

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

**EVERLIGHT CHEMICAL INDUSTRIAL
CORPORATION AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2024 and 2023**

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The independent auditors' review 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' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of Everlight Chemical Industrial Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheets of Everlight Chemical Industrial Corporation and its subsidiaries as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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 International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$270,397 thousand and \$239,726 thousand, constituting 2.08% and 1.82% of consolidated total assets as of March 31, 2024 and 2023, respectively, total liabilities amounting to \$35,659 thousand and \$35,448 thousand, constituting 0.82% and 0.80% of consolidated total liabilities as of March 31, 2024 and 2023, respectively, and total comprehensive income (loss) amounting to \$(6,974) thousand and \$(5,093) thousand, constituting (7.56)% and (3.06)% of consolidated total comprehensive income for the three months ended March 31, 2024 and 2023, respectively.

Furthermore, as stated in note 6(e), the other equity accounted investments of Everlight Chemical Industrial Corporation and its subsidiaries in its investee companies of \$143,484 thousand and \$139,941 thousand as of March 31, 2024 and 2023, respectively, and its equity in net earnings on these investee companies of \$761 thousand and \$(2,254) thousand for the three months ended March 31, 2024 and 2023, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Everlight Chemical Industrial Corporation and its subsidiaries as of March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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)

May 9, 2024

Notes to Readers

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

The independent auditors' review 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' review 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
March 31, 2024, December 31 and March 31, 2023
(Expressed in Thousands New Taiwan Dollars)

Assets		March 31, 2024		December 31, 2023		March 31, 2023		Liabilities and Equity		March 31, 2024		December 31, 2023		March 31, 2023	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets :								Current liabilities							
1100	Cash and cash equivalents (note 6(a))	\$ 1,524,931	12	1,409,839	11	1,167,613	9	2100	Short-term borrowings (note 6(k))	\$ 1,769,565	14	1,698,179	13	1,614,623	12
1110	Financial assets at fair value through profit or loss-current (note 6(b))	39,622	-	36,903	-	4,033	-	2322	Long-term borrowings, current portion (note 6(l))	42,500	-	42,500	-	21,250	-
1136	Financial assets at amortized cost-current (note 6(b))	30,000	-	60,000	1	-	-	2120	Financial liabilities at fair value through profit or loss-current (note 6(b))	-	-	-	-	1,244	-
1150	Notes receivable, net(notes 6(c) and (t))	168,504	2	202,209	2	156,182	1	2151	Notes payable (note 7)	32,993	-	42,729	-	29,669	-
1170	Accounts receivable, net (notes 6(c) and (t))	1,452,686	11	1,418,164	11	1,382,285	10	2170	Accounts payable (note 7)	535,854	4	532,175	5	440,401	4
130X	Inventories(note 6(d))	3,355,877	26	3,389,731	26	3,950,361	30	2209	Other payables (note 6(s))	339,321	3	409,923	3	349,998	3
1476	Other current financial assets	40,335	-	29,809	-	58,363	1	2213	Payables on equipment	15,789	-	26,864	-	11,616	-
1479	Other current assets (note 6(h))	<u>162,259</u>	<u>1</u>	<u>130,739</u>	<u>1</u>	<u>126,465</u>	<u>1</u>	2216	Dividends payable (notes 6(q) and 7)	82,163	1	-	-	191,713	2
	Total current assets	<u>6,774,214</u>	<u>52</u>	<u>6,677,394</u>	<u>52</u>	<u>6,845,302</u>	<u>52</u>	2230	Current tax liabilities	35,290	-	26,769	-	43,046	-
Non-current assets:								2280	Lease liabilities-current (note 6(m))	31,713	-	34,574	-	32,560	-
1517	Financial assets at fair value through other comprehensive income-non-current (note 6(b))	970,728	8	944,447	8	1,081,566	8	2399	Other current liabilities (note 6(n))	<u>66,805</u>	<u>-</u>	<u>35,947</u>	<u>-</u>	<u>51,376</u>	<u>-</u>
1550	Investments accounted for using equity method (note 6(e))	143,484	1	140,589	1	139,941	1		Total current liabilities	<u>2,951,993</u>	<u>22</u>	<u>2,849,660</u>	<u>21</u>	<u>2,787,496</u>	<u>21</u>
1600	Property, plant and equipment (notes 6(g) and 9)	4,505,472	35	4,535,850	35	4,522,209	34		Non-current liabilities :						
1755	Right-of-use assets (note 6(i))	259,303	2	266,776	2	268,210	2	2540	Long-term borrowings (note 6(l))	1,006,250	8	1,006,250	8	1,148,750	8
1780	Intangible assets (note 6(j))	169,897	1	128,362	1	152,453	1	2570	Deferred tax liabilities	80,296	1	80,296	1	95,327	1
1840	Deferred tax assets	42,508	-	42,508	-	59,464	1	2580	Lease liabilities non-current (note 6(m))	218,900	2	223,657	2	225,530	2
1915	Prepayments for equipment	118,638	1	146,818	1	88,817	1	2640	Net defined benefit liability	18,507	-	18,824	-	73,256	1
1980	Other non-current financial assets (notes 6(c) and (t))	3,458	-	3,360	-	3,397	-	2670	Other non-current liabilities (note 6(n))	<u>60,151</u>	<u>-</u>	<u>66,164</u>	<u>1</u>	<u>90,014</u>	<u>1</u>
1990	Other non-current assets	<u>14,339</u>	<u>-</u>	<u>14,622</u>	<u>-</u>	<u>12,753</u>	<u>-</u>		Total non-current liabilities	<u>1,384,104</u>	<u>11</u>	<u>1,395,191</u>	<u>12</u>	<u>1,632,877</u>	<u>13</u>
	Total non-current assets	<u>6,227,827</u>	<u>48</u>	<u>6,223,332</u>	<u>48</u>	<u>6,328,810</u>	<u>48</u>		Total liabilities	<u>4,336,097</u>	<u>33</u>	<u>4,244,851</u>	<u>33</u>	<u>4,420,373</u>	<u>34</u>
									Equity attributable to owners of parent (notes 6(e), (f) and (q)) :						
								3100	Common shares	5,477,522	42	5,477,522	43	5,477,522	42
								3200	Capital surplus	474,558	3	474,558	4	474,558	4
								3300	Retained earnings	2,300,039	18	2,351,733	18	2,278,058	17
								3400	Other equity	<u>93,444</u>	<u>1</u>	<u>40,262</u>	<u>-</u>	<u>194,683</u>	<u>1</u>
									Total equity attributable to owners of parent	<u>8,345,563</u>	<u>64</u>	<u>8,344,075</u>	<u>65</u>	<u>8,424,821</u>	<u>64</u>
								36XX	Non-controlling interests (note 6(f))	<u>320,381</u>	<u>3</u>	<u>311,800</u>	<u>2</u>	<u>328,918</u>	<u>2</u>
									Total equity	<u>8,665,944</u>	<u>67</u>	<u>8,655,875</u>	<u>67</u>	<u>8,753,739</u>	<u>66</u>
									Total liabilities and equity	<u>\$ 13,002,041</u>	<u>100</u>	<u>\$ 12,900,726</u>	<u>100</u>	<u>\$ 13,174,112</u>	<u>100</u>
	Total assets	<u>\$ 13,002,041</u>	<u>100</u>	<u>12,900,726</u>	<u>100</u>	<u>13,174,112</u>	<u>100</u>								

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 three months ended March 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars Except for Earnings Per Share)

