	7,769,066	9,332,076
Operating gross profit	1,599,834	1,995,171	2,213,482	1,568,822	2,037,340
Operating income	83,420	380,756	552,776	204,636	403,633
Non-operating revenue and expense	25,537	103,078	44,664	60,140	52,437
Net income before tax	108,957	483,834	597,440	264,776	456,070
Net income of going-concern operation unit	95,077	392,540	481,829	205,022	349,237
Loss from discontinued unit	—	—	—	—	—
Net income (loss)	95,077	392,540	481,829	205,022	349,237
Other comprehensive income (Net amount after tax)	(2,144)	(427,365)	407,333	208,968	132,755
Total comprehensive income	92,933	(34,825)	889,162	413,990	481,992
Net income attributable to owners of the parent company	85,866	374,432	472,970	213,279	362,447
Net income attributable to non-controlling interests	9,211	18,108	8,859	(8,257)	(13,210)
Comprehensive income attributable to owners of the parent company	80,716	(77,192)	883,162	428,490	496,877
Comprehensive income attributable to non-controlling interests	12,217	42,367	6,000	(14,500)	(14,885)
EPS	0.16	0.68	0.86	0.39	0.66

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

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

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

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

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

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

Condensed Comprehensive Income Statement - Individual

Unit: TWD thousand

Year / Item	Financial data in the most recent 5 years				
	2023	2022	2021	2020	2019
Operating revenue	6,108,600	6,782,782	7,509,370	6,085,544	7,203,554
Operating gross profit	1,100,175	1,387,213	1,614,716	1,097,126	1,410,577
Operating income	115,031	265,176	450,009	210,185	354,298
Non-operating revenue and expense	(16,908)	184,834	103,757	51,657	94,773
Net income before tax	98,123	450,010	553,766	261,842	449,071
Net income of going-concern operation unit	85,866	374,432	472,970	213,279	362,447
Loss from discontinued unit	—	—	—	—	—
Net income (loss)	85,866	374,432	472,970	213,279	362,447
Other comprehensive income (Net amount after tax)	(5,150)	(451,624)	410,192	215,211	134,430
Total comprehensive income	80,716	(77,192)	883,162	428,490	496,877
Net income attributable to owners of the parent company	—	—	—	—	—
Net income attributable to non-controlling interests	—	—	—	—	—
Comprehensive income attributable to owners of the parent company	—	—	—	—	—
Comprehensive income attributable to non-controlling interests	—	—	—	—	—
EPS	0.16	0.68	0.86	0.39	0.66

(II) Name of CPA and audited opinions

Year	Name of CPA		Audited opinions
2019-2022	KPMG	Tang, Chia-Chien Chen, Ya-Ling	Unqualified opinion
2023	KPMG	Huang, Ming-Hong Tang, Chia-Chien	Unqualified opinion

II. Financial analysis for the most recent 5 years

(I) Financial analysis - consolidated financial statements

Analysis items (Note 3) \ Year (Note 1)		Financial analysis for the most recent 5 years				
		2023	2022	2021	2020	2019
Financial Structure (%)	Debt ratio	33	33	36	37	40
	Long term fund to property, plant and equipment ratio	222	228	219	194	174
Liquidity analysis (%)	Current ratio	234	249	206	209	158
	Quick ratio	111	102	99	100	67
	Interest coverage	2	7	13	5	5
Operating Performance Analysis	Account receivable turnover (times)	5.0	5.3	5.4	4.8	5.4
	Average collection turnover	73	69	68	76	68
	Inventory turnover (times)	1.7	1.8	2.1	1.9	2.0
	Account payable turnover (times)	12.5	13.8	12.3	12.2	13.6
	Average inventory turnover days	215	198	175	197	182
	PPE turnover (times)	1.7	1.9	1.8	1.4	1.7
	Total assets turnover(times)	0.6	0.7	0.7	0.6	0.7
Profitability	ROA (%)	1	3	4	2	3
	ROE (%)	1	4	6	2	4
	Net income before tax to paid-up capital ratio (%) (Note 7)	2	9	11	5	8
	Net margin (%)	1	4	5	3	4
	EPS (TWD)	0.16	0.68	0.86	0.39	0.66
Cash flow	Cash flow ratio (%)	47	31	22	46	32
	Cash flow adequacy ratio (%)	178	133	132	121	97
	Cash reinvestment ratio (%)	5	3	3	6	5
Leverage	Operating leverage	23	6	5	10	6
	Financial leverage	(8.5)	1.2	1.1	1.5	1.3

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

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

Financial analysis - individual financial statements

Analysis items (Note 3)	Year (Note 1)	Financial analysis for the most recent 5 years				
		2023	2022	2021	2020	2019
Financial Structure (%)	Debt ratio	27	27	30	31	35
	Long term fund to property, plant and equipment ratio	256	263	257	228	205
Liquidity analysis (%)	Current ratio	237	248	208	216	150
	Quick ratio	115	95	105	105	64
	Interest coverage	2	10	23	8	7
Operating Performance Analysis	Account receivable turnover (times)	5.1	5.2	5.5	4.9	5.5
	Average collection turnover	71	70	67	74	66
	Inventory turnover (times)	1.9	2.0	2.5	2.1	2.3
	Account payable turnover (times)	11.6	12.4	11.3	11.6	13.0
	Average inventory turnover days	190	179	146	171	160
	PPE turnover (times)	1.7	1.8	1.8	1.4	1.6
	Total assets turnover(times)	0.5	0.6	0.6	0.5	0.6
Profitability	ROA (%)	1	3	4	2	3
	ROE (%)	1	4	6	3	5
	Net income before tax to paid-up capital ratio (%) (Note 7)	2	8	10	5	8
	Net margin (%)	1	6	6	4	5
	EPS (TWD)	0.16	0.68	0.86	0.39	0.66
Cash flow	Cash flow ratio (%)	59	29	29	55	35
	Cash flow adequacy ratio (%)	163	120	123	109	90
	Cash reinvestment ratio (%)	5	2	3	5	4
Leverage	Operating leverage	13	6	4	8	5
	Financial leverage	2	1.2	1.1	1.2	1.2

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

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

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

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

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

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

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

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

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

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

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

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

III. Audit Report of Audit Committee

Audit Committee's Review Report, Everlight Chemical Industrial Corporation

The Board of Directors have prepared the Company's 2023 Business Report, financial reports and the Motion of Earnings Distribution, etc., among which the financial reports have been audited by CPAs of KPMG, Huang Ming-Hong and Chia-Chien Tang, who have also prepared the audit reports. After the above Business Report, financial reports and the Motion of Earnings Distribution have been audited, the Audit Committee does not regard them as inappropriate and thus submits the report as above in accordance with the Securities and Exchange Act and Company Act.

Yours sincerely

To

The Company's 2024 General Shareholders' Meeting

Convener of Audit Committee, Wu, Chung-Fern
Commissioner: Yang, Way-Wen
Commissioner: Chang, Yuan-Jan

Mar. 15, 2023

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

V. Comparative analysis of financial conditions

Unit: TWD thousand

Item \ Year	2023	2022	Difference	
			Dollar amount	%
Current assets	6,677,394	6,904,206	(226,812)	(3)
Property, plant and equipment	4,535,850	4,541,097	(5,247)	0
Intangible assets	128,362	151,334	(22,972)	(15)
Other non-current assets	1,559,120	1,535,866	23,254	2
Total assets	12,900,726	13,132,503	(231,777)	(2)
Current liabilities	2,849,660	2,769,249	80,411	3
Non-Current liabilities	1,395,191	1,556,557	(161,366)	(10)
Total liabilities	4,244,851	4,325,806	(80,955)	(2)
Capital stock	5,477,522	5,477,522	0	0
Capital surplus	474,558	474,558	0	0
Retained earnings	2,351,733	2,432,588	(80,855)	(3)
Other equity	40,262	70,404	(30,142)	(43)
Non-controlling interests	311,800	351,625	(39,825)	(11)
Shareholders' equity	8,655,875	8,806,697	(150,822)	(2)

1. The main reasons for the significant changes of assets, liabilities and equity in the most recent two (2) years:

   (1) The decrease in other equity is mainly due to the decrease in “exchange differences on translation of foreign financial statements” and “unrealized gains (losses) from financial assets measured at fair value through other comprehensive income”.

2. Future response plan for matters with significant influence: There are no matters that have significant influence on the Company’s financial condition.

VI. Financial performance

Unit: TWD thousand

Item \ Year	2023	2022	Increase (decrease) dollar amount	Changes %
Operating revenue	7,861,424	8,891,702	(1,030,278)	(12)
Operating cost	6,261,590	6,896,531	(634,941)	(9)
Operating gross profit	1,599,834	1,995,171	(395,337)	(20)
Operating expense	1,516,414	1,614,415	(98,001)	(6)
Net operating profit	83,420	380,756	(297,336)	(78)
Non-operating revenue and expense	25,537	103,078	(77,541)	(75)
Pre-tax profit of going-concern operation department	108,957	483,834	(374,877)	(77)
Income tax expense	13,880	91,294	(77,414)	(85)
Net income after tax of going-concern operation department	95,077	392,540	(297,463)	(76)

1. The main reasons for the significant changes of operating revenue, operating income and pre-tax income in the most recent two (2) years:
   (1) The decrease in operating gross profit, operating net profit and pre-tax profit was mainly due to lower revenue and lower operating cost reduction.
   (2) The decrease in non-operating income and expenses was mainly due to the decrease in exchange benefits and the increase in interest expenses.
   (3) The decrease in income tax expenses was mainly due to the decrease in pre-tax net profit.
2. For expected sales volume and its reference, please refer to Summary of Operation Plan.
3. Possible impacts on the Company's future financial operations and response measures: There are no significant impacts.

VII. Cash Flows

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

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

(II) Liquidity analysis for the coming year:

Unit: TWD thousand

Cash - beginning balance (1)	Expected net cash flow from operating activities for the year (2)	Expected cash outflow (3)	Expected cash balance (insufficiency) (1)＋(2)－(3)	Countermeasures against cash insufficiency	
				Investment plan	Wealth management plan
1,409,839	760,000	1,228,000	941,839	0	0

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

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

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

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

X. Risk Items

(I) Risk management policy and procedures

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

The company referred to the ISO 31000:2018 Risk Management - Guidelines, Best Practice Principles on Risk Management for TWSE/TPEx Listed Companies, the book "Applying Enterprise Risk Management to Environmental, Social and Governance-related Risks"and relevant data in the amendment of Risk Management Procedures. This was discussed and approved by the Board of Directors on May 11, 2023.

(II) Risk management strategy

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

(III) Risk management organization and operation

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

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

Every year, the executive secretary of the Risk Management Committee reports to the Board of Directors on the operations of the Risk Management Committee for the year and the results of discussions on various topics. The operations of Risk Management Committee in 2023 were reported to the Board of Directors on May 11 and November 14.

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

(IV) Risk management policy and scope

We classify the risks we face into five major categories (Strategic risks, Legal risks, Financial risks, Operational risks, and Other risks). The handling strategies/treatment principles for each category of risk are set forth in the "Risk Management Procedures". Each responsible unit oversees the evaluation, reporting and execution of response/preparedness plans within their business scope so as to reduce possible impact or risk hazards.

The risk categories and control mechanisms are as follows:

1. Strategic risks: Everlight Chemical Strategy Committee has been established under the Board of Directors. Strategic risks are mitigated with the advice and oversight from the directors. By taking into account the industry characteristics, such as business environments, complexity, nature and scope of operations, each division conducts operational risk assessment each year, as well as analyze, evaluate and formulate strategies in reference to changes in laws, policies and markets, and implement these strategies accordingly.
2. Legal risks: Based on the authorities and responsibilities of each plant division and functional unit, changes in laws and regulations are closely monitored, and various corresponding measures are implemented; the implementation results are reported to the “Compliance Management Committee.”
3. Financial risks: The financial accounting and legal units formulate and implement various strategies, and take various response measures according to the analysis of laws, policies and market changes. The Audit Office controls over and audits on the risk items mentioned above.
4. Operational risks: The risk assessment of the annual operating guidelines and the management system is carried out by the management team of each business division each and functional office, to adopt proper strategies and measures and conduct regular performance tracking, to ensure that the operational strategies are in line with the Company’s vision and that operational objectives are achieved.
5. Other risks: Based on their authorities and responsibilities, each unit will be alert at all times, and submit response/pre-response plans for execution upon approval by the responsible supervisor.

(V) Various risk evaluation

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

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

(1) Changes in interest rates:

The Group primarily borrows in the US dollars and the NT dollars. The market generally anticipates the Federal Reserve to end its rate hike cycle and begin a rate cut cycle in the second half of 2024. Even after the initial rate cuts, interest rates are expected to remain at relatively high levels. It is forecasted that the Group's interest expenses in 2024 will decrease slightly compared to 2023.

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

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

(2) Exchange rate fluctuation:

The Group's import and export is mainly based on USD and RMB. It is estimated that the appreciation of one NTD will reduce the Group's net profit margin by approximately 1%. In 2023, due to the depreciation of the Taiwan dollar against the US dollar, the Group will have an exchange benefit of NT$2 million The Group's foreign exchange policy is based on the principle that the foreign exchange position is self-squared, and the surplus or needed parts of the account are hedged in a timely manner. In addition, the Group's borrowings of Everlight (Suzhou) Advanced Chemicals Ltd., a subsidiary in Mainland China, was unable to be hedged because they are USD borrowings of foreign debts. The Group has consulted the bank to lend in RMB to facilitate the self-squaring of foreign exchange position to reduce the risk.

(3) Inflation:

In 2023, the year-on-year growth rate of the domestic Consumer Price Index was 2.5%. According to the estimate of the Directorate General of Budget, Accounting and Statistics, Executive Yuan, the year-on-year growth rate of the domestic Consumer Price Index in 2024 is expected to be 1.85%, indicating continuing inflationary pressures. The U.S.-Russia war has not come to a ceasefire, and although inflation data in countries such as the United States and Europe have declined, they are far from the inflation target, indicating persistent inflationary pressures. Being impacted by inflation, the Company's costs are expected to increase. With operating costs continuing to increase, the Company will make timely adjustments on the prices of competitive products to reduce the impact of inflation on operations.

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

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

(2) Lending of capital, endorsements and guarantees: The purpose of the Company's lending of capital and endorsements and guarantees is to deal with the fund transfer within the group, which is handled according to the “Management Rules for Lending of Capital, Endorsements and Guarantees” formulated by the Company in accordance with government regulations. For the Company's lending of capital, endorsements and guarantees in 2023, please refer to XIII. Note Disclosure of Consolidated Financial Report.

(3) Derivatives tradings: The Company's derivatives tradings are for the purpose of hedging (including financial hedging) and the trading commodities should be selected to avoid the risks arising from the Company's business operations, which are based on the Company's “Regulations Governing Derivatives Transactions” in accordance with government regulations. In order to avoid the impact of exchange rate changes, the derivatives business of foreign exchange in 2023 was mainly foreign currency option contracts. For its profit or loss, please refer to the notes VI (2) of Consolidated Financial Report. In addition, since Mar. 1, 2016, the FSC has set up many restrictions on financial derivative products. The Company will continue to pay attention to the exchange rate changes of the foreign currencies held and abide by relevant operational regulations of the competent authority. The restrictions mentioned above have not had a significant impact on the financial operations of the Company.

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

For sustainability operation and international development, Everlight Chemical is expected to invest TWD375 million in R&D expense in 2024. For future R&D plans, please refer to the section of Operational Profile about the new products planned to be developed.

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

The Greenhouse Gas Reduction and Management Act was renamed the Climate Change Response Act after passing its third reading on January 10, 2023, and the amended version was promulgated on February 15, 2023. Key points include the setting of a national long-term target of net-zero greenhouse gas emissions by 2050, as well as the legislation of carbon pricing and a review mechanism.

The announced draft for the Regulations for Charging of Carbon Fees and the promulgation of the amended Company Registration of GHG Emission Inventories, Inspections and Sources on May 31, 2023 in Taiwan are not yet applicable to the company’s factories.

Whilst the European Union’s Carbon Border Adjustment Mechanism (CBAM) and the U.S. Clean Competition Act (CCA) are yet to take effect, future impacts are likely. To respond to the aforementioned laws, our company has established a cross-departmental climate change task force dedicated to address climate-related risks and opportunities. We will follow government regulations and continue to implement various mitigation and adaptation strategies to reduce the negative impacts of climate change and carbon policy shifts on our operations. Our company's Climate-Related Financial Disclosures (TCFD) are provided in a dedicated climate chapter in our sustainability report.

The Turkish government has officially announced a postponement in the implementation of the Turkish Regulation on Chemicals Registration, Evaluation, Authorization, and Restriction (KKDIK). The new deadlines for completion, based on the hazardous nature of the chemicals and import tonnage, have been pushed back to the end of December in 2026, 2028 and 2030. This regulatory change does not impact our business operations. Our company has completed 80% of the chemical registration work, and we will subsequently readjust the chemical registration schedule in accordance with the regulations.

Our company has established a legal compliance management system. Relevant departments conduct conformity reviews on important policy and legislative changes in accordance with internal regulations, and implement necessary improvements or preemptive measures, such as adjusting internal systems or business operations, in order to adhere to major domestic and international policies and legal requirements, as well as mitigate the impact on the company's financials.

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

   The wave of intelligent technology transformation in the industry, driven by artificial intelligence, cloud computing, and Industry 4.0, has made cybersecurity risk management increasingly important. The company has implemented the ISO 27001 information security management system and continues to train employees on information security awareness and prevention capabilities. It has increased investment in information security, updated network hardware equipment, software upgrades and strengthened backups. It also conducts regular disaster drills to ensure backup backup. The availability of support and information services will not be interrupted.

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

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

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

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

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

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

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

   The amount of single customer or supplier of the Company in 2023 was less than 10% of the total sales or purchase amount, and there was no risk of concentrated sales.

