Stock Code:1711

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

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022

Address: 5~6F., No.77, Sec. 2, DunHua S.Rd., Taipei 106, Taiwan
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The independent auditors' 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' report and consolidated financial statements, the Chinese version shall prevail.

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Representation Letter

The entities that are required to be included in the combined financial statements of Everlight Chemical Industrial Corporation as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements" endorsed by the Financial Supervisory Commission of Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Everlight Chemical Industrial Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Everlight Chemical Industrial Corporation
Chairman: Chien-Hsin, Chen
Date: March 14, 2024.

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Independent Auditors' Report

To the Board of Directors of Everlight Chemical Industrial Corporation:

Opinion

We have audited the consolidated financial statements of Everlight Chemical Industrial Corporation and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material policies.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

- Revenue recognition

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

Description of key audit matters

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

<u>Notes to Readers</u>

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.

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

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
			Retained earnings				Other equity					
	Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance on January 1, 2022	$ 5,477,522	474,558	1,104,566	30,438	1,113,761	2,248,765	(130,318)	735,613	605,295	8,806,140	300,134	9,106,274
Net income	-	-	-	-	374,432	374,432	-	-	-	374,432	18,108	392,540
Other comprehensive income	-	-	-	-	73,024	73,024	53,331	(577,979)	(524,648)	(451,624)	24,259	(427,365)
Total comprehensive income	-	-	-	-	447,456	447,456	53,331	(577,979)	(524,648)	(77,192)	42,367	(34,825)
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	39,381	-	(39,381)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(273,876)	(273,876)	-	-	-	(273,876)	(3,039)	(276,915)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	12,163	12,163
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	10,243	10,243	-	(10,243)	(10,243)	-	-	-
Balance on December 31, 2022	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"

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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(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.

(Continued)

(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	-

(Continued)

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Name of investor	Name of subsidiary	Principal activity	Shareholding percentage December 31, 2023	Shareholding percentage 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.

(Continued)

(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.

(Continued)

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).

(Continued)

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.

(Continued)

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.

(Continued)

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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.

(Continued)

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(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.

(Continued)

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.

(Continued)

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.

(Continued)

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.

(Continued)

(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.

(Continued)

(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.

(Continued)

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.

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(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

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(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:

		Percentage of non-controlling interests	
Subsidiaries	**Main operation place**	**December 31, 2023**	**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)**	**-**

(Continued)

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(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.

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(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**

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(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.

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(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).

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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**

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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**

(Continued)

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.

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(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**

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(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

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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.

(Continued)

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(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

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	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.

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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

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(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**

(Continued)

	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:

Prices of securities at reporting day	For the years ended December 31, 2023		For the years ended December 31, 2022	
	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:

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	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**	**-**	**-**	**-**	**-**

(Continued)

2) Valuation techniques for financial instruments measured at fair value

a) Non-derivative instruments

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

A financial instrument is regarded as the quoted price in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency; and if those prices represent the actual and regularly occurring market transactions on an arm's length basis. Otherwise, the market is deemed to be inactive. Normally, a market is considered to be inactive as follows:

i) the bid-ask spread is increasing; or

ii) the bid-ask spread varies significantly; or

iii) there has been a significant decline in trading volume.

When the financial instrument of the Group is traded in an active market, its fair value is illustrated by the category and nature as follows:

- The fair value of stocks 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.

(Continued)

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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.

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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.

(Continued)

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**

(Continued)

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(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.

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(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.

(Continued)

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.

(Continued)

(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.

(Continued)

(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%

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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(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

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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	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.