		For the three months ended March 31			
		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (note 6(t))	\$ 1,899,595	100	1,942,030	100
5000	Operating costs (notes 6(d), (g), (i), (l), (m), (o), (s), 7 and 11)	<u>1,524,173</u>	<u>80</u>	<u>1,542,377</u>	<u>79</u>
5950	Gross profit from operations	<u>375,422</u>	<u>20</u>	<u>399,653</u>	<u>21</u>
6000	Operating expenses (notes 6(c), (g), (i), (l), (m), (o), (s), 7 and 11):				
6100	Selling expenses	195,800	10	180,794	9
6200	Administrative expenses	92,166	5	91,301	5
6300	Research and development expenses	86,784	5	79,171	4
6450	Expected credit loss (gain)	<u>4,318</u>	<u>-</u>	<u>(5,130)</u>	<u>-</u>
	Total operating expenses	<u>379,068</u>	<u>20</u>	<u>346,136</u>	<u>18</u>
6900	Net operating income (loss)	<u>(3,646)</u>	<u>-</u>	<u>53,517</u>	<u>3</u>
7000	Non-operating income and expenses (notes 6(e), (g), (m) and (u)) :				
7100	Interest income	2,622	-	624	-
7020	Other gains and losses	63,797	3	18,456	1
7050	Finance costs	(22,366)	(1)	(21,584)	(1)
7060	Share of gains (losses) of associates accounted for using equity method	<u>761</u>	<u>-</u>	<u>(2,254)</u>	<u>-</u>
	Total non-operating income and expense	<u>44,814</u>	<u>2</u>	<u>(4,758)</u>	<u>-</u>
7900	Income before income tax	41,168	2	48,759	3
7951	Income tax expenses (note 6(p))	<u>9,309</u>	<u>-</u>	<u>8,844</u>	<u>1</u>
8200	Net income	<u>31,859</u>	<u>2</u>	<u>39,915</u>	<u>2</u>
8300	Other comprehensive income (notes 6(e), (q) and (v)) :				
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8316	Unrealized gains from financial assets measured at fair value through other comprehensive income	26,280	1	125,155	6
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	<u>26,280</u>	<u>1</u>	<u>125,155</u>	<u>6</u>
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	40,241	2	1,854	-
8370	Share of other comprehensive income of associates accounted for using equity method	(6,148)	-	(259)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total components of other comprehensive income (loss) that will be reclassified to profit or loss	<u>34,093</u>	<u>2</u>	<u>1,595</u>	<u>-</u>
8300	Other comprehensive income (after tax)	<u>60,373</u>	<u>3</u>	<u>126,750</u>	<u>6</u>
8500	Total comprehensive income	<u>\$ 92,232</u>	<u>5</u>	<u>166,665</u>	<u>8</u>
	Profit attributable to:				
8610	Owners of parent	\$ 30,469	2	37,183	2
8620	Non-controlling interests	<u>1,390</u>	<u>-</u>	<u>2,732</u>	<u>-</u>
		<u>\$ 31,859</u>	<u>2</u>	<u>39,915</u>	<u>2</u>
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 83,651	5	161,462	8
8720	Non-controlling interests	<u>8,581</u>	<u>-</u>	<u>5,203</u>	<u>-</u>
		<u>\$ 92,232</u>	<u>5</u>	<u>166,665</u>	<u>8</u>
9750	Basic earnings per share (note 6(r)) (expressed in New Taiwan dollars)	<u>\$ 0.06</u>		<u>0.07</u>	
9850	Diluted earnings per share (note 6(r)) (expressed in New Taiwan dollars)	<u>\$ 0.06</u>		<u>0.07</u>	

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 three months ended March 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
	Retained earnings						Other equity			Total equity attributable to owners of parent	Non- controlling interests	Total 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			
Balance on January 1, 2023	\$ 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	-	-	-	-	37,183	37,183	-	-	-	37,183	2,732	39,915
Other comprehensive income	-	-	-	-	-	-	2,518	121,761	124,279	124,279	2,471	126,750
Total comprehensive income	-	-	-	-	37,183	37,183	2,518	121,761	124,279	161,462	5,203	166,665
Appropriation and distribution of retained earnings:												
Cash dividends	-	-	-	-	(191,713)	(191,713)	-	-	-	(191,713)	-	(191,713)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(27,910)	(27,910)
Balance on March 31, 2023	<u>\$ 5,477,522</u>	<u>474,558</u>	<u>1,143,947</u>	<u>30,438</u>	<u>1,103,673</u>	<u>2,278,058</u>	<u>(74,469)</u>	<u>269,152</u>	<u>194,683</u>	<u>8,424,821</u>	<u>328,918</u>	<u>8,753,739</u>
Balance on January 1, 2024	\$ 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
Net income	-	-	-	-	30,469	30,469	-	-	-	30,469	1,390	31,859
Other comprehensive income	-	-	-	-	-	-	29,709	23,473	53,182	53,182	7,191	60,373
Total comprehensive income	-	-	-	-	30,469	30,469	29,709	23,473	53,182	83,651	8,581	92,232
Appropriation and distribution of retained earnings:												
Cash dividends	-	-	-	-	(82,163)	(82,163)	-	-	-	(82,163)	-	(82,163)
Balance on March 31, 2024	<u>\$ 5,477,522</u>	<u>474,558</u>	<u>1,189,717</u>	<u>30,438</u>	<u>1,079,884</u>	<u>2,300,039</u>	<u>(63,351)</u>	<u>156,795</u>	<u>93,444</u>	<u>8,345,563</u>	<u>320,381</u>	<u>8,665,944</u>

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)

	For the three months ended March 31	
	2024	2023
Cash flows from (used in) operating activities:		
Income before income tax	\$ 41,168	48,759
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	151,684	149,924
Amortization expense	13,153	13,614
Expected credit loss (gain)	4,318	(5,130)
Net (gains) losses on financial assets at fair value through profit	(2,718)	1,231
Interest expense	22,366	21,584
Interest income	(2,622)	(624)
Share of gains (losses) of associates accounted for using equity method	(761)	2,254
Losses (gains) on disposal of property, plant and equipment	91	(436)
Losses on disposal of investment accounted for using equity method	-	4,834
Other	(197)	462
Total adjustments to reconcile profit	<u>185,314</u>	<u>187,713</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	36,748	26,289
Accounts receivable and overdue receivable (under other non-current financial assets)	(24,494)	(37,057)
Inventories	52,610	117
Other current financial assets	(11,163)	5,130
Other current assets	(30,695)	(12,072)
Total changes in operating assets	<u>23,006</u>	<u>(17,593)</u>
Changes in operating liabilities:		
Notes payable	(9,763)	(59,301)
Accounts payable	(380)	99,273
Other payables	(80,480)	(147,770)
Other current liabilities	30,506	7,777
Net defined benefit liability	(319)	(2,697)
Other non-current liabilities	(6,052)	24,550
Total changes in operating liabilities	<u>(66,488)</u>	<u>(78,168)</u>
Total changes in operating assets and liabilities	<u>(43,482)</u>	<u>(95,761)</u>
Total adjustments	<u>141,832</u>	<u>91,952</u>
Cash inflow generated from operations	183,000	140,711
Interest received	2,529	619
Income taxes paid	(831)	(6,852)
Net cash flows from operating activities	<u>184,698</u>	<u>134,478</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortized cost	(90,000)	-
Proceeds from disposal of financial assets at amortized cost	120,000	-
Acquisition of property, plant and equipment	(78,039)	(112,227)
Proceeds from disposal of property, plant and equipment	874	537
Acquisition of intangible assets	(7,724)	(25,749)
Proceeds from disposal of intangible assets	-	11,037
Increase in other non-current financial assets	(80)	(7)
Decrease in other non-current assets	493	725
Increase in prepayments for equipment	(53,650)	(33,044)
Net cash outflows from losing control of subsidiary	-	(31,947)
Net cash used in investing activities	<u>(108,126)</u>	<u>(190,675)</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	1,468,133	1,218,976
Decrease in short-term borrowings	(1,402,929)	(1,271,337)
Increase in short-term notes and bills payable	80,000	-
Decrease in short-term notes and bills payable	(80,000)	-
Proceeds from long-term borrowings	900,000	1,270,000
Repayments of long-term borrowings	(900,000)	(1,200,000)
Payments of lease liabilities	(9,001)	(8,739)
Interest paid	(20,449)	(21,688)
Subsidiaries distributed cash dividends to non-controlling interests	-	(3,040)
Net cash flows from (used in) financing activities	<u>35,754</u>	<u>(15,828)</u>
Effect on exchange rate changes on cash and cash equivalents	<u>2,766</u>	<u>24,488</u>
Net increase (decrease) in cash and cash equivalents	115,092	(47,537)
Cash and cash equivalents at beginning of period	1,409,839	1,215,150
Cash and cash equivalents at end of period	<u>\$ 1,524,931</u>	<u>1,167,613</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
March 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Everlight Chemical Industrial Corporation (the “Company”) was incorporated on September 7, 1972 as a 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 May 9, 2024.