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

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

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

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

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

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

13. Other important risks and response measures: None.

XI. Other important matters

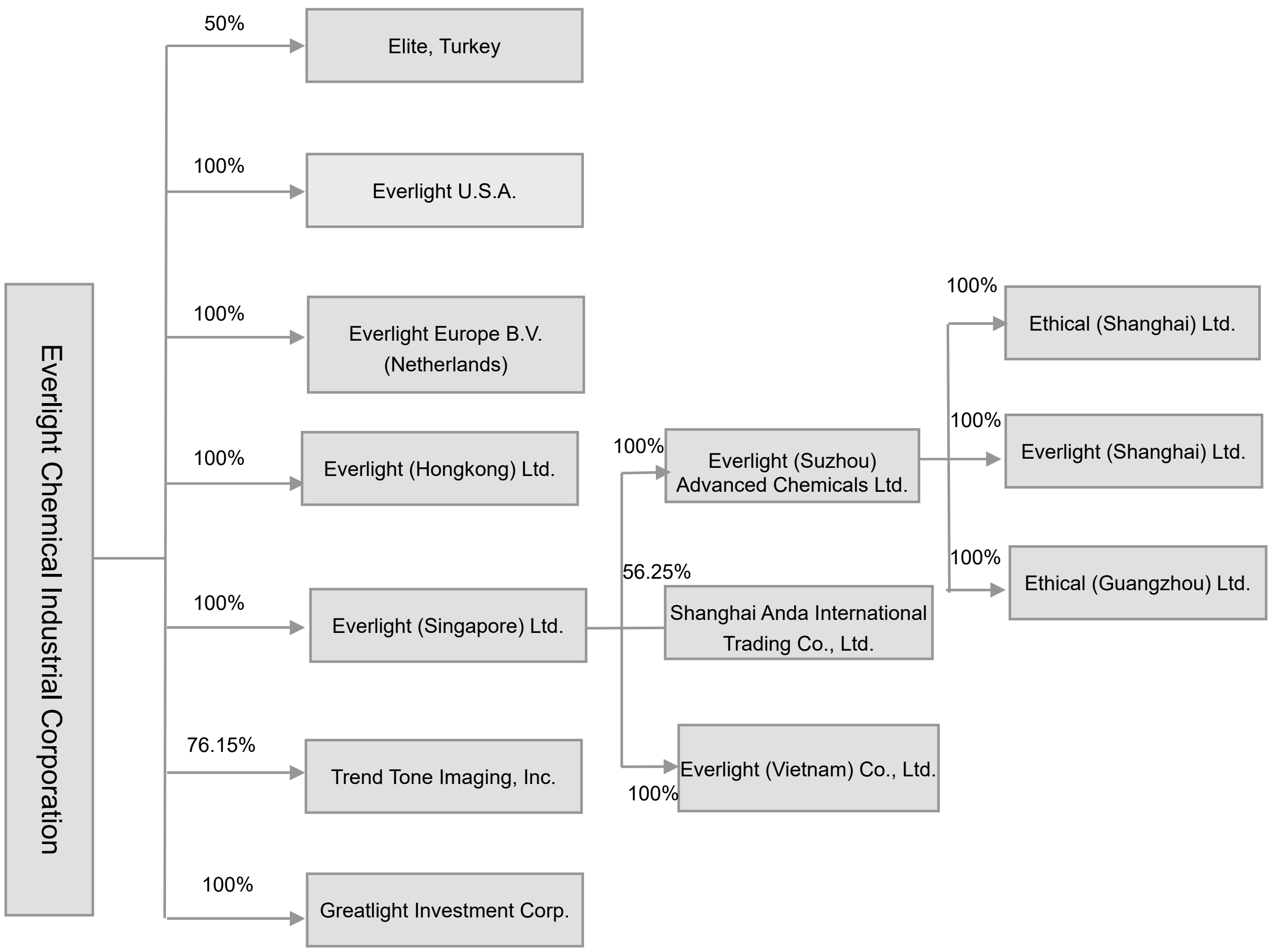
Special Disclosure

I. Information Related to the Company's Affiliates

(I) Overview of affiliates

1. Affiliates' Organizational Chart:

Mar. 30, 2024



2. Basic information of affiliates:

Unit: TWD thousand

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

3. Presumptive reasons for the presumption of control and subordinate relationship and related information of personnel: None.
4. The industries covered by the business operations of overall affiliates and the division of labor:
   (1) All the remaining industries are chemical engineering, except that Greatlight Investment Corp. is an investment business.
   (2) Everlight (Singapore) Ltd. is a holding company that indirectly invests in Mainland China and Vietnam.
   (3) Everlight U.S.A., Everlight Europe B.V. (Netherlands), Everlight (Hongkong) Ltd., Everlight (Vietnam) Co., Ltd. and Elite, Turkey are overseas subsidiaries of the Company, which mainly engage in the sales of the parent company's products.
   (4) Ethical (Shanghai) Ltd., Everlight (Shanghai) Ltd. and Ethical (Guangzhou) Ltd., Everlight (Suzhou) Advanced Chemicals Ltd. and Shanghai Anda International Trading Co., Ltd. are the Company's reinvested companies of subsidiaries in China; the remaining companies all focus on selling the products of the parent company, except that Everlight (Suzhou) Advanced Chemicals Ltd. produces and sells the parent company's color chemicals, electronic chemicals and the toner of affiliates, and that Shanghai Anda International Trading Co., Ltd. focuses on the sales of electronic chemicals.

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

Mar. 30, 2024

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

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

Name of business	Title	Name or representative	Shareholding	
			Share number (shares)	Shareholding ratio (%)
Everlight (Vietnam) Co., Ltd.	Chairman	Everlight (Singapore) Ltd., Representative Lee, Ming-Wen	USD 400	100
	Director	Everlight (Singapore) Ltd., Representative Lee, Fu-Xing		
	Director and General manager	Everlight (Singapore) Ltd., Representative Hsiao, Chong-Kun		
Trend Tone Imaging, Inc.	Chairman	Everlight Chemical Industrial Corporation Representative Du, Yi-Zhong	44,906,400	76.15
	Chairman and General manager	Everlight Chemical Industrial Corporation Representative Chen, Chien-Ming		
	Director	Everlight Chemical Industrial Corporation Representative Chen, Wei-Wang		
	Director	Everlight Chemical Industrial Corporation Representative Jason Ju		
	Director	Everlight Chemical Industrial Corporation Representative Chen, Ke-Lun		
	Director	Everlight Chemical Industrial Corporation Representative Huang, Jian-Sheng		
	Director	OuYang, Jin-Kun	46,787	0.08
	Supervisor	Huang, Qing-Yuan	996,317	1.69
	Supervisor	Yung-De Investment Co., Ltd., Representative Weng , Kuo-Pin	4,871,204	8.26
Greatlight Investment Corp.	Chairman	Everlight Chemical Industrial Corporation Representative Huang, Hui-Cing	10,000,000	100.00
	Director	Everlight Chemical Industrial Corporation Representative Du, Yi-Zhong		
	Director	Everlight Chemical Industrial Corporation Representative Chen, Ke-lun		
	Supervisor	Everlight Chemical Industrial Corporation Representative Weng , Kuo-Pin		

(II) Operational highlights of business of various affiliates

Unit: TWD thousand
Dec. 31, 2023

Name of business	Capital amount	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Net income for the current period (after tax)	EPS (TWD) (after tax)
Parent company Everlight Chemical Industrial Corporation	5,477,522	11,408,512	3,064,437	8,344,075	6,108,600	115,031	85,866	0.16
Elite, Turkey	156,320	261,019	59,690	201,329	342,288	(14,080)	692	15.80
Everlight U.S.A.	86,825	276,625	127,445	149,180	577,135	(1,364)	43	0.14
Everlight Europe B.V. (Netherlands)	7,890	137,400	83,198	54,202	485,726	(9,815)	(6,660)	(13,320)
Everlight (Hongkong) Ltd.	34,580	50,480	11,696	38,784	105,216	(1,147)	(656)	(0.66)
Everlight (Singapore) Ltd.	794,290	886,235	164	886,071	0	(227)	(56,818)	(2.29)
Ethical (Shanghai) Ltd.	739,973	1,220,980	441,715	779,265	717,951	(44,006)	(56,439)	–
Everlight (Shanghai) Ltd.	53,326	207,423	51,273	156,150	194,092	1,959	2,206	–
Everlight (Suzhou) Advanced Chemicals Ltd.	39,931	268,661	123,912	144,749	299,272	(356)	(687)	–
Ethical (Guangzhou) Ltd.	22,919	116,083	18,277	97,806	163,941	2,207	3,136	–
Shanghai Anda International Trading Co., Ltd.	4,346	166,160	150,295	15,865	263,867	10,823	9,257	–
Everlight (Vietnam) Co., Ltd.	12,140	9,885	2,207	7,678	3,047	(4,342)	(4,059)	–
Trend Tone Imaging, Inc.	589,680	1,573,839	717,537	856,302	834,929	22,411	20,193	0.34
Greatlight Investment Corp.	100,000	31,661	50	31,611	0	(76)	92	0.01

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

(III) Consolidated financial statements of affiliates

Declaration

The Company is required to prepare consolidated financial statements for year 2023 (from January 1 to December 31, 2023) with its subsidiaries under the “Standards for the Preparation of Consolidated Report on Operation, Consolidated Financial Statements, and Report on Affiliations between Parent and Subsidiaries”. Subsidiaries to be included in the consolidated financial statements are identical to that prepared in accordance with IFRS 10 recognized by the FSC, and operation performance of such subsidiaries has been included in the disclosure of the aforementioned consolidated financial statement between parent and subsidiaries and therefore will not be prepared separately.

Issued by

Company name: Everlight Chemical Industrial Corporation

Chairman: Chen, Chien-Hsin

Date: Mar. 14, 2024

(IV) Affiliation Reports: None.

II. Status of private placement of securities: None.

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

IV. Other Necessary Supplementary Explanations: None.

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

Eight. Financial Report

I. Consolid ed Financial Report

安侯建業聯合會計師事務所
KPMG
台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)
電 話 Tel + 886 2 8101 6666
傳 真 Fax + 886 2 8101 6667
網 址 Web kpmg.com/tw

Independent Auditors' Report

To the Board of Directors of Everlight Chemical Industrial Corporation:

Opinion

We have audited the 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 audot.

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)

		December 31, 2023		December 31, 2022	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets :				
1100	Cash and cash equivalents (note 6(a))	$ 1,409,839	11	1,215,150	9
1110	Financial assets at fair value through profit or loss-current (note 6(b))	36,903	-	4,020	-
1136	Financial assets at amortized cost-current (note 6(b))	60,000	1	-	-
1150	Notes receivable, net(notes 6(c) and (t))	202,209	2	188,005	2
1170	Accounts receivable, net (notes 6(c) and (t))	1,418,164	11	1,346,800	10
130X	Inventories(note 6(d))	3,389,731	26	3,970,872	30
1476	Other current financial assets (note 10)	29,809	-	64,518	-
1479	Other current assets (note 6(h))	130,739	1	114,841	1
	Total current assets	6,677,394	52	6,904,206	52
	Non-current assets:				
1517	Financial assets at fair value through other comprehensive income-non-current (notes 6(b) and (v))	944,447	8	956,411	7
1550	Investments accounted for using equity method (note 6(e))	140,589	1	133,663	1
1600	Property, plant and equipment (notes 6(g) and 9)	4,535,850	35	4,541,097	35
1755	Right-of-use assets (note 6(i))	266,776	2	279,846	2
1780	Intangible assets (note 6(j))	128,362	1	151,334	2
1840	Deferred tax assets (note 6(p))	42,508	-	59,464	-
1915	Prepayments for equipment	146,818	1	89,671	1
1980	Other non-current financial assets (notes 6(c) and (t))	3,360	-	3,387	-
1990	Other non-current assets	14,622	-	13,424	-
	Total non-current assets	6,223,332	48	6,228,297	48
	Total assets	$ 12,900,726	100	13,132,503	100

		December 31, 2023		December 31, 2022	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities				
2100	Short-term borrowings (note 6(k))	$ 1,698,179	13	1,665,417	13
2322	Long-term borrowings, current portion (note 6(l))	42,500	-	12,500	-
2151	Notes payable (note 7)	42,729	-	89,065	1
2170	Accounts payable (note 7)	532,175	5	341,564	3
2209	Other payables (notes 6(s) and 7)	409,923	3	502,833	4
2213	Payables on equipment	26,864	-	36,334	-
2230	Current tax liabilities	26,769	-	41,077	-
2280	Lease liabilities-current (note 6(m))	34,574	-	35,421	-
2399	Other current liabilities (note 6(n))	35,947	-	45,038	-
	Total current liabilities	2,849,660	21	2,769,249	21
	Non-current liabilities :				
2540	Long-term borrowings (note 6(l))	1,006,250	8	1,087,500	8
2570	Deferred tax liabilities (note 6(p))	80,296	1	95,327	1
2580	Lease liabilities non-current (note 6(m))	223,657	2	233,814	2
2640	Net defined benefit liability (note 6(o))	18,824	-	75,952	1
2670	Other non-current liabilities (note 6(n))	66,164	1	63,964	-
	Total non-current liabilities	1,395,191	12	1,556,557	12
	Total liabilities	4,244,851	33	4,325,806	33
	Equity attributable to owners of parent (notes 6(b), (e), (f), (o), (p) and (q)) :				
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	40,262	-	70,404	1
	Total equity attributable to owners of parent	8,344,075	65	8,455,072	65
36XX	**Non-controlling interests (notes 6(f) and (q))**	311,800	2	351,625	2
	Total equity	8,655,875	67	8,806,697	67
	Total liabilities and equity	$ 12,900,726	100	13,132,503	100

See accompanying notes to consolidated financial statements.

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

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4000	**Operating revenue** (note 6(t))	$ 7,861,424	100	8,891,702	100
5000	**Operating costs** (notes 6(d), (g), (i), (j), (m), (o), (s), 7 and 12)	6,261,590	80	6,896,531	78
5950	**Gross profit from operations**	1,599,834	20	1,995,171	22
6000	**Operating expenses** (notes 6(c), (g), (i), (j), (m), (o), (s), 7 and 12):				
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)	(3,741)	-	(7,073)	-
	Total operating expenses	1,516,414	19	1,614,415	18
6900	**Net operating income**	83,420	1	380,756	4
7000	**Non-operating income and expenses** (notes 6(b), (e), (g), (m), (u) and 10) :				
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	(4,406)	-	7,483	-
	Total non-operating income and expense	25,537	-	103,078	1
7900	**Income before income tax**	108,957	1	483,834	5
7951	**Income tax expenses** (note 6(p))	13,880	-	91,294	1
8200	**Net income**	95,077	1	392,540	4
8300	**Other comprehensive income** (notes 6(e), (o), (p), (q) and (v)) :				
8310	**Components of other comprehensive income (loss) that will not be reclassified to profit or loss**				
8311	Gains 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	(6,165)	-	(18,304)	-
	Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	13,615	-	(504,455)	(5)
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	-	-	-	-
	Total components of other comprehensive income (loss) that will be reclassified to profit or loss	(15,759)	-	77,090	1
8300	**Other comprehensive income (after tax)**	(2,144)	-	(427,365)	(4)
8500	**Total comprehensive income**	**$ 92,933**	**1**	**(34,825)**	
	Profit attributable to:				
8610	Owners of parent	$ 85,866	1	374,432	4
8620	Non-controlling interests	9,211	-	18,108	-
		$ 95,077	**1**	**392,540**	**4**
	Comprehensive income attributable to:				
8710	Owners of parent	$ 80,716	1	(77,192)	-
8720	Non-controlling interests	12,217	-	42,367	-
		$ 92,933	**1**	**(34,825)**	**-**
9750	**Basic earnings per share** (note 6(r)) **(expressed in New Taiwan dollars)**	**$**	**0.16**		**0.68**
9850	**Diluted earnings per share** (note 6(r)) **(expressed in New Taiwan dollars)**	**$**	**0.16**		**0.68**

See accompanying notes to consolidated financial statements.

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

See accompanying notes to consolidated financial statements.

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

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the 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	703,856	712,443
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	483,184	(33,579)
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	36,312	(245,844)
Total changes in operating assets and liabilities	519,496	(279,423)
Total adjustments	1,223,352	433,020
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	1,336,175	853,174
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	(783,097)	(375,264)
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	(368,800)	(683,898)
Effect on exchange rate changes on cash and cash equivalents	10,411	(28,615)
Net increase (decrease) in cash and cash equivalents	194,689	(234,603)
Cash and cash equivalents at beginning of period	1,215,150	1,449,753
Cash and cash equivalents at end of period	$ **1,409,839**	**1,215,150**

See accompanying notes to consolidated financial statements.

(1) Company history

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

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

These consolidated financial statements were authorized for issuance by the Board of Directors on March 14, 2024.

(3) New standards, amendments and interpretations adopted

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

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

The Group has initially adopted the following new amendment, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 "International Tax Reform—Pillar Two Model Rules"

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of material accounting policies

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

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

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

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

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

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

(ii) Functional and presentation currency

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

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

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

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

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

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

When the Group loses control over a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any interest retained in the former subsidiary is measured at fair value when control is lost, with the resulting gain or loss being recognized in profit or loss. The Group recognizes as gain or loss in profit or loss the difference between (i) the fair value of the consideration received as well as any investment retained in the former subsidiary at its fair value at the date when control is lost ;and (ii) the assets (including any goodwill), liabilities of the subsidiary as well as any related non-controlling interests at their carrying amounts at the date when control is lost, as gain or loss in profit or loss. When the Group loses control of its subsidiary, it accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if it had directly disposed of the related assets or liabilities.

(ii) List of subsidiaries in the consolidated financial statements

			Shareholding percentage		
Name of investor	**Name of subsidiary**	**Principal activity**	**December 31, 2023**	**December 31, 2022**	**Note**
The Company (ECIC)	EVERLIGHT USA, INC. (EVUS)	Selling chemical product and related raw materials	100.00	100.00	-
ECIC	EVERLIGHT (HONG KONG) LIMITED (EVHK)	Selling chemical product and related raw materials	100.00	100.00	
ECIC	EVERLIGHT CHEMICALS (SINGAPORE) PTE LTD. (EVSG)	Investing business	100.00	100.00	
ECIC	EVERLIGHT EUROPE B.V. (EVEU)	Selling chemical product and related raw materials	100.00	100.00	-
ECIC	TREND TONE IMAGING, INC. (TTI)	Manufacturing and selling toners of laser printer, copier and fax machine	76.15	76.15	-

Name of investor	Name of subsidiary	Principal activity	Shareholding percentage December 31, 2023	December 31, 2022	Note
ECIC	ELITE FOREIGN TRADING INCORPORATION (ELITE)	Selling chemical product and related raw materials	50.00	50.00	(note 1)
EVSG	EVERLIGHT (SUZHOU) ADVANCED CHEMICALS LTD. (EVSZ)	Manufacturing and selling color chemicals, toners and electronic high-tech chemical product	100.00	100.00	-
EVSG	ANDA SEMICONDUCTOR TECHNOLOGY (SUZHOU) CO., LTD. (ANDA)	Selling electronic high-tech chemical product	29.80	29.80	(note 1)、(note 2)、(note 4)
EVSG	SHANGHAI ANDA INTERNATIONAL TRADING CO., LTD. (ADSH)	Selling chemical product and related raw materials	56.25	56.25	(note 2)
EVSG	EVERLIGHT CHEMICALS (VIETNAM) COMPANY LIMITED(EVVN)	Selling electronic high-tech chemical product	100.00	100.00	(note 3)
EVSZ	ETHICAL INTERNATIONAL TRADING & WAREHOUSING (SHANGAI) CO., LTD. (ETSH)	Selling chemical product and related raw materials	100.00	100.00	-
EVSZ	GUANZHOU ETHICAL TRADING CO., LTD. (ETGZ)	Selling chemical product and related raw materials	100.00	100.00	-
EVSZ	SHANGHAI EVERLIGHT TRADING CO., LTD. (EVSH)	Selling chemical product and related raw materials	100.00	100.00	-
ECIC	GREATLIGHT INVESTMENT COPRORATION (GLTP)	Investing business	100.00	100.00	

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

(note 2): Due to the reorganizational structure of the Company, ANDA transferred 56.25% shares of ADSH to EVSG based on a resolution decided during the Board meeting held on August 11, 2022, resulting in ANDA to no longer be listed in the Group's consolidated financial statements beginning January 2023.

(note 3): As of November 18, 2022, the Company issued shares to establish subsidiary EVVN by EVSG.

(note 4): The shareholding percentage decreased to 29.8% due to the Company did not subscribe the new shares contribution of ANDA on November 1, 2022. After re-elected directors on January 5 , 2023, which leads to loss control to ANDA and change to the investments accounted for using equity method.

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

(d) Foreign currency

(i) Foreign currency transaction

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

(ii) Foreign operations

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

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

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

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

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

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

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

(iv) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

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

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

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

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

(f) Cash and cash equivalents

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

(g) Financial instruments

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

(i) Financial assets

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

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

1) Financial assets measured at amortized cost

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

2) Fair value through other comprehensive income (FVOCI)

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

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

3) Fair value through profit or loss (FVTPL)

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

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

4) Impairment of financial assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instrument

1) Classification of debt or equity

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

2) Equity instrument

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

3) Financial liabilities

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

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

4) Derecognition of financial liabilities

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

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

5) Offsetting of financial assets and liabilities

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

(iii) Derivative financial instruments and hedge accounting

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

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

(h) Inventories

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

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

(i) Investment in associates

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

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

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

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

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

(j) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent cost

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

(iii) Depreciation

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

Land is not depreciated.

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

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

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

(k) Intangible assets

(i) Recognition and measurement

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

(ii) Subsequent expenditure

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

(iii) Amortization

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

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

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

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

(l) Provisions

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

Site restoration

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

(m) Lease

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

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

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

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

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

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

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

(iii) amounts expected to be payable under a residual value guarantee; and

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

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

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

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

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

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

(v) there is any lease modifications

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

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

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

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

(n) Impairment of non-financial assets

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

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

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

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

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

(o) Revenue recognition

(i) Revenue from contracts with customers

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

1) Sale of goods

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

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

2) Financing components

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

(p) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

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

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

(iii) Short-term employee benefits

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

(q) Income taxes

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

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

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

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

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

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

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

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

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

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

1) the same taxable entity; or

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

(r) Earnings per share

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

(s) Operating segments

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

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

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

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

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

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

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

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

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

(b) Judgment regarding significant influence of investees

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

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

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

(a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

(c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 2,031	1,848
Cash in bank	1,334,070	1,120,733
Time deposits	73,738	92,569
Cash and cash equivalents	**$ 1,409,839**	**1,215,150**

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

(b) Financial assets and liabilities

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

	December 31, 2023	December 31, 2022
Financial assets mandatorily measured at fair value through profit or loss:		
Monetary market fund	**$ 36,903**	**4,020**

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

	December 31, 2023	December 31, 2022
Stocks listed on domestic markets	$ 769,963	716,367
Stocks unlisted on domestic markets	174,484	240,044
	$ 944,447	**956,411**

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

For the years ended December 31, 2023 and 2022, the Group had sold the partial of financial assets at fair value through other comprehensive income for strategic purposes. The share sold had a fair value of $1,366 and $31,169, and the Group realized a gain of $394 and $10,243, which are already included in other comprehensive income. The gains have been transferred to retained earnings.

(iii) Financial assets at amortized cost-current:

	December 31, 2023	December 31, 2022
Government bonds	**$ 60,000**	**-**

The Group purchased government bonds with a face value of $60,000 in December 2023. The due date of government bonds was January 15, 2024, and its’ effective interest rate was 0.93%~0.95%. There were no such transaction for the year ended December 31, 2022.

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

(v) The aforementioned financial assets were not pledged.

(vi) Derivative financial instruments—non hedge

The Group hold derivative financial instruments to hedge its foreign currency and interest rate exposures. However, the derivative financial instruments can't meet the criteria for hedge accounting. The Group recognized gain on forward exchange contracts and foreign currency options amounted to $12,543 and $7,040 in 2023 and 2022, respectively.

(c) Receivables

	December 31, 2023	December 31, 2022
Notes receivable	$ 202,662	189,088
Accounts receivable	1,441,277	1,374,869
Overdue receivable (under other non-current financial assets)	38,054	37,518
Less: loss allowance	(61,620)	(66,670)
	$ 1,620,373	1,534,805

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

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 1,521,636	0.01%~0.27%	3,347
1 to 90 days past due	111,333	1.21%~13.7%	16,817
91 to 365 days past due	10,970	17.21%~41.2%	3,402
More than 365 days past due	38,054	100%	38,054
	$ 1,681,993		61,620

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

The detail of loss allowance were as follows:

	December 31, 2023	December 31, 2022
Notes receivable	$ 453	1,083
Accounts receivable	23,113	28,069
Overdue receivable	38,054	37,518
	$ 61,620	66,670

The movement in the allowance for receivables was as follows:

		2023	2022
Balance on January 1, 2023	$	66,670	75,815
Impairment losses reversed		(3,741)	(7,073)
Amounts written off		(638)	(3,316)
Effect on movements in exchange rates		(671)	1,244
Balance on December 31, 2023	$	**61,620**	**66,670**

As of December 31, 2023 and 2022, the aforementioned financial assets of the Group were not pledged.

(d) Inventories

		December 31, 2023	December 31, 2022
Raw materials	$	838,533	1,088,520
Supplies		21,911	24,429
Work in progress		655,636	626,665
Finished goods		1,870,331	2,172,424
Materials in transit		3,320	58,834
	$	**3,389,731**	**3,970,872**

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

		2023	2022
Losses on valuation of inventories	$	900	12,113
Losses on inventory count		1,479	5,572
Unallocated production overheads		336,366	195,604
Losses on obsolescence		1,531	11,080
Scrap income		(1,735)	(2,328)
	$	**338,541**	**222,041**

As of December 31, 2023 and 2022, the inventories were not pledged.

(e) Investments accounted for using equity method

(i) The components of investments accounted for using the equity method at the reporting date were as follows:

		December 31, 2023	December 31, 2022
Associates	$	**140,589**	**133,663**

(ii) Associates

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

		December 31, 2023	December 31, 2022
Carrying amount of individually insignificant associates	$	**140,589**	**133,663**

		2023	2022
Attributable to the Group:			
Profit from continuing operations	$	(4,406)	7,483
Other comprehensive income		(9,064)	(1,976)
Total comprehensive income	$	**(13,470)**	**5,507**

(iii) Loss of control over a subsidiary

After ANDA has re-elected its new directors on January 5, 2023, the directors' seats representing the Group in ANDA were reduced from 3 to 2 out of the original 5 seats, resulting in a loss of control of the Group over ANDA. According to the International Financial Reporting Standards, the original shareholdings of the Group were deemed as disposal and reacquisition of equity, and the fair value on the date of loss of control is reclassified from subsidiary to reacquisition cost of the associate.

The Group delisted the ANDA's assets, liabilities and related equity components, resulting in a disposal loss of $4,834 to be recognized as other gains and losses in 2023.

The carrying amounts of assets and liabilities of ANDA on January 5, 2023 were as follow:

Cash and cash equivalents	$	31,947
Notes and accounts receivable		16,289
Inventories		315
Other current assets		889
Property, plant and equipment		980
Right-of-use assets		3,397
Accounts payable		(846)
Accounts payable-related parties		(7,610)
Other current liabilities		(430)
Lease liabilities		(3,723)
Carrying amounts of net assets	$	**41,208**

(iv) Pledge

As of December 31, 2023 and 2022, the aforementioned investment accounted for using equity method were not pledged.

(f) Material non-controlling interest of subsidiaries

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

Subsidiaries	Main operation place	Percentage of non-controlling interests December 31, 2023	Percentage of non-controlling interests December 31, 2022
TTI	Taiwan	23.85 %	23.85 %

The following information of the aforementioned subsidiaries has been prepared in accordance with the IFRSs endorsed by the FSC. Included in these information are the fair value adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intra-group transactions were not eliminated in this information.

	December 31, 2023	December 31, 2022
Current assets	$ 726,271	706,102
Non-current assets	847,568	818,481
Current liabilities	(436,090)	(413,160)
Non-current liabilities	(281,447)	(268,912)
Net assets	**$ 856,302**	**842,511**
Non-controlling interest	**$ 204,195**	**200,906**

	2023	2022
Operating revenues	**$ 834,929**	**1,060,314**
Net income	20,193	81,082
Other comprehensive income	11,289	1,284
Total comprehensive income	**$ 31,482**	**82,366**
Profit attributable to non-controlling interests	**$ 4,815**	**19,335**
Comprehensive income, attributable to non-controlling interests	**$ 7,507**	**19,641**

	2023	2022
Net cash flows from operating activities	$ 50,512	166,595
Net cash used in investing activities	(70,411)	(29,904)
Net cash flows from (used in) financing activities	62,272	(102,402)
Net increase in cash and cash equivalents	**$ 42,373**	**34,289**
Cash dividend distributed to non-controlling interests	**$ (4,218)**	**-**

(g) Property, plant and equipment

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

		Land	Land improvements	Buildings and construction	Equipment	Construction in progress and equipment to be inspected	Total
Cost:							
Balance on January 1, 2023	$	894,152	159,000	4,494,950	9,854,921	126,296	15,529,319
Additions		-	34,700	15,634	144,354	230,739	425,427
Disposals		-	-	(70,456)	(209,715)	-	(280,171)
Reclassification (note)		-	2,001	22,108	191,814	(61,061)	154,862
Effects on loss of control of subsidiaries		-	-	-	(4,382)	-	(4,382)
Effect on movements in exchange rates		-	-	(5,999)	(14,030)	(59)	(20,088)
Balance on December 31, 2023	**$**	**894,152**	**195,701**	**4,456,237**	**9,962,962**	**295,915**	**15,804,967**
Balance on January 1, 2022	$	893,780	159,000	4,460,492	9,972,383	143,367	15,629,022
Additions		-	-	14,316	98,880	92,627	205,823
Disposals		-	-	(5,855)	(415,263)	(1,345)	(422,463)
Reclassification (note)		-	-	18,220	184,168	(108,469)	93,919
Effect on movements in exchange rates		372	-	7,777	14,753	116	23,018
Balance on December 31, 2022	**$**	**894,152**	**159,000**	**4,494,950**	**9,854,921**	**126,296**	**15,529,319**
Accumulated depreciation and impairment:							
Balance on January 1, 2023	$	-	20,537	2,887,767	8,079,918	-	10,988,222
Depreciation		-	9,541	158,776	397,624	-	565,941
Disposals		-	-	(60,296)	(206,442)	-	(266,738)
Effects on loss of control of subsidiaries		-	-	-	(3,402)	-	(3,402)
Effect on movements in exchange rates		-	-	(3,667)	(11,239)	-	(14,906)
Balance on December 31, 2023	**$**	**-**	**30,078**	**2,982,580**	**8,256,459**	**-**	**11,269,117**
Balance on January 1, 2022	$	-	12,588	2,726,137	7,998,867	-	10,737,592
Depreciation		-	7,949	162,877	430,459	-	601,285
Disposals		-	-	(5,795)	(361,258)	-	(367,053)
Effect on movements in exchange rates		-	-	4,548	11,850	-	16,398
Balance on December 31, 2022	**$**	**-**	**20,537**	**2,887,767**	**8,079,918**	**-**	**10,988,222**
Carrying amounts:							
Balance on December 31, 2023	**$**	**894,152**	**165,623**	**1,473,657**	**1,706,503**	**295,915**	**4,535,850**
Balance on January 1, 2022	**$**	**893,780**	**146,412**	**1,734,355**	**1,973,516**	**143,367**	**4,891,430**
Balance on December 31, 2022	**$**	**894,152**	**138,463**	**1,607,183**	**1,775,003**	**126,296**	**4,541,097**

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

(i) For the years ended December 31, 2023 and 2022, the Group capitalized the interest expenses on construction in progress amounted to $10,251 and $4,824 respectively, and the monthly interest rate used for capitalization calculation were 0.14%~0.28% and 0.08%~0.18%, respectively.

(ii) As of December 31, 2023 and 2022, the property, plant and equipment of the Group were not pledged.

(h) Other current assets

	December 31, 2023	December 31, 2022
Prepayments	$ 81,557	92,097
Offset against business tax payable and input taxes	42,984	22,744
Temporary payments	6,198	-
	$ 130,739	**114,841**

(i) Right-of-use assets

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

	Land	Buildings and construction	Equipment	Total
Cost:				
Balance on January 1, 2023	$ 218,381	162,300	18,513	399,194
Acquisitions	-	24,345	5,070	29,415
Disposals	-	(16,612)	(1,513)	(18,125)
Effects on loss of control of subsidiaries	-	(8,445)	-	(8,445)
Effect on movements in exchange rates	(410)	(1,443)	118	(1,735)
Balance on December 31, 2023	**$ 217,971**	**160,145**	**22,188**	**400,304**
Balance on January 1, 2022	$ 217,239	136,290	15,727	369,256
Acquisitions	815	25,999	4,748	31,562
Disposals	-	(1,942)	(2,065)	(4,007)
Effect on movements in exchange rates	327	1,953	103	2,383
Balance on December 31, 2022	**$ 218,381**	**162,300**	**18,513**	**399,194**
Accumulated depreciation:				
Balance on January 1, 2023	$ 22,928	87,542	8,878	119,348
Depreciation	5,748	27,643	3,466	36,857
Disposals	-	(15,200)	(1,513)	(16,713)
Effects on loss of control of subsidiaries	-	(5,048)	-	(5,048)
Effect on movements in exchange rates	(53)	(948)	85	(916)
Balance on December 31, 2023	**$ 28,623**	**93,989**	**10,916**	**133,528**
Balance on January 1, 2022	$ 17,153	60,000	7,543	84,696
Depreciation	5,752	28,471	3,312	37,535
Disposals	-	(1,696)	(2,065)	(3,761)
Effect on movements in exchange rates	23	767	88	878
Balance on December 31, 2022	**$ 22,928**	**87,542**	**8,878**	**119,348**
Carrying amount:				
Balance on December 31, 2023	**$ 189,348**	**66,156**	**11,272**	**266,776**
Balance on January 1, 2022	**$ 200,086**	**76,290**	**8,184**	**284,560**
Balance on December 31, 2022	**$ 195,453**	**74,758**	**9,635**	**279,846**

(j) Intangible assets

		REACH registration related expenses	Software	Others	Total
Cost:					
Balance on January 1, 2023	$	229,145	58,275	14,709	302,129
Additions		19,664	6,475	54	26,193
Effect on movements in exchange rate		(279)	-	(944)	(1,223)
Balance on December 31, 2023	**$**	**248,530**	**64,750**	**13,819**	**327,099**
Balance on January 1, 2022	$	217,979	-	15,416	233,395
Additions		11,166	58,275	-	69,441
Effect on movements in exchange rate		-	-	(707)	(707)
Balance on December 31, 2022	**$**	**229,145**	**58,275**	**14,709**	**302,129**
Accumulated amortization:					
Balance on January 1, 2023	$	139,308	-	11,487	150,795
Amortization		33,804	12,950	2,185	48,939
Effect on movements in exchange rate		(56)	-	(941)	(997)
Balance on December 31, 2023	**$**	**173,056**	**12,950**	**12,731**	**198,737**
Balance on January 1, 2022	$	107,578	-	9,961	117,539
Amortization		31,730	-	2,225	33,955
Effect on movements in exchange rate		-	-	(699)	(699)
Balance on December 31, 2022	**$**	**139,308**	**-**	**11,487**	**150,795**
Carrying amounts:					
Balance on December 31, 2023	**$**	**75,474**	**51,800**	**1,088**	**128,362**
Balance on January 1, 2022	**$**	**110,401**	**-**	**5,455**	**115,856**
Balance on December 31, 2022	**$**	**89,837**	**58,275**	**3,222**	**151,334**

(i) Amortization expense

For the years ended December 31, 2023 and 2022, the amortization of intangible assets are included in the statement of comprehensive income as follows:

		2023	2022
Operating costs	$	5,107	1,884
Operating expense		43,832	32,071
	$	**48,939**	**33,955**

(ii) Pledge

As of December 31, 2023 and 2022, the intangible assets of the Group were not pledged as collateral.

(k) Short-term borrowings

	Borrowing currency	December 31, 2023	December 31, 2022
Unsecured bank loans	NTD	$ 765,000	465,000
Unsecured bank loans	RMB	199,728	326,892
Unsecured bank loans	USD	653,827	793,902
Short-term notes and bills payable	NTD	79,624	79,623
Total		$ 1,698,179	1,665,417
Unused credit lines		$ 4,103,468	3,843,932
Range of interest rate		1.69%~7.32%	1.09%~7.25%

As of December 31, 2023 and 2022, the Group issued both short-term notes and bills payable through Dah-Chung Bills Finance Corp. to obtain funds from the currency market, with rates ranging from 1.81%~1.16%.

The Group had not pledged the assets as collateral for short-term borrowings on December 31, 2023 and December 31, 2022.

(l) Long-term borrowings

	December 31, 2023			
	Currency	Rate	Maturity year	Amount
Unsecured bank loans	NTD	1.88%~2.49%	2025.1~2027.6	$ 1,048,750
Less: long-term borrowings, current portion				(42,500)
Total				$ 1,006,250
Unused credit lines				$ 401,250

	December 31, 2022			
	Currency	Rate	Maturity year	Amount
Unsecured bank loans	NTD	1.65%~2.22%	2024.1~2027.6	$ 1,100,000
Less: long-term borrowings, current portion				(12,500)
Total				$ 1,087,500
Unused credit lines				$ 350,000

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

(m) Lease liabilities

The carrying amounts of lease liabilities were as follow:

	December 31, 2023	December 31, 2022
Current	$ 34,574	35,421
Non-current	$ 223,657	233,814

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

The amounts recognized in profit or loss were as follows:

	2023	2022
Interest on lease liabilities	$ **5,738**	**6,267**
Expenses relating to short-term leases	$ **3,599**	**4,053**

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

	2023	2022
Total cash outflow for leases	$ **44,411**	**45,154**

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

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

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

(n) Provisions

The movements of the provisions were as follows:

	December 31, 2023	December 31, 2022
Balance on January 1	$ 87,450	87,450
Additions	34,000	-
Decreases	(39,750)	-
Balance on December 31	$ **81,700**	**87,450**

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

(o) Employee benefits

(i) Defined benefit plans

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

	December 31, 2023	December 31, 2022
Present value of the defined benefit obligations	$ 733,672	812,021
Fair value of plan assets	(714,848)	(736,069)
Net defined benefit liabilities	$ **18,824**	**75,952**

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

1) Composition of plan assets

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

The Group's Bank of Taiwan labor pension reserve account balance and insurance account with Nan Shan Life Insurance Company amounted to $714,848 as of December 31, 2023. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

For the years ended December 31, 2023 and 2022, the movements in present value of the defined benefit obligations for the Group were as follows:

	2023	2022
Defined benefit obligations as of January 1	$ 812,021	900,598
Current service costs and interest cost	20,488	14,283
Net remeasurements of defined benefit liabilities:		
－Actuarial gains arising from changes in financial assumptions	(28,111)	(37,883)
Benefits paid by the plan	(70,726)	(64,977)
Defined benefit obligations as of December 31	**$ 733,672**	**812,021**

3) Movements of defined benefit plan assets

For the years ended December 31, 2023 and 2022, the movements in the fair value of the plan assets were as follows:

	2023	2022
Fair value of plan assets as of January 1	$ 736,069	683,149
Return on plan assets	12,817	4,228
Net remeasurements of the defined benefit liabilities:		
－Actuarial gains arising from changes in financial assumptions	2,716	53,640
Contributions paid by employer	11,643	54,388
Benefits paid	(48,397)	(59,336)
Fair value of plan assets as of December 31	**$ 714,848**	**736,069**

4) Expenses recognized in profit or loss

For the years ended December 31, 2023 and 2022, the expenses recognized in profit or losses for the Group were as follows:

	2023	2022
Current service costs	$ 6,532	8,742
Net interest expense of net defined benefit liabilities	1,139	1,313
	$ 7,671	**10,055**

	2023	2022
Operating costs	$ 4,562	5,759
Administration expenses	3,109	4,296
	$ 7,671	**10,055**

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

The Group's re-measurement of the net defined benefit (liabilities) assets recognized in other comprehensive income for the years ended December 31, 2023 and 2022, were as follows:

	2023	2022
Accumulated amount as of January 1	$ (123,011)	(214,534)
Recognized during the period	30,827	91,523
Accumulated amount as of December 31	**$ (92,184)**	**(123,011)**

6) Actuarial assumptions

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

	December 31, 2023	December 31, 2022
Discount rate	1.375%~1.625%	1.750%
Future salary increasing rate	1.500%~2.000%	2.000%

The Group expects to make contributions of $8,135 to the defined benefit plans in the next year starting from December 31, 2023.