(3) New standards, amendments and interpretations adopted

- (a) The impact of the IFRS Accounting Standards 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, 2024:

- 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”

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.	January 1, 2027

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027

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

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

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

(4) Summary of material accounting policies

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statements for the year ended December 31, 2023. For the detail information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2023.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding percentage			Note
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company (ECIC)	EVERLIGHT USA, INC. (EVUS)	Selling chemical product and related raw materials	100.00	100.00	100.00	-
ECIC	EVERLIGHT (HONG KONG) LIMITED (EVHK)	Selling chemical product and related raw materials	100.00	100.00	100.00	(note 1)
ECIC	EVERLIGHT CHEMICALS (SINGAPORE) PTE LTD. (EVSG)	Investing business	100.00	100.00	100.00	(note 1)
ECIC	EVERLIGHT EUROPE B.V. (EVEU)	Selling chemical product and related raw materials	100.00	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	76.15	-
ECIC	ELITE FOREIGN TRADING INCORPORATION (ELITE)	Selling chemical product and related raw materials	50.00	50.00	50.00	(note 2)
EVSG	EVERLIGHT (SUZHOU) ADVANCED CHEMICALS LTD. (EVSZ)	Manufacturing and selling color chemicals, toners and electronic high-tech chemical product	100.00	100.00	100.00	-
EVSG	SHANGHAI ANDA INTERNATIONAL TRADING CO., LTD. (ADSH)	Selling chemical product and related raw materials	56.25	56.25	56.25	(note 1)

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding percentage			Note
			March 31, 2024	December 31, 2023	March 31, 2023	
EVSG	EVERLIGHT CHEMICALS (VIETNAM) COMPANY LIMITED(EVVN)	Selling electronic high-tech chemical product	100.00	100.00	100.00	(note 1)
EVSZ	ETHICAL INTERNATIONAL TRADING & WAREHOUSING (SHANGAI) CO., LTD. (ETSH)	Selling chemical product and related raw materials	100.00	100.00	100.00	-
EVSZ	GUANZHOU ETHICAL TRADING CO., LTD. (ETGZ)	Selling chemical product and related raw materials	100.00	100.00	100.00	-
EVSZ	SHANGHAI EVERLIGHT TRADING CO., LTD. (EVSH)	Selling chemical product and related raw materials	100.00	100.00	100.00	-
ECIC	GREATLIGHT INVESTMENT COPRORATION (GLTP)	Investing business	100.00	100.00	100.00	(note 1)

(note 1): The Company is a non-significant subsidiary and its financial statement, have not been reviewed by independent auditor.

(note 2): 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.

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

(c) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(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 (in accordance with IAS 34 “Interim Financial Reporting” and 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. Significant accounting estimates and assumptions made by the management may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2023. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2023.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(6) Explanation of significant accounts

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2023. Please refer to note 6 of the consolidated financial statements for the year ended December 31, 2023.

(a) Cash and cash equivalents

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	\$ 2,212	2,031	1,763
Cash in bank	1,410,952	1,334,070	1,098,499
Time deposits	111,767	73,738	67,351
Cash and cash equivalents	\$ 1,524,931	1,409,839	1,167,613

Please refer to note 6(v) for the foreign currency risk 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:

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets mandatorily measured at fair value through profit or loss:			
Monetary market fund	\$ 37,024	36,903	4,033
Option contracts	2,598	-	-
Total	\$ 39,622	36,903	4,033
Held-for-trading financial liabilities:			
Option contracts	\$ -	-	1,244

The Group holds derivative financial instruments to hedge its foreign exchange risk that the Group is exposed to, arising from its operating, financing and investing activities. The following derivative instruments not applied hedge accounting were classified as financial assets mandatorily measured at fair value through profit on March 31, 2024 and 2023:

	March 31, 2024		
	Contract amount (in thousand)	Currency	Period
Option contracts	\$ 1,400	EUR	2024/4/23~2024/12/31
Option contracts	\$ 3,000	USD	2024/12/30

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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	March 31, 2023		
	Contract amount (in thousand)	Currency	Period
Option contracts	\$ 1,900	EUR	2023/4/28~2023/12/29

For the fair value recognized in profit and loss, please refer to note 6(u). There was no such transaction for the year ended December 31, 2023.

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

	March 31, 2024	December 31, 2023	March 31, 2023
Stocks listed on domestic markets	\$ 788,686	769,963	834,327
Stocks unlisted on domestic markets	182,042	174,484	247,239
	\$ 970,728	944,447	1,081,566

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.

(iii) Financial assets at amortized cost-current:

	March 31, 2024	December 31, 2023	March 31, 2023
Government bonds	\$ 30,000	60,000	-

The Group purchased government bonds with a face value of \$30,000 in March 2024 and \$60,000 in December 2023. The due date of government bonds were April 3, 2024 and January 15, 2024, and its effective interest rate were 0.93% and 0.93%~0.95%. There were no such transaction for the three months ended March 31, 2023.

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

(v) The aforementioned financial assets were not pledged.

(c) Receivables

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable	\$ 168,850	202,662	156,527
Accounts receivable	1,479,713	1,441,277	1,405,036
Overdue receivable (under other non-current financial assets)	39,236	38,054	38,396
Less: loss allowance	(66,609)	(61,620)	(61,492)
	\$ 1,621,190	1,620,373	1,538,467

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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:

	March 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 1,467,878	0.01%~0.19%	1,790
1 to 90 days past due	167,532	2.01%~17.05%	18,205
91 to 365 days past due	13,153	19.71%~43.56%	7,378
More than 365 days past due	39,236	100%	39,236
	\$ 1,687,799		66,609

	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

	March 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 1,440,839	0.01%~0.31%	4,553
1 to 90 days past due	105,971	0.74%~11.62%	13,060
91 to 365 days past due	14,753	14.94%~48.3%	5,483
More than 365 days past due	38,396	100%	38,396
	\$ 1,599,959		61,492

The detail of loss allowance were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable	\$ 346	453	345
Accounts receivable	27,027	23,113	22,751
Overdue receivable	39,236	38,054	38,396
	\$ 66,609	61,620	61,492

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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The movement in the allowance for receivables was as follows:

	For the three months ended	
	March 31	
	2024	2023
Balance on January 1, 2024	\$ 61,620	66,670
Impairment losses recognized (reversed)	4,318	(5,130)
Effect on movements in exchange rates	671	(48)
Balance on March 31, 2024	<u>\$ 66,609</u>	<u>61,492</u>

As of March 31, 2024, December 31 and March 31, 2023, the aforementioned financial assets of the Group were not pledged.

(d) Inventories

	March 31,	December 31,	March 31,
	2024	2023	2023
Raw materials	\$ 903,400	838,533	1,096,686
Supplies	25,488	21,911	26,540
Work in progress	589,270	655,636	675,263
Finished goods	1,825,049	1,870,331	2,098,386
Materials in transit	12,670	3,320	53,486
	<u>\$ 3,355,877</u>	<u>3,389,731</u>	<u>3,950,361</u>

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:

	For the three months ended	
	March 31	
	2024	2023
Losses on valuation of inventories	\$ 3,759	876
Gains on inventory count	-	(4)
Unallocated production overheads	99,205	86,320
Losses on obsolescence	-	764
Scrap income	(435)	(353)
	<u>\$ 102,529</u>	<u>87,603</u>

As of March 31, 2024, December 31 and March 31, 2023, the inventories were not pledged.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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(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:

	March 31, 2024	December 31, 2023	March 31, 2023
Associates	\$ <u>143,484</u>	<u>140,589</u>	<u>139,941</u>

- (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.