The weighted-average lifetime of the defined benefits plans is 9.84～13.11 years.

7) Sensitivity analysis

As of December 31, 2023 and 2022, if the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	The impact on defined benefit obligations	
	Increased 0.25%	**Decreased 0.25%**
December 31, 2023		
Discount rate	$ (13,372)	13,738
Future salary increasing rate	13,320	(13,026)
December 31, 2022		
Discount rate decreased	(15,777)	16,258
Future salary increasing rate	15,777	(15,378)

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

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

(ii) Defined contribution plans

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

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

The pension costs incurred from the defined contributions plans amounted to $68,420 and $65,328 for the years ended December 31, 2023 and 2022, respectively.

(p) Income taxes

(i) Income tax expense

The components of income tax expenses (benefit) for the years ended December 31, 2023 and 2022 were as follows:

		2023	2022
Current tax expense			
Current period	$	24,145	45,654
Adjustment for prior periods		(6,025)	5,566
		18,120	51,220
Deferred tax expense (benefit)			
Origination and reversal of temporary differences		(4,240)	40,074
Income tax expense	$	**13,880**	**91,294**

The amounts of income tax expenses recognized in other comprehensive income for the years ended December 31, 2023 and 2022 were as follows:

		2023	2022
Components that with not be reclassified to profit or loss:			
Re-measurements of defined benefit plans	$	**6,165**	**18,304**

Reconciliations of income tax expense and profit before tax for 2023 and 2022 were as follows:

		2023	2022
Profit before tax	$	**108,957**	**483,834**
Income tax using the Company's domestic tax rate	$	21,791	96,767
Effect on tax rates in foreign jurisdiction		20,782	6,804
Disposal of investment		-	(1,443)
Dividend revenue		(5,088)	(9,440)
Change in unrecognized temporary differences		(3,985)	(17,220)
Additional tax on undistributed earnings		3,100	-
Adjustment for prior periods		(6,025)	5,566
Other		(16,695)	10,260
Total	$	**13,880**	**91,294**

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

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

		December 31, 2023	December 31, 2022
Loss carryforward	$	**17,097**	**20,140**

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

As at December 31, 2023, the information of the Group's unutilized losses, for which no deferred tax assets were recognized, was as follow:

Year of loss		Loss carryforward	Expiry date
2016	$	26	2026
2017		63	2027
2018		74	2028
2019		7,259	2029
2020		72,582	2030
2021		5,482	2031
	$	**85,486**	

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for the year ended December 31, 2023 and 2022 were as follows:

Deferred tax assets:

		Allowance for impairment of receivables	Allowance for valuation of inventories	Defined benefit plans	Other	Total
Balance as of January 1, 2023	$	3,662	5,436	15,190	35,176	59,464
Recognized in profit or loss		(25)	(200)	(5,260)	(5,306)	(10,791)
Recognized in other comprehensive income		-	-	(6,165)	-	(6,165)
Balance as of December 31, 2023	**$**	**3,637**	**5,236**	**3,765**	**29,870**	**42,508**
Balance as of January 1, 2022	$	3,639	3,685	43,489	58,581	109,394
Recognized in profit or loss		23	1,751	(9,995)	(23,405)	(31,626)
Recognized in other comprehensive income		-	-	(18,304)	-	(18,304)
Balance as of December 31, 2022	**$**	**3,662**	**5,436**	**15,190**	**35,176**	**59,464**

Deferred tax liabilities:

		Unrealized investment income under equity method	Unrealized foreign exchange gains	Other	Total
Balance as of January 1, 2023	$	(93,032)	(2,295)	-	(95,327)
Recognized in profit or loss		12,749	2,295	(13)	15,031
Balance as of December 31, 2023	$	**(80,283)**	**-**	**(13)**	**(80,296)**
Balance as of January 1, 2022	$	(86,734)	(116)	(29)	(86,879)
Recognized in profit or loss		(6,298)	(2,179)	29	(8,448)
Balance as of December 31, 2022	$	**(93,032)**	**(2,295)**	**-**	**(95,327)**

(iii) The Company's income tax returns for all years through 2021 were assessed by the tax authorities.

(q) Capital and other equity

(i) Common share

As of December 31, 2023 and 2022 the Company's authorized share capital consisted of 800,000 thousand shares of common share, with 10 dollars par value per share, of which 547,752 thousand shares, respectively, were issued and outstanding.

(ii) Capital surplus

The balances of capital surplus as of December 31, 2023 and 2022 were as follows:

		December 31, 2023	December 31, 2022
Cash subscription in excess of par value of shares	$	462,559	462,559
Treasury share transactions		10,999	10,999
Donation from shareholders		1,000	1,000
	$	**474,558**	**474,558**

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

(iii) Retained earnings

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

1) Legal reserve should be at 10%.

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

3) Remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval. The aforementioned distributed that paid in cash to shareholders, which is authorized the resolution has been adopted by a majority vote at a meeting of the Board of Directors attends by two- thirds of total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

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

1) Legal reserve

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

2) Special reserve

The Company adopted to exemptions of IFRS 1 "First-time Adoption of International Financial Reporting Standards" of first time adoption in accordance with the IFRS Accounts Standards approved by the FSC. Based on the exemptions, the Company increased retained earnings amounted to $132,824 from reserve for revaluation increment and cumulative translation adjustments (gains). In accordance with the ruling issued by the FSC, the Company shall reserve a special reserve amounted to $18,752, which is same as the increased amount at first time adoption of IFRSs. The Company shall reverse to distribute of earnings proportionately based on the prior special reserve when the related assets had been used, disposal or reclassified. As of December 31, 2023 and 2022, the special reserve is amounted to $18,646.

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

(iv) Distribution of earnings

The amounts of cash dividends for 2022 and 2021 had been approved during the board meeting held on March 16, 2023 and March 24, 2022, respectively. The relevant dividend distributions to shareholders were as follows:

	2022		2021	
	Amount per share (NTD)	**Amount**	**Amount per share (NTD)**	**Amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 0.35	$ 191,713	0.50	273,876

On March 14, 2024, the Company's Board of Directors resolved to appropriate the 2023 earnings. These earnings will be appropriated as follows:

	2023	
	Amount per share (NTD)	**Amount**
Dividends distributed to ordinary shareholders:		
Cash	$ 0.15	$ 82,163

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

(v) Other equity (net of tax)

	Exchange differences on translation of foreign financial statements	**Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income**	**Non-controlling interest**	**Total**
Balance on January 1, 2023	$ (76,987)	147,391	15,489	85,893
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(13,675)	2,628	(11,047)
Exchange differences on translation of foreign financial statements	(7,009)	-	314	(6,695)
Exchange differences on associates accounted for using equity method	(9,064)	-	-	(9,064)
Disposal of equity instruments designated at fair value through other comprehensive income	-	(394)	-	(394)
Balance on December 31, 2023	$ (93,060)	133,322	18,431	58,693

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

(r) Earning per share

	2023	2022
Basic earning per share		
Profit attributable to common shareholders of the Company	**$ 85,866**	**374,432**
Weighted-average number of common shares outstanding(thousand share)	**547,752**	**547,752**
Basic earnings per share (express in New Taiwan Dollar)	**$ 0.16**	**0.68**

	2023	2022
Diluted earning per share		
Profit attributable to common shareholders of the Company	**$ 85,866**	**374,432**
Weighted-average number of common shares outstanding (basic) (thousand share)	547,752	547,752
Effect of employee compensation(thousand share)	538	1,558
Weighted-average number of common shares outstanding (diluted)(thousand share)	**548,290**	**549,310**
Diluted earnings per share (express in New Taiwan Dollar)	**$ 0.16**	**0.68**

(s) Employees compensation and directors' remuneration

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

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

	2023	2022
Employees' compensation	$ 5,276	24,194
Directors' remuneration	2,110	9,678
	$ 7,386	33,872

The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's Articles. These remunerations were expensed under operating costs or operating expenses for each period. Related information would be available at the Market Observation Post System website. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholder' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2023 and 2022.

(t) Revenue from contract with customers

(i) Disaggregation of revenue

	2023					
	Color chemicals	Specialty chemicals	Electronic chemicals	Toners	Pharmaceuticals	Total
Primary geographical markets:						
Taiwan	$ 355,291	240,688	805,522	32,058	14,288	1,447,847
Americas	161,595	409,327	-	249,395	46,186	866,503
Asia	2,115,317	898,442	517,530	674,619	51,642	4,257,550
Europe	429,423	387,259	-	187,649	97,091	1,101,422
Other	81,818	76,744	-	18,374	11,166	188,102
	$ 3,143,444	2,012,460	1,323,052	1,162,095	220,373	7,861,424
Major products:						
Chemicals	$ 3,143,444	2,012,460	1,323,052	-	-	6,478,956
Toners	-	-	-	1,162,095	-	1,162,095
Other	-	-	-	-	220,373	220,373
	$ 3,143,444	2,012,460	1,323,052	1,162,095	220,373	7,861,424

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

(ii) Contract balance

	December 31, 2023	December 31, 2022	January 1, 2022
Receivables	$ 1,681,993	1,601,475	1,918,261
Less: loss allowance	(61,620)	(66,670)	(75,815)
Total	**$ 1,620,373**	**1,534,805**	**1,842,446**

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

(u) Non-operating income and expenses

(i) Interest income

	2023	2022
Interest income from bank deposits	**$ 13,425**	**5,157**

(ii) Other income

	2023	2022
Dividend income	**$ 25,539**	**47,198**

(iii) Other gains and losses

	2023	2022
Foreign exchange gains net	$ 19,957	69,127
Net gains on financial assets and liabilities at fair value through profit	220	138
Gains (losses) on disposal of property, plant and equipment	1,323	(2,884)
Losses on disposal of investment accounted for using equity method	(4,834)	-
Subsidy revenue	8,357	22,557
Gains (losses) on disaster	6,352	(32,851)
Others	52,807	58,237
	$ 84,182	**114,324**

(iv) Finance costs

	2023	2022
Interest expense	**$ 93,203**	**71,084**

(v) Financial instruments

(i) Credit risk

1) Credit risk exposure

As of December 31, 2023 and 2022, the Group's exposure to credit risk and the maximum exposure were mainly from:

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

b) The Group didn’t provid financial guarantee to company other than the Group.

2) Concentration of credit risk

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

3) Receivables securities

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

Other financial assets at amortized cost includes other receivables and refundable deposits. There were no loss allowance provision for the years ended December 31, 2023 and 2022. All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses.

(ii) Liquidity risk

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

	Carrying amount	Contractual cash flows	within 1 year	1~2 years	2~5 years	Over 5 years
December 31, 2023						
Non-derivative financial liabilities						
Short-term borrowings	$ 1,698,179	1,705,082	1,705,082	-	-	-
Notes payable	42,729	42,729	42,729	-	-	-
Accounts payable	532,175	532,175	532,175	-	-	-
Lease liabilities	258,231	320,586	39,597	31,999	47,191	201,799
Other payables	409,923	409,923	409,923	-	-	-
Payables on equipment	26,864	26,864	26,864	-	-	-
Long-term borrowings (including current portion)	1,048,750	1,086,975	63,145	454,517	569,313	-
	$ 4,016,851	**4,124,334**	**2,819,515**	**486,516**	**616,504**	**201,799**

	Carrying amount	Contractual cash flows	within 1 year	1~2 years	2~5 years	Over 5 years
December 31, 2022						
Non-derivative financial liabilities						
Short-term borrowings	$ 1,665,417	1,676,635	1,676,635	-	-	-
Notes payable	89,065	89,065	89,065	-	-	-
Accounts payable	341,564	341,564	341,564	-	-	-
Lease liabilities	269,235	335,112	40,744	44,532	39,651	210,185
Other payables	502,833	502,833	502,833	-	-	-
Payables on equipment	36,334	36,334	36,334	-	-	-
Long-term borrowings (including current portion)	1,100,000	1,137,168	15,197	780,068	341,903	-
	$ 4,004,448	**4,118,711**	**2,702,372**	**824,600**	**381,554**	**210,185**

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

(iii) Currency risk

1) Exposure to foreign currency risk

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

	December 31, 2023			December 31, 2022		
	Foreign currency (thousand dollars)	Exchange rate	NTD	Foreign currency (thousand dollars)	Exchange rate	NTD
Financial assets						
Monetary items						
USD	$ 46,974	30.71	1,442,556	37,186	30.71	1,141,981
JPY	72,342	0.22	15,915	157,597	0.23	36,247
RMB	74,429	4.33	322,277	79,190	4.41	349,229
Financial liabilities						
Monetary items						
USD	29,185	30.71	896,266	29,063	30.71	892,519
JPY	148,611	0.22	32,695	222,009	0.23	51,062
RMB	8,659	4.33	37,494	4,060	4.41	17,903

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, loans and borrowings, and accounts payable that are denominated in foreign currency. A strengthening (weakening) 1% of the NTD against the USD, JPY and RMB for the years ended December 31, 2023 and 2022, would have changed the profit by $6,512 and$4,528, respectively. The analysis is performed on the same basis for 2023 and 2022.

3) Foreign exchange gains and losses on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gains (losses) on monetary items is disclosed by total amount. For the years ended December 31, 2023 and 2022, foreign exchange gains (including realized and unrealized portions) amounted to $19,957 and $69,127, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expresses as the interest rate increase or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased (decreased) by 1%, the Group's profit would have changed by $21,975 and$22,123, respectively, for the years ended December 31, 2023 and 2022, with all other variable factors that remain constant. This is mainly due to the Group's borrowing at floating rates.

(v) Other price risk

For the years ended December 31, 2023 and 2022, the sensitivity analyses for changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	For the years ended December 31, 2023		For the years ended December 31, 2022	
Prices of securities at reporting day	**Other comprehensive income after tax**	**Net income**	**Other comprehensive income after tax**	**Net income**
1% increase	$ 9,444	369	9,564	40
1% decrease	$ (9,444)	(369)	(9,564)	(40)

(vi) Fair value of financial instruments

1) Categories and fair values of financial instruments

The fair value of financial assets and liabilities at fair value through profit and loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows, however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required:

	December 31, 2023				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss					
Monetary market fund	$ 36,903	36,903	-	-	36,903
Subtotal	36,903	36,903	-	-	36,903
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	769,963	769,963	-	-	769,963
Stocks unlisted on domestic markets	174,484	-	-	174,484	174,484
Subtotal	944,447	769,963	-	174,484	944,447
Financial assets measured at amortized cost					
Cash and cash equivalents	1,409,839	-	-	-	-
Financial assets at amortized cost	60,000	-	-	-	-
Notes and accounts receivable	1,620,373	-	-	-	-
Other financial assets	33,169	-	-	-	-
Subtotal	3,123,381	-	-	-	-
Total	**$ 4,104,731**	**806,866**	**-**	**174,484**	**981,350**
Financial liabilities measured at amortized cost					
Bank loans (including current portion)	$ 2,746,929	-	-	-	-
Notes and accounts payable	574,904	-	-	-	-
Lease liabilities	258,231	-	-	-	-
Other payables	409,923	-	-	-	-
Payables on equipment	26,864	-	-	-	-
Total	**$ 4,016,851**	**-**	**-**	**-**	**-**

	December 31, 2022				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss					
Monetary market fund	$ 4,020	4,020	-	-	4,020
Subtotal	4,020	4,020	-	-	4,020
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	716,367	716,367	-	-	716,367
Stocks unlisted on domestic markets	240,044	-	-	240,044	240,044
Subtotal	956,411	716,367	-	240,044	956,411
Financial assets measured at amortized cost					
Cash and cash equivalents	1,215,150	-	-	-	-
Notes and accounts receivable	1,534,805	-	-	-	-
Other financial assets	67,905	-	-	-	-
Subtotal	2,817,860	-	-	-	-
Total	**$ 3,778,291**	**720,387**	**-**	**240,044**	**960,431**
Financial liabilities measured at amortized cost					
Bank loans (including current portion)	$ 2,765,417	-	-	-	-
Notes and accounts payable	430,629	-	-	-	-
Lease liabilities	269,235	-	-	-	-
Other payables	502,833	-	-	-	-
Payables on equipment	36,334	-	-	-	-
Total	**$ 4,004,448**	**-**	**-**	**-**	**-**

2) Valuation techniques for financial instruments measured at fair value

a) Non-derivative instruments

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

A financial instrument is regarded as the quoted price in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency; and if those prices represent the actual and regularly occurring market transactions on an arm's length basis. Otherwise, the market is deemed to be inactive. Normally, a market is considered to be inactive as follows:

i) the bid-ask spread is increasing; or

ii) the bid-ask spread varies significantly; or

iii) there has been a significant decline in trading volume.

When the financial instrument of the Group is traded in an active market, its fair value is illustrated by the category and nature as follows:

- The fair value of stocks and monetary fund listed on domestic and foreign markets, which are based on the market closing prices.

Except the aforementioned financial instruments, with active market the others' fair value is based on valuation techniques. Fair value, measured by using valuation technique that can be extrapolated from either similar financial instruments or discounted cash flow method or other valuation techniques, including models, is calculated based on available market data at the reporting data.

When the financial instrument of the Group is traded in an inactive market, its fair value is illustrated by the category and nature as follows:

- Unquoted equity instruments: the fair value of financial instruments transactions in an inactive market, which is valued by comparable method. The main hypothesis is referred from the quotations of comparable listed companies and earning multiplies of PBR proportion as basic, which is adjusted by the discount affections of equity securities lacking market liquidity.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of forward currency is usually determined by the forward currency exchange rate.

3) Transfers between Level 1 and Level 2

The Group didn't have any fair value transfer between levels for the years ended December 31, 2023 and 2022.

4) Reconciliation of Level 3 fair values

		Fair value through other comprehensive income
		Unquoted equity instruments
Balance on January 1, 2023	$	240,044
Total gains or losses:		
Recognized in other comprehensive income		(65,560)
Balance on December 31, 2023	**$**	**174,484**
Balance on January 1, 2022	$	79,987
Purchase		33,120
Total gains or losses:		
Recognized in other comprehensive income		126,937
Balance on December 31, 2022	**$**	**240,044**

The aforementioned total gains or losses were included "unrealized gains (losses) on equity investment measured at fair value through other comprehensive income", which related to holding assets on December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	**2022**
Recognized in other comprehensive income	**$ (65,560)**	**126,937**

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

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

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

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through other comprehensive income- equity investments without an active market	Comparable companies approach	• Price-Book Ratio (as of December 31, 2023 and 2022 were 2.90~4.41 and 2.74~5.70, respectively) • Market liquidity discount rate (as of December 31, 2023 and 2022 were all 20%)	• The estimated fair value would increase if the multiplier was higher. • The estimated fair value would decrease if market liquidity discount rate was higher.