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amount of individually insignificant associates	\$ <u>143,484</u>	<u>140,589</u>	<u>139,941</u>

	For the three month ended March 31	
	2024	2023
Attributable to the Group:		
Profit (loss) from continuing operations	\$ 761	(2,254)
Other comprehensive income	<u>(6,148)</u>	<u>(259)</u>
Total comprehensive income	<u>\$ (5,387)</u>	<u>(2,513)</u>

- (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.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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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	\$	<u>41,208</u>

(iv) Pledge

As of March 31, 2024, December 31 and March 31, 2023, 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:

<u>Subsidiaries</u>	<u>Main operation place</u>	<u>Percentage of non-controlling interests</u>		
		<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
TTI	Taiwan	23.85 %	23.85 %	23.85 %

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

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Current assets	\$ 739,437	726,271	774,780
Non-current assets	865,926	847,568	823,921
Current liabilities	(453,486)	(436,090)	(397,689)
Non-current liabilities	(280,180)	(281,447)	(328,539)
Net assets	<u>\$ 871,697</u>	<u>856,302</u>	<u>872,473</u>
Non-controlling interest	<u>\$ 207,866</u>	<u>204,195</u>	<u>208,051</u>

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended	
	March 31	
	2024	2023
Operating revenues	<u>\$ 196,004</u>	<u>239,475</u>
Net income	3,624	15,731
Other comprehensive income	9,416	14,231
Total comprehensive income	<u>\$ 13,040</u>	<u>29,962</u>
Profit attributable to non-controlling interests	<u>\$ 864</u>	<u>3,751</u>
Comprehensive income, attributable to non-controlling interests	<u>\$ 3,110</u>	<u>7,145</u>
	For the three months ended	
	March 31	
	2024	2023
Net cash flows from (used in) operating activities	\$ 45,468	(70,966)
Net cash used in investing activities	(22,123)	(6,660)
Net cash flows from (used in) financing activities	(5,182)	65,701
Net increase (decrease) in cash and cash equivalents	<u>\$ 18,163</u>	<u>(11,925)</u>
Cash dividend distributed to non-controlling interests	<u>\$ -</u>	<u>-</u>

(g) Property, plant and equipment

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

	<u>Land</u>	<u>Land improvements</u>	<u>Buildings and construction</u>	<u>Equipment</u>	<u>Construction in progress and equipment to be inspected</u>	<u>Total</u>
Cost:						
Balance on January 1, 2024	\$ 894,152	195,701	4,456,237	9,962,962	295,915	15,804,967
Additions	-	-	4,189	15,787	50,980	70,956
Disposals	-	-	-	(16,452)	-	(16,452)
Reclassification (note)	-	-	4,215	15,949	15,877	36,041
Effect on movements in exchange rates	159	-	7,200	15,605	41	23,005
Balance on March 31, 2024	<u>\$ 894,311</u>	<u>195,701</u>	<u>4,471,841</u>	<u>9,993,851</u>	<u>362,813</u>	<u>15,918,517</u>
Balance on January 1, 2023	\$ 894,152	159,000	4,494,950	9,854,921	126,296	15,529,319
Additions	-	34,000	1,516	25,675	26,318	87,509
Disposals	-	-	(111)	(23,136)	-	(23,247)
Reclassification (note)	-	-	1,242	35,476	13,841	50,559
Effects on loss of control of subsidiaries	-	-	-	(4,382)	-	(4,382)
Effect on movements in exchange rates	(32)	-	1,332	3,521	23	4,844
Balance on March 31, 2023	<u>\$ 894,120</u>	<u>193,000</u>	<u>4,498,929</u>	<u>9,892,075</u>	<u>166,478</u>	<u>15,644,602</u>
Accumulated depreciation and impairment:						
Balance on January 1, 2024	\$ -	30,078	2,982,580	8,256,459	-	11,269,117
Depreciation	-	2,499	39,401	100,435	-	142,335
Disposals	-	-	-	(15,487)	-	(15,487)
Effect on movements in exchange rates	-	-	4,615	12,465	-	17,080
Balance on March 31, 2024	<u>\$ -</u>	<u>32,577</u>	<u>3,026,596</u>	<u>8,353,872</u>	<u>-</u>	<u>11,413,045</u>

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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	<u>Land</u>	<u>Land improvements</u>	<u>Buildings and construction</u>	<u>Equipment</u>	<u>Construction in progress and equipment to be inspected</u>	<u>Total</u>
Balance on January 1, 2023	\$ -	20,537	2,887,767	8,079,918	-	10,988,222
Depreciation	-	2,145	39,545	99,062	-	140,752
Disposals	-	-	(66)	(23,080)	-	(23,146)
Reclassification	-	-	-	16,468	-	16,468
Effects on loss of control of subsidiaries	-	-	-	(3,402)	-	(3,402)
Effect on movements in exchange rates	-	-	717	2,782	-	3,499
Balance on March 31, 2023	<u>\$ -</u>	<u>22,682</u>	<u>2,927,963</u>	<u>8,171,748</u>	<u>-</u>	<u>11,122,393</u>
Carrying amounts:						
Balance on January 1, 2024	<u>\$ 894,152</u>	<u>165,623</u>	<u>1,473,657</u>	<u>1,706,503</u>	<u>295,915</u>	<u>4,535,850</u>
Balance on March 31, 2024	<u>\$ 894,311</u>	<u>163,124</u>	<u>1,445,245</u>	<u>1,639,979</u>	<u>362,813</u>	<u>4,505,472</u>
Balance on January 1, 2023	<u>\$ 894,152</u>	<u>138,463</u>	<u>1,607,183</u>	<u>1,775,003</u>	<u>126,296</u>	<u>4,541,097</u>
Balance on March 31, 2023	<u>\$ 894,120</u>	<u>170,318</u>	<u>1,570,966</u>	<u>1,720,327</u>	<u>166,478</u>	<u>4,522,209</u>

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

- (i) For the three months ended March 31, 2024 and 2023, the Group capitalized the interest expenses on construction in progress amounted to \$3,992 and \$1,932 respectively, and the monthly interest rate used for capitalization calculation were 0.17%~0.32% and 0.14%~0.28%, respectively.
- (ii) As of March 31, 2024, December 31 and March 31, 2023, the property, plant and equipment of the Group were not pledged.

(h) Other current assets

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Prepayments	\$ 114,319	81,557	96,589
Offset against business tax payable and input taxes	41,723	42,984	23,876
Temporary payments	6,217	6,198	6,000
	<u>\$ 162,259</u>	<u>130,739</u>	<u>126,465</u>

(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:

	<u>Land</u>	<u>Buildings and construction</u>	<u>Equipment</u>	<u>Total</u>
Cost:				
Balance on January 1, 2024	\$ 217,971	160,145	22,188	400,304
Acquisitions	-	2,090	233	2,323
Disposals	-	(10,131)	(319)	(10,450)
Effect on movements in exchange rates	401	2,038	80	2,519
Balance on March 31, 2024	<u>\$ 218,372</u>	<u>154,142</u>	<u>22,182</u>	<u>394,696</u>

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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	Land	Buildings and construction	Equipment	Total
Balance on January 1, 2023	\$ 218,381	162,300	18,513	399,194
Acquisitions	-	1,350	4	1,354
Disposals	-	(3,388)	(1,513)	(4,901)
Effect on loss of control of subsidiaries	-	(8,445)	-	(8,445)
Effect on movements in exchange rates	110	599	31	740
Balance on March 31, 2023	<u>\$ 218,491</u>	<u>152,416</u>	<u>17,035</u>	<u>387,942</u>
Accumulated depreciation:				
Balance on January 1, 2024	\$ 28,623	93,989	10,916	133,528
Depreciation	1,436	7,000	913	9,349
Disposals	-	(8,397)	(319)	(8,716)
Effect on movements in exchange rates	55	1,136	41	1,232
Balance on March 31, 2024	<u>\$ 30,114</u>	<u>93,728</u>	<u>11,551</u>	<u>135,393</u>
Balance on January 1, 2023	\$ 22,928	87,542	8,878	119,348
Depreciation	1,439	6,869	864	9,172
Disposals	-	(2,517)	(1,513)	(4,030)
Effect on loss of control of subsidiaries	-	(5,048)	-	(5,048)
Effect on movements in exchange rates	12	249	29	290
Balance on March 31, 2023	<u>\$ 24,379</u>	<u>87,095</u>	<u>8,258</u>	<u>119,732</u>
Carrying amount:				
Balance on January 1, 2024	<u>\$ 189,348</u>	<u>66,156</u>	<u>11,272</u>	<u>266,776</u>
Balance on March 31, 2024	<u>\$ 188,258</u>	<u>60,414</u>	<u>10,631</u>	<u>259,303</u>
Balance on January 1, 2023	<u>\$ 195,453</u>	<u>74,758</u>	<u>9,635</u>	<u>279,846</u>
Balance on March 31, 2023	<u>\$ 194,112</u>	<u>65,321</u>	<u>8,777</u>	<u>268,210</u>