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

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

		Fair value variation on other comprehensive income			
		Favorable		Unfavorable	
Inputs	Upwards or Downwards	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Price-book ratio	5%	8,600	11,443	(8,600)	(11,443)
Market liquidity discount rate	5%	8,035	11,514	(8,035)	(11,514)

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

(w) Financial risk management

(i) Overview

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

1) Credit risk

2) Liquidity risk

3) Market risk

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

(ii) Risk management framework

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

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

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

2) Market risk: the Group's Sales Business Units (SBUs) and functional division are responsible to make the strategy to identify risk based on regulation, government policy and analysis of market change, then execute the strategy. In order to manage the risk of market change dramatically, management with SBUs managers will establish a task force when it is necessary.

3) Operating strategy risk: in order to monitor the operating strategy in compliance with the Group's vision and meet the operating goals, general manager division with management of SBUs will evaluate the risk of operational policy through performance evaluation periodically.

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

(iii) Credit risk

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

1) Accounts receivable and other receivables

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

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

2) Investments

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

3) Guarantees

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

(iv) Liquidity risk

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

Loans and borrowings from the bank form an important source of liquidity for the Group. As of December 31, 2023 and 2022, the Group's unused credit line were amounted to $4,504,718 and $4,193,932, respectively.

(v) Market risk

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

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

1) Currency risk

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

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

2) Interest rate risk

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

3) Other market price risk

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

(x) Capital management

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

	December 31, 2023	December 31, 2022
Total liability	$ 4,244,851	4,325,806
Less: cash and cash equivalents	1,409,839	1,215,150
Net liability	**$ 2,835,012**	**3,110,656**
Total equity	**$ 8,655,875**	**8,806,697**
Debt-to-equity ratio	**33 %**	**35 %**

There were no change in the Group's approach to capital management for the year ended December 31, 2023.

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

Reconciliations of liabilities arising from financing activities were as follows:

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

	January 1, 2022	Cash flows	Non-cash changes: Foreign exchange movement	Non-cash changes: Others	December 31, 2022
Short-term borrowings	$ 2,056,402	(396,625)	5,640	-	1,665,417
Long-term borrowings	1,000,000	100,000	-	-	1,100,000
Lease liabilities	271,607	(34,834)	1,248	31,214	269,235
Total liabilities from financing activities	**$ 3,328,009**	**(331,459)**	**6,888**	**31,214**	**3,034,652**

(7) Related-party transactions

(a) Names and relationship with related parties

The following is the entity that has had transactions with related party during the periods covered in the consolidated financial statements:

Name of related party	Relationship with the Group
Chung Hwa Chemical Industrial Works, Ltd. (CHCIW)	The entity's chairman is the director of the Company
Ethical Investment Corporation, Ltd. (EIC)	The entity is the corporate director of the Company
Taiwan Dyestuffs and Pigments Industrial Association (TDPIA)	The association's chairman is the chairman of the Company
Chen, Ding-Chuan	The individual is the representative of corporate director of the Company

(b) Significant transactions with related parties

(i) Purchase

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

	2023	2022
CHCIW	$ 28,735	37,371

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

(ii) Payables to related parties

Account	Name of related party	December 31, 2023	December 31, 2022
Notes and accounts payable	CHCIW	$ 10,692	14,467

(iii) Dividend

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

	2023	2022
EIC	$ 17,150	21,500
Chen, Ding-Chuan	20,300	31,500
	$ 37,450	53,000

(iv) Other

1) Rental income

The Group leases out its office buildings, with rental based on that of the nearby offices. For the years ended December 31, 2023 and 2022, the rental income incurred by the Group both amounted to $24, which had been fully received during both periods.

2) Donation

The Group donated the amount of $150 to the TDPIA in 2023. There was no such transaction in 2022.

(c) Key management personnel compensation

	2023	2022
Short-term employee benefits	$ 29,560	28,644
Post-employment benefits	583	492
	$ 30,143	**29,136**

(8) Assets pledged as security: None.

(9) Commitments and contingencies

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

	December 31, 2023	December 31, 2022
Acquisition of property, plant and equipment	**$ 461,266**	**172,495**

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

	December 31, 2023	December 31, 2022
Outstanding standby letter of credit	**$ 19,708**	**-**

(10) Losses due to major disasters

A fire accident occurred in building Plant #3 on March 10, 2022, and caused damage to some buildings, equipment and inventories. The aforementioned estimated disaster loss is $66,851 recognized in other gains and losses in 2022. The Company has already entered into related property insurance contracts and is currently in the process of negotiation with the insurance company to handle claims. The Company has confirmed with the insurance company and its notary to recognize the virtually certain amount of compensation that can be received from the insurance company as claim receivables, but shall not exceed the disaster loss of each asset. Therefore, in 2022, the Company recognized the claim receivable for $34,000, as a deduction in other gains and losses. In 2023, the amount of claims confrimed to be available by the Company and the insurance company was $34,196.

(11) Subsequent Events: None.

(12) Other

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

By function / By item	For the years ended December 31, 2023			For the years ended December 31, 2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	693,679	573,107	1,266,786	721,371	584,586	1,305,957
Labor and health insurance	73,242	60,287	133,529	70,670	59,711	130,381
Pension	41,914	34,177	76,091	40,992	34,391	75,383
Remuneration of directors	-	13,334	13,334	-	19,725	19,725
Others	37,928	24,156	62,084	35,674	21,069	56,743
Depreciation (note)	485,375	117,423	602,798	508,624	130,112	638,736
Amortization	5,107	43,832	48,939	1,884	32,071	33,955

Note: For the years ended December 31, 2023 and 2022, depreciation expenses recognized were $602,798 and $638,820, respectively, less deferred gains of $0 and $84, respectively.

(13) Other disclosure

(a) Information on significant transactions

The following were the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the ended December 31, 2023:

1. Loans to other parties: None.

2. Guarantees and endorsements for other parties:

Number	Name of guarantor	Counter -party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 1)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements Amount	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 1)	Parent company endorsements/ guarantees to subsidiary	Subsidiary endorsements/ guarantees to parent company	Endorsements/ guarantees to the companies in mainland China
		Name	Relationship with the Company (Note 2)										
0	ECIC	EVUS	Subsidiary	834,407	64,850	61,410	-	-	0.74%	2,086,018	Yes	No	No

Note1：According to the Company's Operating Procedures of Fund Lending and Guarantee, the amount of guarantees shall be limited to 25% of the Company's net worth. The individual guarantee amount shall not exceed 10% of the Company's net worth.

Note2：The relationship of guarantee and endorsement with the Company and counter-party:

1. The Company that has a business relationship with endorsement/guarantee provider.
2. A subsidiary in which endorser/guarantor provider holds directly over 50% of equity interest.
3. An investee in which endorsement/guarantee provider and its subsidiaries hold over 50% of equity interest.
4. An investor which holds directly or indirectly over 50% of equity interest of endorser/guarantor provider.
5. The Company that has provided guarantees to endorsement/guarantee provider, and vice versa, due to contractual requirements.
6. An investee in which endorsement/guarantee provider conjunctly invests with other stockholders, and for which endorsement/guarantee provider has provided endorsement/guarantee provider in proportion to its shareholding percentage.
7. Peer engaged in the escrow of the sales contract on pre-sale house under the Consumer Protection Act.

3. Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of Shares/Units)

Name of holder	Category and name of security	Relationship with company	Account	Ending balance				Note
				Shares/Units	Carrying value	Percentage of Ownership	Fair value	
ECIC	JIH SUN MONEY MARKET FUND	-	Financial assets at fair value through profit or loss-current	1,971	30,067		30,067	
GLTP	UPAMC James Bond Money Market Fund	-	"	399	6,836	-	6,836	
					36,903		36,903	
ECIC	China Bills Finance Corporation	-	Financial assets at amortized cost - current	-	30,000	-	30,000	
"	Grand Bills Finance Corporation	-	"	-	30,000	-	30,000	
					60,000		60,000	
ECIC	Polytronics Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	8,000	445,247	9%	460,800	
"	Chemical Industrial Works, LTD	The entity's chairman is the director of the Company	"	5,500	92,217	5%	158,675	
"	General Plastic Industrial Co., Ltd.	-	"	2,140	74,900	2%	74,044	
"	Andros Pharmaceuticals Co., Ltd.	-	"	4,724	103,120	11%	152,349	
GLTP	QISDA Corp.	-	"	50	1,745	-	2,400	
"	Andros Pharmaceuticals Co., Ltd.	-	"	260	7,800	1%	8,411	
"	Taiwan Bio Therapentics Co., Ltd.	-	"	414	11,400	1%	13,724	
TTI	General Plastic Industrial Co., Ltd.	-	"	2,140	74,900	2%	74,044	
			Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		133,118		-	
	Total				944,447		944,447	

4. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None.
5. Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.
6. Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

7. Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Name of company	Counter-party	Nature of relationship	Purchase/Sale	Transaction details			Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
				Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
ECIC	EVEU	Subsidiary	Sale	364,971	4.64%	OA 90	Non material differences from those of third-parties	Non material differences from those of third-parties	47,976	2.96%	Note
"	EVUS	"	"	335,892	4.27%	OA 100	"	"	96,692	5.97%	Note
"	ELITE	"	"	278,403	3.54%	OA 100	"	"	62,493	3.86%	Note
"	ADSH	"	"	207,957	2.65%	OA 120	"	"	118,273	7.30%	Note
"	EVSH	"	"	177,899	2.26%	OA 90	"	"	61,640	3.80%	Note
"	EVSZ	"	"	152,235	1.94%	OA 90	"	"	34,371	2.12%	Note
"	ETSH	"	"	145,659	1.85%	OA 90	"	"	34,513	2.13%	Note
TTI	EVUS	Associated company	"	118,504	1.51%	OA 90	"	"	25,372	1.57%	Note
"	EVSZ	"	"	114,705	1.46%	OA 90	"	"	28,029	1.73%	Note

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

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

Name of company	Counter-party	Nature of relationship	Ending balance (note)	Turnover rate	Overdue		Amounts received in subsequent period (As of Mar 14, 2024)	Loss allowance
					Amount	Action taken		
ECIC	ADSH	Subsidiary	118,273	1.98	-	-	24,364	-

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

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

10. Significant transactions and business relationships between the parent company and its subsidiaries:

Number (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentages of the consolidated net revenue or total assets
0	ECIC	EVEU	1	Operating revenue	364,971	No material differences from those of third parties	4.64%
0	〃	EVUS	1	〃	335,892	〃	4.27%
0	〃	ELITE	1	〃	278,403	〃	3.54%
0	〃	ADSH	1	〃	207,957	〃	2.65%
0	〃	EVSH	1	〃	177,899	〃	2.26%
0	〃	EVSV	1	〃	152,235	〃	1.94%
0	〃	ETSH	1	〃	145,659	〃	1.85%
0	〃	ETHK	1	〃	87,873	〃	1.12%
1	TTI	EVUS	2	〃	118,504	〃	1.51%
1	〃	EVSZ	2	〃	114,705	〃	1.46%

Note 1: Company numbering as follows:
Parent company - 0
Subsidiary starts from 1

Note 2: The numbering of the relationship between transaction parties as follows:
Parent company to subsidiary - 1
Subsidiary to subsidiary - 2

Note 3: These accounts are disclosed based on the amounts represented to 1% of consolidated net sales or 1% of consolidated net assets.

(b) Information on investments (excluding investment in mainland China):

The following are the information on investees for the ended December 31, 2023 (excluding investment in mainland China):

Units in Thousands

Reports by Securities Issuers	Name of investee	Location	Main businesses and products	Original investment amount		Balance of December 31, 2023			Highest balance during the year	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	Carrying value				
ECIC	EVUS	America	Selling chemical product and related raw materials	88,868	88,868	300	100.00%	149,181	300	43	43	(Note 2)
〃	EVHK	Hong Kong	Selling chemical product and related raw materials	34,579	34,579	1,000	100.00%	38,784	1,000	(656)	(656)	(Note 2)
〃	EVSG	Singapore	Investing business	794,290	794,290	24,800	100.00%	886,071	24,800	(56,818)	(56,818)	(Note 2)
〃	EVEU	Netherland	Selling chemical product and related raw materials	7,890	7,890	1	100.00%	54,202	1	(6,660)	(6,660)	(Note 2)
〃	TTI	Hsinchu City	Manufacturing and selling toners of laser printer, copier and fax machine	242,192	242,192	44,906	76.15%	651,120	44,906	20,193	15,925	(Note 2)
〃	ELITE	Turkey	Selling chemical product and related raw materials	45,016	45,016	22	50.00%	100,665	22	692	346	(Note 2)
〃	GOODTV	Taipei City	Cable TV channels	19,000	19,000	1,900	22.35%	20,430	1,900	(596)	(114)	(Note 1)
〃	TAK	Taoyuan City	Manufacturing of inductance core and cathode materials of Lithium ion battery	58,600	58,600	4,856	16.78%	34,991	4,856	(52,258)	(7,918)	(Note 1)
〃	GLTP	Taipei City	Investing business	100,000	100,000	10,000	100.00%	31,611	10,000	92	92	(Note 2)
	Unrealized gross profit on sales			-	-			(65,978)			-	
				1,390,435	1,390,435			1,901,077			(55,760)	
EVSG	EVVN	Vietnam	Selling chemical product and related raw materials	12,140	12,140	-	100.00%	7,678	12,140	(4,059)	(4,059)	(Note 2)

Note 1: The company is a associated company of the Group.

(c) Information on investment in mainland China:

(i) The names of investees in mainland China, the main businesses and products, and other information:

Units in Thousands

Reports by Securities Issuers	Main businesses and products	Total amount of paid-in capital			Method of investment			Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023		Net income (losses) of the investee	Percentage of ownership	Highest balance during the year	Investment income (losses)(Note 2)	Book value	Accumulated remittance of earnings in current period	
		USD/RMB		NTD		USD	NTD	Outflow	Inflow	USD	NTD						USD	TWD
ETSH (Note 8)	Selling chemical product and related raw materials	USD	1,700 (Note 6 and 7)	52,199	(Note 1)	700	21,494			700	21,494	2,206	100.00%	100.00%	2,206	156,150	2,961	90,918
ETGZ (Note 8)	Selling chemical product and related raw materials	USD	700 (Note 6)	21,494	(Note 1)	200	6,141			200	6,141	3,136	100.00%	100.00%	3,136	97,086	1,523	46,764
EVSH (Note 8)	Selling chemical product and related raw materials	USD	1,250 (Note 6)	38,381	(Note 1)	1,100	33,776			1,100	33,776	(687)	100.00%	100.00%	(687)	144,749	950	29,170
EVSZ (Note 8)	Manufacturing and selling color chemical, toners and electronic high tech chemical product	USD	23,650 (Note 4)	726,173	(Note 1)	18,600	571,113			18,600	571,113	(56,439)	100.00%	100.00%	(56,439)	779,265	-	-
ANDA	Selling electronic high tech chemical product	RMB	20,000 (Note 4)	86,540	(Note 1)	650	19,958			650	19,958	(10,149)	29.80%	29.80%	(3,024)	11,705	-	-
ADSH (Note 8)	Selling electronic high tech chemical product	RMB	1,000 (Note 5)	4,327	(Note 5)	-	-			-	-	9,257	56.25%	56.25%	5,208	8,924	-	-
3ESZ	Manufacturing and selling chemical product and related raw materials	USD	6,600 (Note 4)	202,653		2,490	76,455			2,490	76,455	16,625	40.00%	40.00%	6,650	73,463	-	-

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

Note 2: Except for ANDA, these financial statements are reviewed by the same auditor of the Taiwan parent company and accounted for equity method. The financial statement of ANDA is not reviewed by independent auditors.

Note 3: Exchange rate: NTD vs USD (1:30.705), NTD vs RMB (1:4.327) . Expressed in thousands of New Taiwan Dollars unless otherwise specified.

Note 4: EVSG invested in EVSZ USD 5,050 thousand, ANDA USD 25 thousand and 3ESZ USD 150 thousand by owned funds. In addition, ANDA increased its capital to RMB 20,000 after changing the original registered capital from USD 1,200 to RMB 8,445 due to operation needs.

Note 5: ANDA invested in ADSH amounted to RMB 1,000 thousand (USD 157 thousand) by owned funds.And due to the reorganizationed structure, ADSH is reinvested directly by EVSG.

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

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

Note 8: The amounts of the transaction and the ending balance had been eliminated in the consolidated financial statements.

(ii) Limitation on investment in mainland China:

Accumulated Investment in mainland China as of September 30, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
781,043 (USD 25,437)	717,023 (USD 23,352)	5,193,525

As of December 31, 2023, the difference between accumulated investment in mainland China and investment amounts authorized by Investment Commission, MOEA was amounted to USD (2,085) thousand, including the follows:

(i) ETSH: capital increasing amounted to USD 1,000 thousand from earning.

(ii) EVSG: investment amounted to USD 2,631 thousand by owned funds.

(iii) EVSG: remittance of earnings amounted to USD (5,716) thousand.

(iii) Significant transactions:

For the year ended December 31, 2023, the information on direct or indirect significant transactions with investees in mainland China, which had been eliminated in the consolidated financial statements, is disclosed in note 13(a) Information on significant transactions.

(d) Major shareholders：

(In Shares)

Shareholding / Shareholder's Name	Shares	Percentage
ETHICAL INVESTMENT CORPORATION	55,000,000	10.04%
CHEN,DING-CHUAN	53,000,000	9.67%

(14) Segment information

(a) General information

The reportable segments and its operating were as follows:

(i) Color chemicals: manufacturing textile dye, leather dye, inkjet dye, metal dye, paper dye, textile functional chemicals, digital textile printing ink, dye for DSSC, colors pigments and etc.

(ii) Specialty chemicals: manufacturing of weatherability HALS, plastic HALS, PU/TPU anti-yellowing materials and cosmetic sun-screening materials.

(iii) Pharmaceuticals: manufacturing of prostaglandin API, cardiovascular disease API and Parkinson disease API.

(iv) Electronic chemicals: manufacturing of industrial photoresist for IC, LCD, LED and TP, developers, slurry and functional surface nano coating.

(v) Toner: manufacturing and sale of toner for laser printer, copier and fax machine.

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

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

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

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

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

	2022							
	Color chemicals	Specialty chemicals	Electronic chemicals	Toner	Pharmaceuticals	Others	Reconciliation and elimination	Total
Revenue from external customers	$ 3,513,805	2,426,714	1,314,100	1,404,281	232,802	-	-	8,891,702
Intersegment revenue	-	-	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	5,157	-	5,157
Total revenue	$ 3,513,805	2,426,714	1,314,100	1,404,281	232,802	5,157	-	8,896,859
Interest expense	$ 31,501	14,140	10,208	12,898	2,337	-	-	71,084
Depreciation and amortization	$ 305,622	120,613	44,288	96,399	97,149	8,620	-	672,691
Gains on investment	$ -	-	-	-	-	7,483	-	7,483
Reportable segment profit (loss)	$ 200,606	176,753	107,143	50,164	(104,250)	53,418	-	483,834

(c) Information for the entity as a whole

(i) Product and service information: the information is disclosed in note 14(b), the Group's operating segment information and reconciliation.