(j) Intangible assets

	REACH registration related expenses	Software	Others	Total
Carrying amounts:				
Balance on January 1, 2024	<u>\$ 75,474</u>	<u>51,800</u>	<u>1,088</u>	<u>128,362</u>
Balance on March 31, 2024	<u>\$ 70,569</u>	<u>98,602</u>	<u>726</u>	<u>169,897</u>
Balance on January 1, 2023	<u>\$ 89,837</u>	<u>58,275</u>	<u>3,222</u>	<u>151,334</u>
Balance on March 31, 2023	<u>\$ 88,966</u>	<u>61,513</u>	<u>1,974</u>	<u>152,453</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the three months ended March 31, 2024 and 2023. Information on amortization for the period is discussed in note 12. Please refer to note 6(j) of consolidated financial statements for the year end December 31, 2023 for the other related information.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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(k) Short-term borrowings

	Borrowing currency	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured bank loans	NTD	\$ 615,000	765,000	1,535,017
Unsecured bank loans	RMB	228,226	199,728	-
Unsecured bank loans	USD	846,710	653,827	-
Short-term notes and bills payable	NTD	<u>79,629</u>	<u>79,624</u>	<u>79,606</u>
Total		<u>\$ 1,769,565</u>	<u>1,698,179</u>	<u>1,614,623</u>
Unused credit lines		<u>\$ 3,900,834</u>	<u>4,103,468</u>	<u>4,338,101</u>
Range of interest rate		<u>1.75%~7.33%</u>	<u>1.69%~7.32%</u>	<u>1.28%~6.91%</u>

As of March 31, 2024, December 31 and March 31, 2023, the Group issued short-term notes and bills payable through Dah-Chung Bills Finance Corp. to obtain funds from the currency market, with rates of 1.81%, 1.81% and 1.71%, respectively.

The Group had not pledged the assets as collateral for short-term borrowings on March 31, 2024, December 31 and March 31, 2023.

(l) Long-term borrowings

March 31, 2024				
	Currency	Rate	Maturity year	Amount
Unsecured bank loans	NTD	1.9%~2.49%	2026.1~2027.6	\$ 1,048,750
Less: long-term borrowings, current portion				<u>(42,500)</u>
Total				<u>\$ 1,006,250</u>
Unused credit lines				<u>\$ 401,250</u>
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				<u>(42,500)</u>
Total				<u>\$ 1,006,250</u>
Unused credit lines				<u>\$ 401,250</u>
March 31, 2023				
	Currency	Rate	Maturity year	Amount
Unsecured bank loans	NTD	1.86%~2.36%	2024.5~2027.6	\$ 1,170,000
Less: long-term borrowings, current portion				<u>(21,250)</u>
Total				<u>\$ 1,148,750</u>
Unused credit lines				<u>\$ 280,000</u>

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

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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(m) Lease liabilities

The carrying amounts of lease liabilities were as follow:

	March 31, 2024	December 31, 2023	March 31, 2023
Current	\$ <u>31,713</u>	<u>34,574</u>	<u>32,560</u>
Non-current	\$ <u>218,900</u>	<u>223,657</u>	<u>225,530</u>

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

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31	
	2024	2023
Interest on lease liabilities	\$ <u>1,384</u>	<u>1,451</u>
Expenses relating to short-term leases	\$ <u>880</u>	<u>1,063</u>

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

	For the three months ended March 31	
	2024	2023
Total cash outflow for leases	\$ <u>11,265</u>	<u>11,253</u>

(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:

	March 31, 2024	December 31, 2023	March 31, 2023
Balance on January 1	\$ 81,700	87,450	87,450
Additions	-	34,000	34,000
Decreases	<u>(10,200)</u>	<u>(39,750)</u>	<u>(15,900)</u>
Balance on March 31	\$ <u>71,500</u>	<u>81,700</u>	<u>105,550</u>

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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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

At the end of the prior fiscal year, there was no material volatility of the market, as well as reimbursement and settlement, or other significant one-time events. As a result, the pension cost in the consolidated interim financial statements was measured and disclosed on a year-to-date basis by using the actuarially determined pension cost rate of December 31, 2023 and 2022.

The expense recognized in profit or loss for the Group were as follows:

	For the three months ended	
	March 31	
	2024	2023
Operating costs	\$ 978	1,320
Operating expenses	752	995
	<u>\$ 1,730</u>	<u>2,315</u>

(ii) Defined contribution plans

The expense recognized in profit or loss for the Group were as follows:

	For the three months ended	
	March 31	
	2024	2023
Operating costs	\$ 9,218	6,130
Operating expenses	7,358	6,297
	<u>\$ 16,576</u>	<u>12,427</u>

(p) Income taxes

(i) The components of income tax were as follows:

	For the three months ended	
	March 31	
	2024	2023
Current tax expense	\$ <u>9,309</u>	<u>8,844</u>

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

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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(q) Capital and other equity

There was no significant change for capital and other equity for the periods from January 1 to March 31, 2024 and 2023. For the related information, please refer to note 6(q) of the consolidated financial statements for the year ended December 31, 2023.

(i) Retained earnings

In accordance with amendment to Company's article of incorporation, it stipulates that the Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance is to be appropriated as follows:

- 1) Legal reserve should be at 10%.
- 2) Special reserve should be appropriated (reversed) in accordance with related rules.
- 3) Remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

The Company's dividend policy is as follows:

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

(ii) Distribution of earnings

The amounts of cash dividends for 2023 and 2022 had been approved during the board meeting held on March 14, 2024 and March 16, 2023, respectively. The relevant dividend distributions to shareholders were as follows:

	2023		2022	
	Amount per share (NTD)	Amount	Amount per share (NTD)	Amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 0.15	\$ <u><u>82,163</u></u>	0.35	<u><u>191,713</u></u>

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

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) 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, 2024	\$ (93,060)	133,322	18,431	58,693
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	23,473	2,807	26,280
Exchange differences on translation of foreign financial statements	35,857	-	4,384	40,241
Exchange differences on associates accounted for using equity method	(6,148)	-	-	(6,148)
Balance on March 31, 2024	<u>\$ (63,351)</u>	<u>156,795</u>	<u>25,622</u>	<u>119,066</u>
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	-	121,761	3,394	125,155
Exchange differences on translation of foreign financial statements	2,777	-	(923)	1,854
Exchange differences on associates accounted for using equity method	(259)	-	-	(259)
Balance on March 31, 2023	<u>\$ (74,469)</u>	<u>269,152</u>	<u>17,960</u>	<u>212,643</u>

(r) Earning per share

The Group's earnings per share were calculated as follows:

	For the three months ended March 31	
	2024	2023
Basic earning per share		
Profit attributable to common shareholders of the Company	\$ <u>30,469</u>	<u>37,183</u>
Weighted-average number of common shares outstanding(thousand share)	<u>547,752</u>	<u>547,752</u>
Basic earnings per share (expressed in New Taiwan Dollar)	\$ <u>0.06</u>	<u>0.07</u>
	For the three months ended March 31	
	2024	2023
Diluted earning per share		
Profit attributable to common shareholders of the Company	\$ <u>30,469</u>	<u>37,183</u>
Weighted-average number of common shares outstanding (basic) (thousand share)	547,752	547,752
Effect of employee compensation(thousand share)	333	1,200
Weighted-average number of common shares outstanding (diluted)(thousand share)	<u>548,085</u>	<u>548,952</u>
Diluted earnings per share (expressed in New Taiwan Dollar)	\$ <u>0.06</u>	<u>0.07</u>

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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(s) Employees compensation and directors' remuneration

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

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

	For the three months ended March 31	
	2024	2023
Employees' compensation	\$ 2,165	2,343
Directors' remuneration	866	937
	\$ 3,031	3,280

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.

For the years ended December 31, 2023 and 2022, the employee compensation amounted to \$5,276 and \$24,194, and directors' remuneration amounting to \$2,110 and \$9,678, respectively. There were no any difference between the actual disturbed amount and those recognized in the financial statements. The related information would be available at the Market Observation Post System Website.

(t) Revenue from contract with customers

(i) Disaggregation of revenue

	For the three months ended March 31, 2024					
	Color chemicals	Specialty chemicals	Electronic chemicals	Toners	Pharmaceuticals	Total
Primary geographical markets:						
Taiwan	\$ 95,606	56,133	223,780	8,906	3,262	387,687
Americas	36,692	112,968	-	45,437	5,487	200,584
Asia	439,177	261,866	109,900	154,108	25,902	990,953
Europe	114,452	113,288	-	49,978	25,778	303,496
Other	9,191	1,624	-	5,518	542	16,875
	\$ 695,118	545,879	333,680	263,947	60,971	1,899,595

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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For the three months ended March 31, 2024						
	Color chemicals	Specialty chemicals	Electronic chemicals	Toners	Pharmaceuticals	Total
Major products:						
Chemicals	\$ 695,118	545,879	333,680	-	-	1,574,677
Toners	-	-	-	263,947	-	263,947
Other	-	-	-	-	60,971	60,971
	<u>\$ 695,118</u>	<u>545,879</u>	<u>333,680</u>	<u>263,947</u>	<u>60,971</u>	<u>1,899,595</u>
For the three months ended March 31, 2023						
	Color chemicals	Specialty chemicals	Electronic chemicals	Toners	Pharmaceuticals	Total
Primary geographical markets:						
Taiwan	\$ 90,877	63,055	166,587	7,665	3,349	331,533
Americas	41,609	112,147	-	50,456	25,476	229,688
Asia	464,941	209,369	101,568	162,900	12,003	950,781
Europe	122,128	147,552	-	67,927	31,143	368,750
Other	23,891	25,323	-	6,489	5,575	61,278
	<u>\$ 743,446</u>	<u>557,446</u>	<u>268,155</u>	<u>295,437</u>	<u>77,546</u>	<u>1,942,030</u>
Major products:						
Chemicals	\$ 743,446	557,446	268,155	-	-	1,569,047
Toners	-	-	-	295,437	-	295,437
Other	-	-	-	-	77,546	77,546
	<u>\$ 743,446</u>	<u>557,446</u>	<u>268,155</u>	<u>295,437</u>	<u>77,546</u>	<u>1,942,030</u>

(ii) Contract balance

	March 31, 2024	December 31, 2023	March 31, 2023
Receivables	\$ 1,687,799	1,681,993	1,599,959
Less: loss allowance	(66,609)	(61,620)	(61,492)
Total	<u>\$ 1,621,190</u>	<u>1,620,373</u>	<u>1,538,467</u>

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

(u) Non-operating income and expenses

(i) Interest income

	For the three months ended March 31	
	2024	2023
Interest income from bank deposits	<u>\$ 2,622</u>	<u>624</u>

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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(ii) Other gains and losses

	For the three months ended	
	March 31	
	2024	2023
Foreign exchange gains net	\$ 42,710	8,019
Net gains (losses) on financial assets and liabilities at fair value through profit	2,718	(1,231)
Gains (losses) on disposal of property, plant and equipment	(91)	436
Losses on disposal of investment accounted for using equity method	-	(4,834)
Subsidy revenue	1,421	2,353
Others	17,039	13,713
	<u>\$ 63,797</u>	<u>18,456</u>

(iii) Finance costs

	For the three months ended	
	March 31	
	2024	2023
Interest expense	<u>\$ 22,366</u>	<u>21,584</u>

(v) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(v) of the consolidated financial statements for the year ended December 31, 2023.

(i) Credit risk

1) Credit risk exposure

There was on concentration of credit risk.

2) 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 three months ended March 31, 2024 and 2023. 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.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>within 1 year</u>	<u>1~2 years</u>	<u>2~5 years</u>	<u>Over 5 years</u>
March 31, 2024						
Non-derivative financial liabilities						
Short-term borrowings	\$ 1,769,565	1,775,797	1,775,797	-	-	-
Notes payable	32,993	32,993	32,993	-	-	-
Accounts payable	535,854	535,854	535,854	-	-	-
Lease liabilities	250,613	311,776	36,553	31,743	43,820	199,660
Other payables	339,321	339,321	339,321	-	-	-
Payables on equipment	15,789	15,789	15,789	-	-	-
Dividends payable	82,163	82,163	82,163	-	-	-
Long-term borrowings (including current portion)	<u>1,048,750</u>	<u>1,096,243</u>	<u>63,887</u>	<u>261,841</u>	<u>770,515</u>	<u>-</u>
	<u>\$ 4,075,048</u>	<u>4,189,936</u>	<u>2,882,357</u>	<u>293,584</u>	<u>814,335</u>	<u>199,660</u>
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)	<u>1,048,750</u>	<u>1,086,975</u>	<u>63,145</u>	<u>454,517</u>	<u>569,313</u>	<u>-</u>
	<u>\$ 4,016,851</u>	<u>4,124,334</u>	<u>2,819,515</u>	<u>486,516</u>	<u>616,504</u>	<u>201,799</u>
March 31, 2023						
Non-derivative financial liabilities						
Short-term borrowings	\$ 1,614,623	1,622,446	1,622,446	-	-	-
Notes payable	29,669	29,669	29,669	-	-	-
Accounts payable	440,401	440,401	440,401	-	-	-
Lease liabilities	258,090	322,666	37,632	32,189	42,906	209,939
Other payables	349,998	349,998	349,998	-	-	-
Payables on equipment	11,616	11,616	11,616	-	-	-
Dividends payable	191,713	191,713	191,713	-	-	-
Long-term borrowings (including current portion)	<u>1,170,000</u>	<u>1,200,979</u>	<u>25,923</u>	<u>1,009,629</u>	<u>165,427</u>	<u>-</u>
Subtotal	<u>4,066,110</u>	<u>4,169,488</u>	<u>2,709,398</u>	<u>1,041,818</u>	<u>208,333</u>	<u>209,939</u>
Financial liabilities as fair value through profit and loss	<u>1,244</u>	<u>1,244</u>	<u>1,244</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,067,354</u>	<u>4,170,732</u>	<u>2,710,642</u>	<u>1,041,818</u>	<u>208,333</u>	<u>209,939</u>

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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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:

	March 31, 2024			December 31, 2023			March 31, 2023		
	Foreign currency (thousand dollars)	Exchange rate	NTD	Foreign currency (thousand dollars)	Exchange rate	NTD	Foreign currency (thousand dollars)	Exchange rate	NTD
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 47,875	32.00	1,532,001	46,974	30.71	1,442,556	40,356	30.45	1,228,848
JPY	118,525	0.21	24,890	72,342	0.22	15,915	132,860	0.23	30,558
RMB	73,130	4.41	322,505	74,429	4.33	322,277	60,611	4.43	268,507
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	34,635	32.00	1,108,330	29,185	30.71	896,266	30,444	30.45	927,019
JPY	257,165	0.21	54,005	148,611	0.22	32,695	255,433	0.23	58,750
RMB	3,563	4.41	15,711	8,659	4.33	37,494	5,308	4.43	23,516

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 three months ended March 31, 2024 and 2023, would have changed the profit by \$5,611 and \$4,149, respectively. The analysis is performed on the same basis for 2024 and 2023.