(ii) Geographic information

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

Revenue from the external customers:

Area	2023	2022
Taiwan	$ 1,447,847	1,647,159
Europe	1,101,422	1,382,675
China	4,257,550	4,569,167
Americas	866,503	1,044,136
Other	188,102	248,565
	$ 7,861,424	8,891,702

Non-current assets

Area	December 31, 2023	December 31, 2022
Taiwan	$ 4,670,687	4,670,603
Europe	18,362	10,991
China	384,861	379,029
Americas	18,518	14,749
	$ 5,092,428	5,075,372

Non-current assets included property, plant and equipment, intangible assets and other assets, not including investments accounted for using equity method, financial instruments, and deferred tax assets.

(iii) Major customers

There is no revenue from the external customers greater than 10% of net revenue.

安侯建業聯合會計師事務所
KPMG
台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)
電 話 Tel + 886 2 8101 6666
傳 真 Fax + 886 2 8101 6667
網 址 Web kpmg.com/tw

Independent Auditors' Report

To the Board of Directors of Everlight Chemical Industrial Corporation:

Opinion

We have audited the financial statements of Everlight Chemical Industrial Corporation("the Company"), which comprise the balance sheets as of December 31, 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)

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

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

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

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4000	**Operating revenue (notes 6(s) and 7)**	$ 6,108,600	100	6,782,782	100
5000	**Operating costs (notes 6(d), (f), (h), (i), (l), (n), (r), 7 and 12)**	5,008,425	82	5,413,588	80
5900	**Gross profit from operations**	1,100,175	18	1,369,194	20
5910	**Realized (unrealized) gross profit from sales**	18,783	-	18,019	-
5950	**Gross profit from operations**	1,118,958	18	1,387,213	20
6000	**Operating expenses (notes 6(c), (f), (h), (i), (l), (n), (r), 7 and 12):**				
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)	2,338	-	(3,908)	-
	Total operating expenses	1,003,927	16	1,122,037	16
6900	**Net operating income**	115,031	2	265,176	4
7000	**Non-operating income and expenses (notes 6(b), (e), (f), (l), (t) and 10):**				
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	(55,760)	-	92,900	2
	Total non-operating income and expense	(16,908)	-	184,834	3
7990	**Income before income tax**	98,123	2	450,010	7
7950	**Income tax expenses (note 6(o))**	12,257	-	75,578	1
	Net income	85,866	2	374,432	6
8300	**Other comprehensive income (notes 6(e), (n), (o), (p) and (u)):**				
8310	**Components of other comprehensive income (loss) that will not be reclassified to profit or loss**				
8311	Gains 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	(6,098)	-	(18,101)	-
	Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	10,923	-	(504,955)	(8)
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	-	-	-	-
	Total components of other comprehensive income (loss) that will be reclassified to profit or loss	(16,073)	-	53,331	1
8300	**Other comprehensive income(after tax)**	(5,150)	-	(451,624)	(7)
8500	**Total comprehensive income**	**$ 80,716**	**2**	**(77,192)**	**(1)**
9750	**Basic earnings per share (note 6(q)) (expressed in New Taiwan dollars)**	**$ 0.16**		**0.68**	
9850	**Diluted earnings per share (note 6(q)) (expressed in New Taiwan dollars)**	**$ 0.16**		**0.68**	

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

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

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION

Statements of Changes in Equity

For the years ended December 31, 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**

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

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

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION

Statements of Cash Flows

For the years ended December 31, 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**

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

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

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION

Notes to the Parent-Company-Only Financial Statements

For the years ended December 31, 2023 and 2022

(expressed in thousands of New Taiwan dollars , unless otherwise specified)

(1) Company history

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

(2) Approval date and procedures of the financial statements

These parent-company-only financial statements were authorized for issuance by the Board of Directors on March 14, 2024.

(3) New standards, amendments and interpretations adopted

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

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2023:

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

The Company has initially adopted the new amendment, which do not have a significant impact on its financial statements, from May 23, 2023:

- Amendments to IAS 12 "International Tax Reform—Pillar Two Model Rules"

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

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its financial statements:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of material accounting policies

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

(a) Statement of compliance

These parent-company-only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”).

(b) Basis of preparation

(i) Basis of measurement

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

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

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

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

(ii) Functional and presentation currency

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

(c) Foreign currencies

(i) Foreign currency transactions

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

(ii) Foreign operations

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

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

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

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

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

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

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

(iv) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

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

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

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

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

(e) Cash and cash equivalents

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

(f) Financial instruments

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

(i) Financial assets

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

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

1) Financial assets measured at amortized cost

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

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

2) Fair value through other comprehensive income (FVOCI)

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

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

3) Fair value through profit or loss (FVTPL)

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

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

4) Impairment of financial assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

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

3) Financial liabilities

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

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

4) Derecognition of financial liabilities

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

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

5) Offsetting of financial assets and liabilities

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

(iii) Derivative financial instruments and hedge accounting

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

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

(g) Inventories

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

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

(h) Investment in associates

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

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

The parent-company-only financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

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

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

(i) Investment in subsidiaries

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

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

(j) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent cost

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

(iii) Depreciation

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

Land is not depreciated.

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

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

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

(k) Intangible assets

(i) Recognition and measurement

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

(ii) Subsequent expenditure

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

(iii) Amortization

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

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

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

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

(l) Provisions

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

Site restoration

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

(m) Lease

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

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

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

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

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

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

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

(iii) amounts expected to be payable under a residual value guarantee; and

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

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

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

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

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

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

(v) there is any lease modifications

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

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

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

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

(n) Impairment of non-financial assets

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

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

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

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

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

(o) Revenue

(i) Revenue from contracts with customers

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

1) Sale of goods

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

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

2) Financing components

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

(p) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

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

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

(iii) Short-term employee benefits

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

(q) Income taxes

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

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

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

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

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

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

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

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

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

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

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

1) the same taxable entity; or

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

(r) Earnings per share

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

(s) Operating segments

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

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

In preparing these parent-company-only financial statementss, management has made judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

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

The Company is likely to be facing economic uncertainties, such as natural disasters, international political uncertainty and inflation. Those events may have a significant impact in the next financial year on the following accounting estimates, which depend on the future forecasts.

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

(a) Judgment of whether the Company has substantive control over its investees, please refer to consolidated financial statements for the year ended December 31, 2023.

(b) Judgment regarding significant influence of investees

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

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

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

(a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

(c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in note 6(x).

(6) Explanation of significant accounts

(a) Cash and cash equivalents

		December 31, 2023	December 31, 2022
Cash on hand	$	1,320	1,411
Cash in bank		809,448	577,088
Time deposits		55,818	88,160
Cash and cash equivalents	**$**	**866,586**	**666,659**

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

(b) Financial assets

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

		December 31, 2023	December 31, 2022
Financial assets mandatorily measured at fair value through profit and loss:			
Monetary market fund	**$**	**30,067**	**-**

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

		December 31, 2023	December 31, 2022
Stocks listed on domestic markets	$	693,519	651,373
Stocks unlisted on domestic markets		152,349	214,659
	$	**845,868**	**866,032**

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

For the year ended December 31, 2022, the Company had sold the partial of financial assets at fair value through other comprehensive income for strategic plan. The shares sold had a fair value of $31,169, and the Company realized a gain of $10,243, which is already included in other comprehensive income. The gain has been transferred to retained earnings. There was no such transaction for the year ended December 31, 2023.

(iii) Financial assets at amortized cost-current

		December 31, 2023	December 31, 2022
Government bonds	$	**60,000**	**-**

The Company purchased government bonds, with a face value of $60,000 in December 2023. The due date of government bonds was January 15, 2024, and its effective interest rate was 0.93%~0.95%. There was no such transaction for the year ended December 31, 2022.

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

(v) The aforementioned financial assets were not pledged.

(vi) Derivative financial instruments－non-hedge

The Company hold derivative financial instruments to hedge its foreign currency and interest rate exposures. However, the derivative financial instruments can't meet the criteria for hedge accounting. The Company recognized gain on forward exchange contracts and foreign currency options amounted to $12,543 and $7,040 in 2023 and 2022, respectively.

(c) Receivables

		December 31, 2023	December 31, 2022
Notes receivable	$	44,738	46,113
Accounts receivable		782,245	671,894
Accounts receivable from related parties		468,632	394,863
Overdue receivable (under other non-current financial assets)		18,054	18,454
Less: loss allowance		(31,321)	(29,621)
	$	**1,282,348**	**1,101,703**

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

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

	December 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 1,092,469	0.00%~0.08%	874
1 to 90 days past due	20,401	5.69%~54.59%	10,293
91 to 365 days past due	-	-	-
More than 365 days past due	18,454	100%	18,454
	$ 1,131,324		29,621

The detail of loss allowance were as follows:

	December 31, 2023	December 31, 2022
Notes receivable	$ 1	1
Accounts receivable	13,266	11,166
Overdue receivable	18,054	18,454
	$ 31,321	29,621

The movement in the allowance for receivables were as follows:

	For the years ended December 31	
	2023	2022
Balance on January 1, 2023	$ 29,621	33,529
Impairment losses recognized (reversed)	2,338	(3,908)
Amounts written off	(638)	-
Balance on December 31, 2023	$ 31,321	29,621

The aforementioned financial assets were not pledged.

(d) Inventories

	December 31, 2023	December 31, 2022
Raw materials	$ 623,472	867,982
Supplies	18,763	19,416
Work in progress	369,898	361,799
Finished goods	1,328,588	1,618,954
	$ 2,340,721	2,868,151

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

	2023	2022
Losses (gains) on valuation of inventories	$ (999)	5,269
Losses on obsolescence	1,531	6,417
Losses on inventory count	1,546	5,458
Unallocated production overheads	269,115	160,213
Scrap income	(1,633)	(2,154)
	$ 269,560	**175,203**

As of December 31, 2023 and 2022, the aforementioned inventories were not plegded.

(e) Investments accounted for using equity method

(i) The components of investments accounted for using the equity method at the reporting date were as follows:

	December 31, 2023	December 31, 2022
Subsidiaries	$ 1,845,656	1,944,061
Associates	55,421	65,482
	$ 1,901,077	**2,009,543**

(ii) Subsidiaries

Please refer to consolidated financial statements for the year ended December 31, 2023.

(iii) Associates

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

	December 31, 2023	December 31, 2022
Carrying amount of individually insignificant associates	**$ 55,421**	**65,482**

	2023	2022
Attributable to the Company:		
Profit from continuing operations	$ (8,032)	595
Other comprehensive income	(9,064)	(1,976)
Total comprehensive income	**$ (17,096)**	**(1,381)**

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

(f) Property, plant and equipment

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

	Land	Land improvement	Buildings and construction	Equipment	Construction in progress and equipment to be inspected	Total
Cost:						
Balance on January 1, 2023	$ 890,375	159,000	3,350,896	8,066,423	120,413	12,587,107
Additions	-	34,700	12,199	117,127	167,292	331,318
Disposals	-	-	(60,768)	(179,805)	-	(240,573)
Reclassification (note)	-	2,001	21,718	174,805	(41,922)	156,602
Balance on December 31, 2023	**$ 890,375**	**195,701**	**3,324,045**	**8,178,550**	**245,783**	**12,834,454**
Balance on January 1, 2022	$ 890,375	159,000	3,332,552	8,206,188	136,081	12,724,196
Additions	-	-	9,397	87,359	90,138	186,894
Disposals	-	-	(5,855)	(403,929)	(1,345)	(411,129)
Reclassification (note)	-	-	14,802	176,805	(104,461)	87,146
Balance on December 31, 2022	**$ 890,375**	**159,000**	**3,350,896**	**8,066,423**	**120,413**	**12,587,107**
Accumulated depreciation and impairment:						
Balance on January 1, 2023	$ -	20,538	2,365,717	6,513,681	-	8,899,936
Depreciation	-	9,541	122,690	353,401	-	485,632
Disposals	-	-	(50,652)	(179,051)	-	(229,703)
Balance on December 31, 2023	**$ -**	**30,079**	**2,437,755**	**6,688,031**	**-**	**9,155,865**
Balance on January 1, 2022	$ -	12,588	2,245,955	6,498,545	-	8,757,088
Depreciation	-	7,950	125,557	365,478	-	498,985
Disposals	-	-	(5,795)	(350,342)	-	(356,137)
Balance on December 31, 2022	**$ -**	**20,538**	**2,365,717**	**6,513,681**	**-**	**8,899,936**
Carrying amounts:						
Balance on December 31, 2023	**$ 890,375**	**165,622**	**886,290**	**1,490,519**	**245,783**	**3,678,589**
Balance on January 1, 2022	**$ 890,375**	**146,412**	**1,086,597**	**1,707,643**	**136,081**	**3,967,108**
Balance on December 31, 2022	**$ 890,375**	**138,462**	**985,179**	**1,552,742**	**120,413**	**3,687,171**

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

(i) For the years ended December 31, 2023 and 2022, the Company capitalized the interest expenses on construction in progress, amounted to $9,178 and $4,665, respectively, and the monthly interest rate used for capitalization calculation were 0.28% and 0.08%~0.18%, respectively.

(ii) As of December 31, 2023 and 2022, the property, plant and equipment of the Company were not pledged.

(g) Other current assets

	December 31, 2023	December 31, 2022
Prepayments	$ 60,968	59,232
Offset against business tax payable and input taxes	24,210	19,077
Temperary payments	6,198	-
	$ 91,376	**78,309**

(h) Right-of-use assets

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

		Buildings and construction	Equipment	Total
Cost:				
Balance on January 1, 2023	$	43,515	13,521	57,036
Acquisitions		8,152	1,909	10,061
Disposals		(8,580)	(1,513)	(10,093)
Balance on December 31, 2023	**$**	**43,087**	**13,917**	**57,004**
Balance on January 1, 2022	$	43,387	12,878	56,265
Acquisitions		128	2,139	2,267
Disposals		-	(1,496)	(1,496)
Balance on December 31, 2022	**$**	**43,515**	**13,521**	**57,036**
Accumulated depreciation:				
Balance on January 1, 2023	$	30,724	6,471	37,195
Depreciation		8,172	2,186	10,358
Disposals		(8,580)	(1,513)	(10,093)
Balance on December 31, 2023	**$**	**30,316**	**7,144**	**37,460**
Balance on January 1, 2022	$	22,994	5,774	28,768
Depreciation		7,730	2,193	9,923
Disposals		-	(1,496)	(1,496)
Balance on December 31, 2022	**$**	**30,724**	**6,471**	**37,195**
Carrying amount:				
Balance on December 31, 2023	**$**	**12,771**	**6,773**	**19,544**
Balance on January 1, 2022	**$**	**20,393**	**7,104**	**27,497**
Balance on December 31, 2022	**$**	**12,791**	**7,050**	**19,841**

(i) Intangible assets

The movement in intangible assets were as follows:

		REACH registration related expenses	Software	Others	Total
Cost:					
Balance on January 1, 2023	$	229,145	58,275	2,267	289,687
Additions		11,369	6,475	-	17,844
Disposals		(11,076)	-	-	(11,076)
Balance on December 31, 2023	**$**	**229,438**	**64,750**	**2,267**	**296,455**
Balance on January 1, 2022	$	217,979	-	2,267	220,246
Additions		11,166	58,275	-	69,441
Balance on December 31, 2022	**$**	**229,145**	**58,275**	**2,267**	**289,687**

	REACH registration related expenses	Software	Others	Total
Accumulated amortization:				
Balance on January 1, 2023	$ 139,308	-	2,208	141,516
Amortization	29,930	12,950	50	42,930
Balance on December 31, 2023	**$ 169,238**	**12,950**	**2,258**	**184,446**
Balance on January 1, 2022	$ 107,579	-	2,102	109,681
Amortization	31,729	-	106	31,835
Balance on December 31, 2022	**$ 139,308**	**-**	**2,208**	**141,516**
Carrying amounts:				
Balance on December 31, 2023	**$ 60,200**	**51,800**	**9**	**112,009**
Balance on January 1, 2022	**$ 110,400**	**-**	**165**	**110,565**
Balance on December 31, 2022	**$ 89,837**	**58,275**	**59**	**148,171**

(i) Amortization expense

For the years ended December 31, 2023 and 2022, the amortization of intangible assets are included in the statement of comprehensive income as follows:

	2023	2022
Operating costs and expenses	**$ 42,930**	**31,835**

(ii) Pledge

As of December 31, 2023 and 2022, the intangible assets of the Company were not pledged.

(j) Short-term borrowings

The short-term borrowings were summarized as follows:

	Borrowing currency	December 31, 2023	December 31, 2022
Unsecured bank loans	NTD	$ 550,000	300,000
Unsecured bank loans	USD	531,219	793,902
Total		**$ 1,081,219**	**1,093,902**
Unused credit lines		**$ 3,024,894**	**2,551,923**
Range of interest rates		**1.74%~6.86%**	**1.55%~6.40%**

(k) Long-term borrowings

The long-term borrowings were summarized as follows:

	December 31, 2023			
	Currency	**Rate**	**Maturity year**	**Amount**
Unsecured bank loans	NTD	1.88%~1.98%	2025.01~2026.10	$ 900,000
Unused credit lines				$ 350,000

	December 31, 2022			
	Currency	**Rate**	**Maturity year**	**Amount**
Unsecured bank loans	NTD	1.65%~2.00%	2024.05~2027.12	$ 1,000,000
Unused credit lines				$ 250,000

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

(l) Lease liabilities

The carry amount of lease liabilities were as follow:

	December 31, 2023	**December 31, 2022**
Current	$ 10,516	8,800
Non-current	$ 9,476	11,635

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

The amounts recognized in profit or loss were as follows:

	2023	**2022**
Interest on lease liabilities	$ 311	364
Expenses relating to short-term leases	$ 1,734	1,886

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

	2023	**2022**
Total cash outflow for leases	$ 12,549	12,270

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

For the years ended December 31, 2023 and 2022, the Company leases buildings and constructions, and equipment for its warehouses and office space. The leases of warehouses and office typically run for a period from 3 to 7 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) The Company leases office equipment and vehicles, with lease periods ranging from 1 to 3 years, which are recognized as short-term or lower-price lease. The Company elected to apply the practical expedients by not recognizing its relative right-of-use assets and lease liabilities.

(m) Provisions

The movements of the provisions were as follows:

	December 31, 2023	December 31, 2022
Balance on January 1	$ 87,450	87,450
Additions	34,000	-
Decreases	(39,750)	-
Balance on December 31	**$ 81,700**	**87,450**

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

(n) Employee benefits

(i) Defined benefit plans

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

	December 31, 2023	December 31, 2022
Present value of the defined benefit obligations	$ 719,068	797,392
Fair value of plan assets	(700,795)	(722,672)
Net defined benefit liabilities	**$ 18,273**	**74,720**

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

1) Composition of plan assets

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

The Company's Bank of Taiwan labor pension reserve account balance and Nan-shan life insurance nonforfeiture values amounted to $700,795 as of December 31, 2023. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

For the years ended December 31, 2023 and 2022, the movements in present value of the defined benefit obligations for the Company were as follows:

		2023	2022
Defined benefit obligations as of January 1	$	797,392	884,896
Current service costs and interest cost		20,232	14,177
Net remeasurements of defined benefit liabilities			
—Actuarial gains arising from changes in financial assumptions		(27,830)	(37,869)
Benefits paid by the plan		(70,726)	(63,812)
Defined benefit obligations as of December 31	$	**719,068**	**797,392**

3) Movements of defined benefit plan assets

For the years ended December 31, 2023 and 2022, the movements in the fair value of the plan assets were as follows:

		2023	2022
Fair value of plan assets as of January 1	$	722,672	670,063
Return on plan assets		12,580	4,141
Net remeasurements of the defined benefit liabilities			
—Actuarial gains arising from changes in financial assumptions		2,662	52,638
Contributions paid to the plan		11,278	54,001
Benefits paid by the plan		(48,397)	(58,171)
Fair value of plan assets as of December 31	$	**700,795**	**722,672**

4) Expenses recognized in profit or loss

		2023	2022
Current service costs	$	6,532	8,742
Net interest expense of net defined benefit liabilities		1,120	1,294
	$	**7,652**	**10,036**

		2023	2022
Operating costs	$	4,550	5,747
Administration expenses		2,064	3,022
Research and development expenses		1,038	1,267
	$	**7,652**	**10,036**

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

The Company's remeasurement of the net defined benefit (liabilities) assets recognized in other comprehensive income for the years ended December 31, 2023 and 2022, were as follows:

	2023	2022
Accumulated amount as of January 1	$ (113,922)	(204,429)
Recognized during the period	30,492	90,507
Accumulated amount as of December 31	**$ (83,430)**	**(113,922)**

6) Actuarial assumptions

The principal actuarial assumptions were as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.375 %	1.750 %
Future salary increasing rate	1.500 %	2.000 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $7,792.

The weighted-average lifetime of the defined benefits plans is 9.84 years.

7) Sensitivity analysis

As of December 31, 2023 and 2022, if the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	The impact of defined benefit obligations	
	Increased 0.25%	Decreased0.25%
December 31, 2023		
Discount rate	$ (12,973)	13,325
Future salary increasing rate	12,920	(12,635)
December 31, 2022		
Discount rate	(15,352)	15,816
Future salary increasing rate	15,342	(14,960)

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

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

(ii) Defined contribution plans

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

The pension costs incurred from the defined contributions plans amounted to $36,725 and $37,247 for the years ended December 31, 2023 and 2022, respectively.

(o) Income taxes

(i) Income tax expense

The components of income tax expenses (benefit) for the years ended December 31, 2023 and 2022 were as follows:

		2023	2022
Current tax expense			
Current period	$	22,462	29,938
Adjustment for prior periods		(6,025)	4,407
		16,437	34,345
Deferred tax expense (benefit)			
Origination and reversal of temporary differences		(4,180)	41,233
Income tax expense	**$**	**12,257**	**75,578**

The amounts of income tax expenses (benefit) recognized in other comprehensive income for the years ended December 31, 2023 and 2022 were as follows:

		2023	2022
Components that with not be reclassified to profit or loss:			
Remeasurements from defined benefit plans	**$**	**6,098**	**18,101**

Reconciliations of income tax expense and profit before tax for 2023 and 2022 were as follows:

		2023	2022
Profit excluding income tax	**$**	**98,123**	**450,010**
Income tax using the Company's domestic tax rate	$	19,624	90,002
Additional tax on undistributed earnings		299	-
Dividend revenue		(4,146)	(8,548)
Adjustment for prior periods		(6,025)	4,407
Others		2,505	(10,283)
Income tax expense	**$**	**12,257**	**75,578**

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets and liabilities

As of December 31, 2023 and 2022, the Company has no unrecognized deferred tax assets and liabilities.

2) Recognized deferred tax assets and liabilities

Changes in the amounts of deferred tax assets and liabilities for 2023 and 2022 were as follows:

Deferred tax assets:

	Allowance for impairment of receivables	Allowance for valuation of inventories	Defined benefit plans	Unrealized foreign exchange gains	Other	Total
Balance as of January 1, 2023	$ 3,662	3,328	14,944	-	34,756	56,690
Recognized in profit or loss	(25)	(200)	(5,191)	295	(5,730)	(10,851)
Recognized in other comprehensive income	-	-	(6,098)	-	-	(6,098)
Balance as of December 31, 2023	**$ 3,637**	**3,128**	**3,655**	**295**	**29,026**	**39,741**
Balance as of January 1, 2022	$ 3,639	2,274	42,966	-	58,581	107,460
Recognized in profit or loss	23	1,054	(9,921)	-	(23,825)	(32,669)
Recognized in other comprehensive income	-	-	(18,101)	-	-	(18,101)
Balance as of December 31, 2022	**$ 3,662**	**3,328**	**14,944**	**-**	**34,756**	**56,690**

Deferred tax liabilities:

	Unrealized investment income under equity method	Unrealized foreign exchange gains	Other	Total
Balance as of January 1, 2023	$ (93,032)	(2,295)	-	(95,327)
Recognized in profit or loss	12,749	2,295	(13)	15,031
Balance as of December 31, 2023	**$ (80,283)**	**-**	**(13)**	**(80,296)**
Balance as of January 1, 2022	$ (86,734)	-	(29)	(86,763)
Recognized in profit or loss	(6,298)	(2,295)	29	(8,564)
Balance as of December 31, 2022	**$ (93,032)**	**(2,295)**	**-**	**(95,327)**

(iii) The Company's tax returns for all years through 2021 were assessed by the tax authorities.

(p) Capital and other equity

(i) Common share

As of December 31, 2023 and 2022, the Company's authorized share capital consisted of 800,000 thousand shares of common share, with 10 dollars par value per share, of which 547,752 thousand shares, were issued and outstanding.

(ii) Capital surplus

The balances of capital surplus as of December 31, 2023 and 2022 were as follows:

	December 31, 2023	December 31, 2022
Cash subscription in excess of par value of shares	$ 462,559	462,559
Treasury share transactions	10,999	10,999
Donation from shareholders	1,000	1,000
	$ 474,558	**474,558**

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

(iii) Retained earnings

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

1) Legal reserve should be at 10%.

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

3) Remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval. The aformentioned distributed that pay in cash to shareholders, which is authorized the resolution has been adopted by a majority vote at a meeting of the Board of Directors attends by two- thirds of total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

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

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

The Company adopted to exemptions of IFRS 1 "First-time Adoption of International Financial Reporting Standards" of first time adoption in accordance with the IFRSs approved by the FSC. Based on the exemptions, the Company increased retained earnings amounted to $132,824 from reserve for revaluation increment and cumulative translation adjustments (gains). In accordance with the ruling issued by the FSC, the Company shall reserve a special reserve amounted to $18,752, which is same as the increased amount at first time adoption of IFRSs. The Company shall reverse to distribute of earnings proportionately based on the prior special reserve when the related assets had been used, disposal or reclassified. As of December 31, 2023 and 2022, the special reserve is amounted to $18,646.

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

3) Earnings distribution

The amounts of cash dividends for 2022 and 2021 had been approved during the board meeting held on March 16, 2023 and March 24, 2022, respectively. The relevant dividend distributions to shareholders were as follows:

	2022		2021	
	Amount per share (NTD)	**Amount**	**Amount per share (NTD)**	**Amount**
Dividends distributed to common shareholders:				
Cash	$ 0.35	$ 191,713	0.50	273,876

On March 14, 2024, the Company's Board of Directors resolved to appropriate the 2023 earnings. These earnings will be appropriated as follows:

	2023	
	Amount per share (NTD)	**Amount**
Dividends distributed to ordinary shareholders:		
Cash	$ 0.15	$ **82,163**

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

(iv) Other equity (net of tax)

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

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance on January 1, 2022	$ (130,318)	735,613	605,295
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(587,611)	(587,611)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income on subsidiaries accounted for using equity method	-	9,632	9,632
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(10,243)	(10,243)
Exchange differences on translation of foreign financial statements	55,307	-	55,307
Exchange differences on associates accounted for using equity method	(1,976)	-	(1,976)
Balance on December 31, 2022	$ **(76,987)**	**147,391**	**70,404**

(q) Earning per share

The calculation of basic earnings per share and diluted earnings per share for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Basic earning per share		
Profit attributable to common shareholders of the Company	$ **85,866**	**374,432**
Weighted-average number of common shares (thousand share)	$ **547,752**	**547,752**
Basic earnings per share (express in New Taiwan dollar)	$ **0.16**	**0.68**

	2023	2022
Diluted earning per share		
Profit attributable to common shareholders of the Company	$ **85,866**	**374,432**
Weighted average number of common shares (basic)(thousand share)	547,752	547,752
Effect of employee compensation (thousand share)	538	1,558
Weighted-average number of common shares outstanding (diluted)(thousand share)	**548,290**	**549,310**
Diluted earnings per share (express in New Taiwan dollar)	$ **0.16**	**0.68**

(r) Employee compensation and directors' remuneration

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

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

	2023	2022
Employees' compensation	$ 5,276	24,194
Directors' remuneration	2,110	9,678
	$ **7,386**	**33,872**

The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's Articles. These remunerations were expensed under operating costs or operating expenses for each period. Related information would be available at the Market Observation Post System website. The amounts, as stated in the parent-company-only financial statements, are identical to those of the actual distributions for 2023 and 2022.

(s) Revenue from contract with customers

(i) Disaggregation of revenue

			2023		
	Color chemicals	Specialty chemicals	Electronic chemicals	Pharmaceuticals	Total
Primary geographical markets:					
Taiwan	$ 355,291	240,688	805,522	14,288	1,415,789
Americas	129,640	346,959	-	46,186	522,785
Asia	1,887,022	776,360	440,027	51,643	3,155,052
Europe	393,471	354,684	-	97,091	845,246
Other	81,819	76,744	-	11,165	169,728
	$ 2,847,243	**1,795,435**	**1,245,549**	**220,373**	**6,108,600**
Major products:					
Chemicals	$ 2,847,243	1,795,435	1,245,549	-	5,888,227
Other	-	-	-	220,373	220,373
	$ 2,847,243	**1,795,435**	**1,245,549**	**220,373**	**6,108,600**

			2022		
	Color chemicals	Specialty chemicals	Electronic chemicals	Pharmaceuticals	Total
Primary geographical markets:					
Taiwan	$ 379,384	291,076	846,167	9,841	1,526,468
Americas	189,550	441,494	-	60,679	691,723
Asia	2,018,357	867,457	373,135	34,624	3,293,573
Europe	451,386	487,184	-	104,888	1,043,458
Other	83,845	120,945	-	22,770	227,560
	$ 3,122,522	**2,208,156**	**1,219,302**	**232,802**	**6,782,782**
Major products:					
Chemicals	$ 3,122,522	2,208,156	1,219,302	-	6,549,980
Other	-	-	-	232,802	232,802
	$ 3,122,522	**2,208,156**	**1,219,302**	**232,802**	**6,782,782**

(ii) Contract balance

	December 31, 2023	December 31, 2022	January 1, 2022
Receivables	$ 1,313,669	1,131,324	1,533,889
Less: loss allowance	(31,321)	(29,621)	(33,529)
Total	**$ 1,282,348**	**1,101,703**	**1,500,360**

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

(t) Non-operating income and expenses

(i) Interest income

	2023	2022
Interest income for bank deposits	$ **4,042**	**2,103**

(ii) Other income

	2023	2022
Dividend income	$ **20,731**	**42,743**

(iii) Other gains and losses

	2023	2022
Foreign exchange gains net	$ 19,882	60,598
Net gains on disposal of financial assets and liabilities at fair value through profit	153	118
Gains (losses) on disposal of property plant and equipment	1,607	(3,110)
Subsidy revenue	10,849	22,557
Gains (losses) on disaster	6,352	(32,851)
Others	34,605	44,361
	$ **73,448**	**91,673**

(iv) Finance costs

	2023	2022
Interest expense	$ **59,369**	**44,585**

(u) Financial instruments

(i) Credit risk

1) Credit risk exposure

As of December 31, 2023 and 2022, the Company's exposure to credit risk and the maximum exposure were mainly from:

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

b) The amounts of liabilities as a result from the Company providing financial guarantees were $61,410 and $61,420, respectively.

2) Concentration of credit risk

The Company has exposure to credit risk of individual counterparty or group of counterparties with similar credit characteristics. Those related parties of which having transactions with the Company are regarded as group of counterparties with similar credit characteristics. The concentrations of credit risk on notes and accounts receivables due from subsidiaries resulted that the Company distributed product through subsidiaries. Please refer to Note 7.

3) Receivables securities

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

Other financial assets at amortized cost includes other receivables and refundable deposits. There were no loss allowance provision for the years ended December 31, 2023 and 2022. All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. (Regarding how the financial instruments are considered to have low credit risk, please refer to Note 4(f)).

(ii) Liquidity risk

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

	Carrying amount	Contractual cash flows	within 1 year	1~2 years	2~5 years	Over 5 years
December 31, 2023						
Non-derivative financial liabilities						
Short-term borrowings	$ 1,081,219	1,086,531	1,086,531	-	-	-
Notes payable	42,729	42,729	42,729	-	-	-
Accounts payable (included related parties)	474,364	474,364	474,364	-	-	-
Other payables (included related parties)	314,522	314,522	314,522	-	-	-
Payables on equipment	20,860	20,860	20,860	-	-	-
Lease liabilities	19,992	20,365	10,731	4,979	4,655	-
Long-term borrowings	900,000	931,131	17,340	409,751	504,040	-
	$ 2,853,686	**2,890,502**	**1,967,077**	**414,730**	**508,695**	**-**

	Carrying amount	Contractual cash flows	within 1 year	1~2 years	2~5 years	Over 5 years
December 31, 2022						
Non derivative financial liabilities						
Short-term borrowings	$ 1,093,902	1,103,065	1,103,065	-	-	-
Notes payable	79,852	79,852	79,852	-	-	-
Accounts payable (included related parties)	268,002	268,002	268,002	-	-	-
Other payables (included related parties)	373,742	373,742	373,742	-	-	-
Payables on equipment	33,685	33,685	33,685	-	-	-
Lease liabilities	20,435	20,866	9,033	7,555	4,278	-
Long-term borrowings	1,000,000	1,030,655	-	727,071	303,584	-
	$ 2,869,618	**2,909,867**	**1,867,379**	**734,626**	**307,862**	**-**

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

(iii) Currency risk

1) Exposure to foreign currency risk

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

	December 31, 2023			December 31, 2022		
	Foreign currency (thousand dollars)	Exchange rate	TWD	Foreign currency (thousand dollars)	Exchange rate	TWD
Financial assets						
Monetary items						
USD	$ 38,206	30.71	1,173,306	28,952	30.71	889,116
JPY	69,190	0.22	15,222	88,357	0.23	20,322
RMB	64,956	4.33	281,259	67,295	4.41	296,771
Financial liabilities						
Monetary items						
USD	24,367	30.71	748,311	23,213	30.71	712,871
JPY	58,181	0.22	12,800	48,368	0.23	11,221
RMB	8,506	4.33	36,831	3,796	4.41	16,733

2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, account receivable, and accounts payable that are denominated in foreign currency. A strengthening (weakening) 1% of appreciation (depreciation) of the NTD against the USD, JPY, and RMB for the years ended December 31, 2023 and 2022, would have changed the profit by $5,375 and $3,723, respectively. The analysis is performed on the same basis for 2023 and 2022.

3) Foreign exchange gains and losses on monetary items

Since the Company has many kinds of foreign currency transactions, the information on foreign exchange gains (losses) on monetary items is disclosed by total amount. For the years 2023 and 2022, foreign exchange losses (including realized and unrealized portions) are exchange gains amounted to $19,882 and $60,598, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expresses as the interest rate increase or decreases by 1% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate had increased (decreased) by 1%, the Company's profit would have decreased/increased by $15,850 thousand and $16,751 thousand, respectively, for the years ended December 31, 2023 and 2022, with all other variable factors that remain constant. This is mainly due to the Company's borrowing at floating rates.

(v) Other market price risk

For the years ended December 31, 2023 and 2022, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	2023		2022	
Prices of securities at the reporting date	**Other comprehensive income after tax**	**Net income**	**Other comprehensive income after tax**	**Net income**
1% increase	$ 8,458	301	8,660	-
1% decrease	$ (8,458)	(301)	(8,660)	-

(vi) Fair value of financial instruments

1) Categories and fair values of financial instruments

The fair value of financial assets and liabilities at fair value through profit and loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows, however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required:

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

	December 31, 2022				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	$ 651,373	651,373	-	-	651,373
Stocks unlisted on domestic markets	214,659	-	-	214,659	214,659
Subtotal	866,032	651,373	-	214,659	866,032
Financial assets measured at amortized cost					
Cash and cash equivalents	666,659	-	-	-	-
Notes and accounts receivable (included related parties)	1,101,703	-	-	-	-
Other financial assets (included other receivables-related parities)	60,087	-	-	-	-
Subtotal	1,828,449	-	-	-	-
Total	$ 2,694,481	651,373	-	214,659	866,032
Financial liabilities measured at amortized cost					
Bank loans	$ 2,093,902	-	-	-	-
Notes and trade payable	347,854	-	-	-	-
Other payables	373,742	-	-	-	-
Lease liabilities	20,435	-	-	-	-
Payables on equipment	33,685	-	-	-	-
Total	$ 2,869,618	-	-	-	-

2) Valuation techniques for financial instruments measured at fair value

a) Non-derivative instruments

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

A financial instrument is regarded as the quoted price in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency; and if those prices represent the actual and regularly occurring market transactions on an arm's length basis. Otherwise, the market is deemed to be inactive. Normally, a market is considered to be inactive as follows:

i) the bid-ask spread is increasing; or

ii) the bid-ask spread varies significantly; or

iii) there has been a significant decline in trading volume.

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

- The fair value of stocks listed on domestic and foreign markets, which are the financial assets with standard terms and conditions and traded in an active market, are based on the market closing prices.

Except the aforementioned financial instruments, with active market the others' fair value is based on valuation techniques. Fair value, measured by using valuation technique that can be extrapolated from either similar financial instruments or discounted cash flow method or other valuation techniques, including models, is calculated based on available market data at the reporting data.

When the financial instrument of the Company is traded in an inactive market, its fair value is illustrated by the category and nature as follows:

- Unquoted equity instruments: the fair value of financial instruments transactions in an inactive market, which is valued by comparable method. The main hypothesis is referred from the quotations of comparable listed companies and earning multiples of PBR proportion as basic, which is adjusted by the discount affections of equity securities lacking market liquidity.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of forward currency is usually determined by the forward currency exchange rate.

3) Transfers between Level 1 and Level 2

The Company didn't have any fair value transfer between levels for the years ended December 31, 2023 and 2022.

4) Reconciliation of Level 3 fair values

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

		Fair value through other comprehensive income — Unquoted equity instruments
Balance on adjustment January 1, 2022	$	71,353
Purchase in this period		25,320
Total gains or losses:		
Recognized in other comprehensive income		117,986
Balance on December 31, 2022	$	**214,659**

The aforementioned total gains or losses were included "unrealized gains (losses) on equity investment measured at fair value through other comprehensive income", which related to holding assets on December 31, 2023 and 2022 were as follows:

		2023	2022
Recognized in other comprehensive income	$	**(62,310)**	**117,986**

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

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

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

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income- equity investments without an active market	Comparable companies approach	• Price-Book Ratio (as of December 31, 2023 and 2022 were 4.41 and 5.7, respectively) • Market liquidity discount rate (as of December 31, 2023 and 2022 were all 20%)	• The estimated fair value would increase if the multiplier was higher. • The estimated fair value would decrease if market liquidity discount rate was higher.