3) Foreign exchange gains and losses on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gains on monetary items is disclosed by total amount. For the three months ended March 31, 2024 and 2023, foreign exchange gains (including realized and unrealized portions) amounted to \$42,710 and \$8,019, 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.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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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 expressed 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 \$5,637 and \$5,569, respectively, for the three months ended March 31, 2024 and 2023, 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 three months ended March 31, 2024 and 2023, 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 three months ended March 31, 2024		For the three months ended March 31, 2023	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
1% increase	\$ 9,707	370	10,816	40
1% decrease	\$ (9,707)	(370)	(10,816)	(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:

	Carrying amount	March 31, 2024			Total
		Fair value			
		Level 1	Level 2	Level 3	
Financial assets mandatorily measured at fair value through profit or loss					
Monetary market fund	\$ 37,024	37,024	-	-	37,024
Derivative financial assets	2,598	-	2,598	-	2,598
Subtotal	39,622	37,024	2,598	-	39,622
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	788,686	788,686	-	-	788,686
Stocks unlisted on domestic markets	182,042	-	-	182,042	182,042
Subtotal	970,728	788,686	-	182,042	970,728

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	March 31, 2024				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	1,524,931	-	-	-	-
Financial assets at amortized cost	30,000	-	-	-	-
Notes and accounts receivable	1,621,190	-	-	-	-
Other financial assets	43,793	-	-	-	-
Subtotal	3,219,914	-	-	-	-
Total	\$ 4,230,264	825,710	2,598	182,042	1,010,350
Financial liabilities measured at amortized cost					
Bank loans (including current portion)	\$ 2,818,315	-	-	-	-
Notes and accounts payable	568,847	-	-	-	-
Lease liabilities	250,613	-	-	-	-
Other payables	339,321	-	-	-	-
Payables on equipment	15,789	-	-	-	-
Dividends payable	82,163	-	-	-	-
Total	\$ 4,075,048	-	-	-	-
	December 31, 2023				
	Carrying amount	Fair value			
		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	-	-	-	-

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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	March 31, 2023				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets mandatorily measured at fair value through profit or loss					
Monetary market fund	\$ 4,033	4,033	-	-	4,033
Subtotal	<u>4,033</u>	<u>4,033</u>	<u>-</u>	<u>-</u>	<u>4,033</u>
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	834,327	834,327	-	-	834,327
Stocks unlisted on domestic markets	<u>247,239</u>	<u>-</u>	<u>-</u>	<u>247,239</u>	<u>247,239</u>
Subtotal	<u>1,081,566</u>	<u>834,327</u>	<u>-</u>	<u>247,239</u>	<u>1,081,566</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	1,167,613	-	-	-	-
Notes and accounts receivable	1,538,467	-	-	-	-
Other financial assets	<u>61,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>2,767,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 3,853,439</u>	<u>838,360</u>	<u>-</u>	<u>247,239</u>	<u>1,085,599</u>
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	\$ 1,244	-	1,244	-	1,244
Financial liabilities measured at amortized cost					
Bank loans (including current portion)	2,784,623	-	-	-	-
Notes and accounts payable	470,070	-	-	-	-
Lease liabilities	258,090	-	-	-	-
Others payables	349,998	-	-	-	-
Payables on equipment	11,616	-	-	-	-
Dividends payable	<u>191,713</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 4,067,354</u>	<u>-</u>	<u>1,244</u>	<u>-</u>	<u>1,244</u>

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

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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- ii) the bid-ask spread varies significantly; or
- iii) there has been a significant decline in trading volume.

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

- The fair value of stocks and monetary fund listed on domestic and foreign markets, which are based on the market closing prices.

Except the aforementioned financial instruments, with active market the others' fair value is based on valuation techniques. Fair value, measured by using valuation technique that can be extrapolated from either similar financial instruments or discounted cash flow method or other valuation techniques, including models, is calculated based on available market data at the reporting data.

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

- Unquoted equity instruments: the fair value of financial instruments transactions in an inactive market, which is valued by comparable method. The main hypothesis is referred from the quotations of comparable listed companies and earning multiplies of PBR proportion as basic, which is adjusted by the discount affections of equity securities lacking market liquidity.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of forward currency is usually determined by the forward currency exchange rate.

3) Transfers between Level 1 and Level 2

The Group didn't have any fair value transfer between levels for the three months ended March 31, 2024 and 2023.

4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	Unquoted equity instruments
Balance on January 1, 2024	\$ 174,484
Total gains or losses:	
Recognized in other comprehensive income	7,558
Balance on March 31, 2024	\$ 182,042

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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	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	7,195
Balance on March 31, 2023	\$ 247,239

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 March 31, 2024 and 2023 were as follows:

	For the three months ended March 31	
	2024	2023
Recognized in other comprehensive income	\$ 7,558	7,195

- 5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value were “financial assets measured at fair value through other comprehensive income – equity investments”.

Most of the Group's financial instruments that use level 3 inputs to measure fair value have multiple significant unobservable inputs. There is no correlation existence among the significant unobservable inputs of equity investments that have no active markets because they were independent of each other.

Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets measured at fair value through other comprehensive income- equity investments without an active market	Comparable companies approach	<ul style="list-style-type: none"> • Price-Book Ratio (as of March 31, 2024, December 31 and March 31, 2023 were 2.90~4.61, 2.90~4.41 and 2.75~5.93, respectively) • Market liquidity discount rate (as of March 31, 2024, December 31 and March 31, 2023 were all 20%) 	<ul style="list-style-type: none"> • The estimated fair value would increase if the multiplier was higher. • The estimated fair value would decrease if market liquidity discount rate was higher.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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- 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 :

Inputs	Upwards or Downwards	Fair value variation on other comprehensive income					
		Favorable			Unfavorable		
		March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	December 31, 2023	March 31, 2023
Price-book ratio	5%	8,466	8,600	11,742	(8,466)	(8,600)	(11,742)
Market liquidity discount rate	5%	8,850	8,035	11,751	(8,850)	(8,035)	(11,751)

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

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(w) of the consolidated financial statements for the year ended December 31, 2023.

- (x) Capital management

The Group's objectives, policies and processes of capital management were the same as those described in the consolidated financial statements for the year ended December 31, 2023. For the related information, please refer to note 6(x) of the consolidated financial statements 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, 2024	Cash flows	Non-cash changes		March 31, 2024
			Foreign exchange		
			movement	Others	
Short-term borrowings	\$ 1,698,179	65,204	6,182	-	1,769,565
Long-term borrowings	1,048,750	-	-	-	1,048,750
Lease liabilities	258,231	(9,001)	991	392	250,613
Total liabilities from financing activities	<u>\$ 3,005,160</u>	<u>56,203</u>	<u>7,173</u>	<u>392</u>	<u>3,068,928</u>

	January 1, 2023	Cash flows	Non-cash changes		March 31, 2023
			Foreign exchange		
			movement	Others	
Short-term borrowings	\$ 1,665,417	(52,361)	1,567	-	1,614,623
Long-term borrowings	1,100,000	70,000	-	-	1,170,000
Lease liabilities	269,235	(8,739)	372	(2,778)	258,090
Total liabilities from financing activities	<u>\$ 3,034,652</u>	<u>8,900</u>	<u>1,939</u>	<u>(2,778)</u>	<u>3,042,713</u>

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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:

<u>Name of related party</u>	<u>Relationship with the Group</u>
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
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:

	For the three months ended	
	March 31	
	<u>2024</u>	<u>2023</u>
CHCIW	<u>\$ 7,857</u>	<u>6,444</u>

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

<u>Account</u>	<u>Name of related party</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes and accounts payable	CHCIW	\$ 10,457	10,692	8,909
Dividend payable	EIC	8,250	-	17,150
Dividend payable	Chen, Ding-Chuan	7,950	-	20,300
		<u>\$ 26,657</u>	<u>10,692</u>	<u>46,359</u>

(iii) Other

Rental income

The Group leases out its office buildings, with rental based on that of the nearby offices. For the three months ended March 31, 2024 and 2023, the rental income incurred by the Group both amounted to \$12, which had been fully received during both periods.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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(c) Key management personnel compensation

	For the three months ended March 31	
	2024	2023
Short-term employee benefits	\$ 8,283	7,977
Post-employment benefits	142	113
	<u>\$ 8,425</u>	<u>8,090</u>

(8) Assets pledged as security: None.