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

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

		Fair value variation on other comprehensive income			
	Upwards or	Favorable		Unfavorable	
Inputs	Downwards	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Price-book ratio	5%	7,911	10,735	(7,911)	(10,735)
Market liquidity discount rate	5%	7,352	10,730	(7,352)	(10,730)

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

(v) Financial risk management

(i) Overview

The Company has exposure to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

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

(ii) Structure of risk management

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

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

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

2) Market risk: the Company's Sales Business Units (SBUs) and functional division are responsible to make the strategy to identify risk based on regulation, government policy and analysis of market change, then execute the strategy. In order to manage the risk of market change dramatically, management with SBUs managers will establish a task force when it is necessary.

3) Operating strategy risk: in order to monitor the operating strategy in compliance with the Company's vision and meet the operating goals, general manager division with management of SBUs will evaluate the risk of operational policy through performance evaluation periodically.

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

(iii) Credit risk

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

1) Accounts receivable and other receivables

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

The Company did not have any collateral or other enhancements to avoid credit risk of financial assets.

2) Investments

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

3) Guarantees

The Company's policy is to provide financial guarantees only to wholly owned subsidiaries. As of December 31, 2023 and 2022, the outstanding balance of guarantees were $61,410 thousand and $61,420 thousand, respectively.

(iv) Liquidity risk

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

Loans and borrowings from the bank form an important source of liquidity for the Company. As of December 31, 2023 and 2022, the Company's unused credit line were amounted to \$3,374,894 and \$2,801,923, respectively.

(v) Market risk

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

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

1) Currency risk

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

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

2) Interest rate risk

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

3) Other market price risk

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

(w) Capital management

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

	December 31, 2023	December 31, 2022
Total liabilities	$ 3,064,437	3,170,313
Less: cash and cash equivalents	866,586	666,659
Net liabilities	**$ 2,197,851**	**2,503,654**
Total equity	**$ 8,344,075**	**8,455,072**
Debt-to-equity ratio	**26%**	**30%**

There were no change in the Company's approach to capital management for the year ended December 31, 2023.

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

Reconciliations of liabilities arising from financing activities were as follows:

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

	January 1, 2022	Cash flows	Non-cash changes Other	December 31, 2022
Short-term borrowings	$ 1,308,863	(214,961)	-	1,093,902
Lease liabilities	28,188	(10,020)	2,267	20,435
Long-term borrowings	1,000,000	-	-	1,000,000
Total liabilities from financing activities	**$ 2,337,051**	**(224,981)**	**2,267**	**2,114,337**

(7) Related-party transactions:

(a) Parent company and ultimate controlling company

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

(b) Names and relationship with related parties

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

Name of related party	Relationship with the Company
EVERLIGHT USA, INC. (EVUS)	Subsidiary
EVERLIGHT (HONG KONG) LIMITED (EVHK)	Subsidiary
EVERLIGHT CHEMICALS (SINGAPORE) PTE LTD. (EVSG)	Subsidiary
EVERLIGHT EUROPE B.V. (EVEU)	Subsidiary
TREND TONE IMAGING, INC. (TTI)	Subsidiary
ELITE FOREIGN TRADING INCORPORATION (ELITE)	Subsidiary
ETHICAL INTERNATIONAL TRADING & WAREHOUSING (SHANGHAI) CO.,LTD. (ETSH)	Subsidiary
GUANGZHOU ETHICAL TRADING CO., LTD. (ETGZ)	Subsidiary
SHANGHAI EVERLIGHT TRADING CO., LTD. (EVSH)	Subsidiary
EVERLIGHT (SUZHOU) ADVANCED CHEMICALS LTD. (EVSZ)	Subsidiary
GREATLIGHT INVESTMENT CORPORATION (GLTP)	Subsidiary
SHANGHAI ANDA INTERNATIONAL TRADING CO., LTD. (ADSH)	Subsidiary
CHUNG HWA CHEMICAL INDUSTRIAL WORKS, LTD. (CHCIW)	The entity's chairman is the director of the Company
Taiwan Dyestuffs and Pigments Industrial Association (TDPIA)	The association's chairman is the chairman of the Company
Ethical Investment Corporation (EIC)	The entity is the corporate director of the Company
Chen Ding-Chuan	The individual is the representative of corporate director of the Company

(c) Significant transactions with related parties

(i) Operating revenue

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

	2023	2022
Subsidiaries	$ 1,827,525	2,058,186

The payment terms for related parties, except EVUS, ELITE and ADSH are Open Account 100 days, Open Account 100 days and Open Account 120 days, respectively, are same as those of the third-parties sales. There was no collateral on the accounts receivable from related parties. The Company did not recognized allowance of impairment after considerations.

(ii) Purchase

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

	2023	2022
Subsidiaries	$ 1,563	1,738
Other related parties	28,735	37,371
	$ 30,298	**39,109**

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

(iii) Other

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

	December 31, 2023	December 31, 2022
EVUS	**$ 61,410**	**61,420**

2) As of December 31, 2023 and 2022, other receivables of dividends from subsidiaries were $0 and $3,040, respectively.

3) As of December 31, 2023 and 2022, other receivables of prepayments for subsidiaries were $29,987 and $3,946, respectively.

4) As of December 31, 2023 and 2022, other payables of prepayments for subsidiaries were $2,487 and $2,379, respectively.

(iv) Receivables from related parties

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

Account	Name of Entity	December 31, 2023	December 31, 2022
Accounts receivable from related parties	EVUS	$ 96,692	106,220
	EVEU	47,976	14,167
	Elite	62,493	32,929
	ADSH	118,273	91,893
	Other subsidiaries	143,198	149,654
		468,632	394,863
Other receivables from related parties	Subsidiaries	29,987	6,986
		$ 498,619	**401,849**

(v) Payables to related parties

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

Account	Name of Entity	December 31, 2023	December 31, 2022
Notes and accounts payable	Other related parties	$ 10,692	14,467
Accounts payable	Subsidiaries	299	64
Other payables	Subsidiaries	2,487	2,379
		$ 13,478	**16,910**

(vi) Dividend

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

	December 31, 2023	December 31, 2022
EIC	$ 17,150	21,500
Chen Ding-Chuan	20,300	31,500
	$ 37,450	**53,000**

(vii) Other

1) Rental income

The Company leases out the office building, with rental based on that nearby offices. For the years ended December 31, 2023 and 2022, the rental income incurred by the Company both amounted to $48, which had been fully received during both periods.

2) Donation

For the year ended December 31, 2023, the Company donated $150 to TDPIA. There was no such transaction for the year ended December 31, 2022.

3) Due to the cost sharing agreement, the Company shared the fees $11,076 of REACH with ELITE in 2023, and the above amunt has been fully collected as December 31, 2023. There was no such transaction for the year ended December 31, 2022.

(d) Key management personnel compensation

	2023	2022
Short-term employee benefits	$ 25,097	25,275
Post-employment benefits	583	492
	$ 25,680	**25,767**

(8) Pledged assets: None.

(9) Commitments and contingencies

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

	December 31, 2023	December 31, 2022
Acquisition of property, plant and equipment	$ 327,136	165,246

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

	December 31, 2023	December 31, 2022
Outstanding standby letter of credit	$ 19,708	-

(10) Losses due to major disasters

A fire accident occurred in building Plant #3 on March 10, 2022, and caused damage to some buildings, equipment and inventories. The aforementioned estimated disaster loss is $66,851 recognized in other gains and losses in 2022. The Company has already entered into related property insurance contracts and is currently in the process of negotiation with the insurance company to handle claims. The Company has confirmed with the insurance company and its notary to recognize the virtually certain amount of compensation that can be received from the insurance company as claim receivables, but shall not exceed the disaster loss of each asset. Therefore, in 2022, the Company recognized the claim receivable for $34,000, as a deduction in other gains and losses. In 2023, the amount of claims confrimed to be available by the Company and the insurance company was $34,196.

(11) Subsequent Events: None.

(12) Other

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

By function / By item	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	552,774	364,861	917,635	570,301	387,790	958,091
Labor and health insurance	62,987	39,211	102,198	60,941	38,880	99,821
Pension	24,338	20,039	44,377	25,963	21,320	47,283
Remuneration of directors	-	13,334	13,334	-	19,725	19,725
Others	31,820	16,682	48,502	29,472	13,795	43,267
Depreciation (note)	418,698	77,292	495,990	422,798	86,026	508,824
Amortization	3,329	39,601	42,930	106	31,729	31,835

Note: For the years ended December 31, 2023 and 2022, depreciation expense recognized were $495,990 thousand and $508,908 thousand, respectively, less deferred gains of $0 thousand and $84 thousand, respectively.

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

As of December 31, 2023 and 2022, the additional information for employee numbers and employee benefits were as follows:

	2023	2022
Average employee numbers	1,340	1,303
Average directors numbers without serving concurrently as employee	10	10
Average employee benefits	$ 837	888
Average employee salaries	$ 690	741
Average adjustment rate of employee salaries	(6.88)%	(3.39)%
Remuneration of supervisor	$ -	-

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

Directors:

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

General managers and employees:

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

(13) Other disclosures:

(a) Information on significant transactions

The following were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Company for the year ended December 31, 202

1. Loans to other parties: None.

2. Guarantees and endorsements for other parties:

Number	Name of guarantor	Counter -party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 1)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements Amount	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 1)	Parent company endorsements/ guarantees to subsidiary	Subsidiary endorsements/ guarantees to parent company	Endorsements/ guarantees to the companies in mainland China
		Name	Relationship with the Company (Note 2)										
0	ECIC	EVUS	Subsidiary	834,407	64,850	61,410	-	-	0.74%	2,086,018	Yes	No	No

Note1： According to the Company’s Operating Procedures of Fund Lending and Guarantee, the amount of guarantees shall be limited to 25% of the Company’s net worth. The individual guarantee amount shall not exceed 10% of the Company’s net worth.

Note2： The relationship of guarantee and endorsement with the Company and counter-party:

1. The Company that has a business relationship with endorsement/guarantee provider.
2. A subsidiary in which endorser/guarantor provider holds directly over 50% of equity interest.
3. An investee in which endorsement/guarantee provider and its subsidiaries hold over 50% of equity interest.
4. An investor which holds directly or indirectly over 90% of equity interest of endorser/guarantor provider.
5. The Company that has provided guarantees to endorsement/guarantee provider, and vice versa, due to contractual requirements.
6. An investee in which endorsement/guarantee provider conjunctly invests with other stockholders, and for which endorsement/guarantee provider has provided endorsement/guarantee provider in proportion to its shareholding percentage.
7. Peer engaged in the escrow of the sales contract on pre-sale house under the Consumer Protection Act.

3. Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of Shares/Units)

Name of holder	Category and name of security	Relationship with company	Account	Ending balance				Note
				Shares/Units	Carrying value	Percentage of Ownership	Fair value	
ECIC	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss-current	1,971	30,067	-	30,067	
GLTP	UPAMC James Bound Money Market Fund	-	"	399	6,836	-	6,836	
					36,903		36,903	
ECIC	China Bills Finance Corporation	-	Financial assets at amortized cost-currentprofit or loss-current	-	30,000	-	30,000	
"	Grand Bills	-	"	-	30,000	-	30,000	
					60,000		60,000	
ECIC	Polytronic Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	8,000	445,247	9%	460,800	
"	Chung Hwa Chemical Industrial Works,Ltd.	The entity's chairman is the director of the Company	"	5,500	92,217	5%	158,675	
"	General Plastic Industrial Co., Ltd.	-	"	2,140	74,900	2%	74,044	
"	Andros Pharmaceuticals Co., Ltd.	-	"	4,724	103,120	11%	152,349	
GLTP	QISDA Crop.	-	"	50	1,745	-	2,400	
"	Andros Pharmaceuticals Co., Ltd.	-	"	260	7,800	1%	8,411	
"	Taiwan Bio Therapentics Co., Ltd.	-	"	414	11,400	1%	13,724	
TTI	General Plastic Industrial Co., Ltd.	-	"	2,140	74,900	2%	74,044	
			Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		133,118		-	
	Total				944,447		944,447	

4. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None.
5. Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.
6. Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

7. Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Name of company	Counter-party	Nature of relationship	Purchase/Sale	Transaction details			Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
				Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
ECIC	EVEU	Subsidiary	Sale	364,971	4.64%	OA 90	Non material differences from those of third-parties	Non material differences from those of third-parties	47,976	2.96%	
"	EVUS	"	"	335,892	4.27%	OA 100	"	"	96,692	5.97%	
"	ELITE	"	"	278,403	3.54%	OA 100	"	"	62,493	3.86%	
"	ADSH	"	"	207,957	2.65%	OA 120	"	"	118,273	7.30%	
"	EVSH	"	"	177,899	2.26%	OA 90	"	"	61,640	3.80%	
"	EVSZ	"	"	152,235	1.94%	OA 90	"	"	34,371	2.12%	
"	ETSH	"	"	145,659	1.85%	OA 90	"	"	34,513	2.13%	
TTI	EVUS	Affiliates	"	118,504	1.12%	OA 90	"	"	25,372	1.57%	
"	EVSZ	"	"	114,705	0.95%	OA 90	"	"	28,029	1.73%	

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

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (As of March 14, 2024)	Loss allowance
					Amount	Action taken		
ECIC	ADSH	Subsidiary	118,273	1.98	-	-	24,364	-

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

(b) Information on investments:

The following are the information on investees for the year ended December 31, 2023 (excluding investment in mainland China):

Units in Thousands

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance of December 31, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	Carrying value			
ECIC	EVUS	America	Selling chemical product and related raw materials	88,868	88,868	300	100.00%	149,181	43	43	
〃	EVHK	Hong Kong	Selling chemical product and related raw materials	34,579	34,579	1,000	100.00%	38,784	(656)	(656)	
〃	EVSG	Singapore	Investing business	794,290	794,290	24,800	100.00%	886,071	(56,818)	(56,818)	
〃	EVEU	Netherland	Selling chemical product and related raw materials	7,890	7,890	1	100.00%	54,202	(6,660)	(6,660)	
〃	TTI	Hsinchu City	Manufacturing and selling toners of laser printer, copier and fax machine	242,192	242,192	44,906	76.15%	651,120	20,193	15,925	
〃	ELITE	Turkey	Selling chemical product and related raw materials	45,016	45,016	22	50.00%	100,665	692	346	
〃	GOOOTV	Taipei City	Cable TV channels	19,000	19,000	1,900	22.35%	20,430	(569)	(114)	
〃	TAK	Taoyuan City	Manufacturing of inductance core and cathode materials of Lithiumion battery	58,600	58,600	4,856	16.78%	34,991	(52,258)	(7,918)	
〃	GLTP	Taipei City	Investing business	100,000	100,000	10,000	100.00%	31,611	92	92	
	Unrealized gross profit on sales			-	-			(65,978)		-	
				1,390,435	1,390,435			1,901,077		(55,760)	
EVSG	EVVN	Vietnam	Selling chemical product and related raw materials	12,140	12,140	-	100.00%	7,678	(4,059)	(4,059)	

(c) Information on investment in mainland China:

(i) The names of investees in mainland China, the main businesses and products, and other information:

Units in Thousands

Name of investee	Main businesses and products	Total amount of paid-in capital			Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023		Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023		Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 2)	Book value	Accumulated remittance of earnings in current period	
		USD/RMB		NTD		USD	NTD	Outflow	Inflow	USD	TWD					USD	TWD
ETSH	Selling chemical product and related raw materials	USD	1,700 (Note 7)	52,199	(Note 6)	700	21,494			700	21,494	2,206	100.00%	2,206	156,150	2,961	90,918
ETGZ	Selling chemical product and related raw materials	USD	700 (Note 6)	21,494	(Note 6)	200	6,141			200	6,141	3,136	100.00%	3,136	97,806	1,523	46,764
EVSH	Selling chemical product and related raw materials	USD	1,250 (Note 6)	38,381	(Note 6)	1,100	33,776			1,100	33,776	(687)	100.00%	(687)	144,749	950	29,170
EVSZ	Manufacturing and selling color chemical, toners and electronic high tech chemical product	USD	23,650 (Note 4)	726,173	(Note 1)	18,600	571,113			18,600	571,113	(56,439)	100.00%	(56,439)	779,265	-	-
ANDA	Selling electronic high tech chemical product	CNY	20,000 (Note 4)	86,540	(Note 1)	650	19,958			650	19,958	(10,149)	29.80%	(3,024)	11,705	-	-
ADSH	Selling electronic high tech chemical product	CNY	1,000 (Note 5)	4,327	(Note 5)	-	-			-	-	9,257	56.25%	5,208	8,924	-	-
3ESZ	Manufacturing and selling chemical product and related raw materials	USD	6,600 (Note 4)	202,653	(Note 1)	2,490	76,455			2,490	76,455	16,625	40.00%	6,650	73,463	-	-

Note 1: Reinvest in mainland China through third place (EVSG).
Note 2: These financial statements are audited by the same auditor of the Taiwan parent company and accounted for equity method. The financial statement of ANDA is not reviewed by independent auditors.
Note 3: Exchange rate: NTD vs USD (1:30.705), NTD vs RMB(1:4.327). Expressed in thousands of New Taiwan Dollars unless otherwise specified.
Note 4: EVSG invested in EVSZ USD 5,050 thousand, ANDA USD 25 thousand and 3ESZ USD 150 thousand by owned funds. In addition, ANDA increased its capital to RMB 20,000 after changing the original registered capital from USD 1,200 to RMB 8,445 due to
Note 5: ANDA invested in ADSH amounted to RMB 1,000 thousand (USD 157 thousand) by owned funds.In addition, due to the transfer of the equity structure, ADSH was directly reinvested by EVSG.
Note 6: EVSZ invested in ETSH 1,700 thousand USD, ETGZ 700 USD thousand and EVSH 1,250 thousand USD by issuing shares.
Note 7: Included the capital increasing amounted to USD 1,000 thousand from earning.

(ii) Limitation on investment in mainland China:

Accumulated Investment in mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
781,043 (USD25,437)	717,023 (USD 23,352)	5,193,525

As of December 31, 2023, the difference between accumulated investment in mainland China and investment amounts authorized by Investment Commission, MOEA was amounted to USD (2,085) thousand, including the follows:

(i) ETSH: capital increasing amounted to USD 1,000 thousand from earning.

(ii) EVSG: investment amounted to USD 2,631 thousand by owned funds.

(iii) EVSG: remittance of earnings amounted to USD (5,716) thousand.

(iii) Significant transactions:

For the year ended December 31, 2023, the information on direct or indirect significant transactions with investees in mainland China, is disclosed in Note 13(a) Information on significant transactions.

(d) Major shareholders：

(In Shares)

Shareholding / Shareholder's Name	Shares	Percentage
ETHICAL INVESTMENT CORPORATION	55,000,000	10.04%
CHEN,DING-CHUAN	53,000,000	9.67%

(14) Segment information:

Please see the consolidated financial statements for the year ended December 31, 2023.

Everlight Chemical Industrial Corporation

Chairman Chen, Chien-Hsin