(9) Commitments and contingencies

(a) The Group's unrecognized contractual commitment are as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Acquisition of property, plant and equipment	<u>\$ 450,008</u>	<u>461,266</u>	<u>299,145</u>

(b) The Group's outstanding standby letter of credit are as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Outstanding standby letter of credit	<u>\$ -</u>	<u>19,708</u>	<u>-</u>

(10) Subsequent Events: None.

(11) Other

(a) A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By item	By function	For the three months ended March 31, 2024			For the three months ended March 31, 2023		
		Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits							
Salary		172,860	135,708	308,568	176,201	137,686	313,887
Labor and health insurance		18,855	16,588	35,443	18,788	16,075	34,863
Pension		10,196	8,110	18,306	7,450	7,292	14,742
Remuneration of directors		-	866	866	-	937	937
Others		6,023	5,840	11,863	6,167	5,694	11,861
Depreciation		122,972	28,712	151,684	120,893	29,031	149,924
Amortization		1,952	11,201	13,153	494	13,120	13,614

(b) Seasonality of operations:

The Group's operations over not affected by seasonality or cyclicity factors.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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(12) 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 three months ended March 31, 2024:

1. Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related Party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 2)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (Note 1)	Maximum limit of fund financing (Note 1)
													Item	Value		
21	EVSZ	Wujiang Longhui	Other receivable	No	19,050	19,050	19,050	4%	1	178,196	-	-	NA	-	76,752	307,011

Note1 : According to EVSZ’s Operating Procedures of Fund Lending and Guarantee, the amount of loaned fund shall be limited to 40% of the lending company’s net worth. The individual lending amount shall not exceed 10% of the lending company’s net worth.

Note2 : The nature of financing as follow:

1. Business transaction calls for a loan arrangement.
2. The need for short-term financing.

2. Guarantees and endorsements for other parties:

Number	Name of guarantor	Counter -party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 1)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements Amount	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 1)	Parent company endorsements/ guarantees to subsidiary	Subsidiary endorsements/ guarantees to parent company	Endorsements/ guarantees to the companies in mainland China
		Name	Relationship with the Company (Note 2)										
0	ECIC	EVUS	Subsidiary	834,556	64,000	64,000	-	-	0.77%	2,086,390	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.

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3. Securities held as of March 31, 2024 (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	30,166		30,166	
GLTP	UPAMC James Bond Money Market Fund	-	"	399	6,858	-	6,858	
					37,024		37,024	
ECIC	Grand Bills Finance Corporation	-	Financial assets at amortized cost - current	-	30,000	-	30,000	
ECIC	Polytronics Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	8,000	445,247	9%	451,200	
"	Chemical Industrial Works, LTD	The entity's chairman is the director of the Company	"	5,500	92,217	5%	163,625	
"	General Plastic Industrial Co., Ltd.	-	"	2,140	74,900	2%	85,814	
"	Andros Pharmaceuticals Co., Ltd.	-	"	4,724	103,120	11%	159,624	
GLTP	QISDA Corp.	-	"	50	1,745	-	2,233	
"	Andros Pharmaceuticals Co., Ltd.	-	"	260	7,800	1%	8,785	
"	Taiwan Bio Therapeutics Co., Ltd.	-	"	414	11,400	1%	13,633	
TTI	General Plastic Industrial Co., Ltd.	-	"	2,140	74,900	2%	85,814	
			Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		159,399		-	
	Total				970,728		970,728	

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	107,060	5.64%	OA 90	Non material differences from those of third-parties	Non material differences from those of third-parties	95,853	5.91%	Note

Note : The amounts of the transaction and the ending balance had been eliminated in the consolidated financial statements.

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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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 May 9, 2024)	Loss allowance
					Amount	Action taken		
ECIC	ADSH	Subsidiary	122,056	1.74	-	-	15,818	-

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	107,060	No material differences from those of third parties	5.64%
0	"	ELITE	1	"	91,506	"	4.82%
0	"	EVUS	1	"	84,624	"	4.45%
0	"	ADSH	1	"	52,165	"	2.75%
0	"	EVSZ	1	"	47,777	"	2.52%
0	"	EVSH	1	"	28,624	"	1.51%
0	"	ETHK	1	"	28,078	"	1.48%
0	"	ETSH	1	"	22,612	"	1.19%
1	TTI	EVSZ	2	"	22,523	"	1.19%

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.

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(b) Information on investments (excluding investment in mainland China):

The following are the information on investees for the three months ended March 31, 2024:

Units in Thousands

Reports by Securities Issuers	Name of investee	Location	Main businesses and products	Original investment amount		Balance of March 31, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Carrying value			
ECIC	EVUS	America	Selling chemical product and related raw materials	88,868	88,868	300	100.00%	151,368	(4,033)	(4,033)	(Note 2)
"	EVHK	Hong Kong	Selling chemical product and related raw materials	34,579	34,579	1,000	100.00%	41,145	768	768	(Note 2)
"	EVSG	Singapore	Investing business	794,290	794,290	24,800	100.00%	876,843	(25,571)	(25,571)	(Note 2)
"	EVEU	Netherland	Selling chemical product and related raw materials	7,890	7,890	1	100.00%	53,732	(1,225)	(1,225)	(Note 2)
"	TTI	Hsinchu City	Manufacturing and selling toners of laser printer, copier and fax machine	242,192	242,192	44,906	76.15%	661,169	3,624	1,085	(Note 2)
"	ELITE	Turkey	Selling chemical product and related raw materials	45,016	45,016	22	50.00%	105,206	579	290	(Note 2)
"	GOODTV	Taipei City	Cable TV channels	19,000	19,000	1,900	22.35%	20,832	1,841	403	(Note 1)
"	TAK	Taoyuan City	Manufacturing of inductance core and cathode materials of Lithium ion battery	58,600	58,600	4,856	16.78%	34,472	(7,030)	(1,068)	(Note 1)
"	GLTP	Taipei City	Investing business	100,000	100,000	10,000	100.00%	31,737	10	10	(Note 2)
	Unrealized gross profit on sales			-	-			(75,030)		-	
				1,390,435	1,390,435			1,901,474		(29,341)	
EVSG	EVVN	Vietnam	Selling chemical product and related raw materials	12,140	12,140	-	100.00%	6,607	(1,222)	(1,222)	(Note 2)

Note 1: The company is a associated company of the Group.

Note 2: The amounts of the transactions and the ending balance had been eliminated in the consolidated financial statements.

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(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	Accumulated outflow of investment from Taiwan as of December 31, 2023		Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2024		Net income (losses) of the investee	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)	54,400	(Note 1)	700	22,400			700	22,400	(4,767)	100.00%	(4,767)	154,219	2,961	94,752
ETGZ (Note 8)	Selling chemical product and related raw materials	USD	700 (Note 6)	22,400	(Note 1)	200	6,400			200	6,400	(1,593)	100.00%	(1,593)	98,006	1,523	48,736
EVSH (Note 8)	Selling chemical product and related raw materials	USD	1,250 (Note 6)	40,000	(Note 1)	1,100	35,200			1,100	35,200	(5,909)	100.00%	(5,909)	141,457	950	30,400
EVSZ (Note 8)	Manufacturing and selling color chemical, toners and electronic high tech chemical product	USD	23,650 (Note 4)	756,800	(Note 1)	18,600	595,200			18,600	595,200	(25,879)	100.00%	(25,879)	767,528	-	-
ANDA	Selling electronic high tech chemical product	RMB	20,000 (Note 4)	88,160	(Note 1)	650	20,800			650	20,800	(3,218)	29.80%	(959)	10,953	-	-
ADSH (Note 8)	Selling electronic high tech chemical product	RMB	1,000 (Note 5)	4,408	(Note 5)	-	-			-	-	541	56.25%	306	9,397	-	-
3ESZ	Manufacturing and selling chemical product and related raw materials	USD	6,600 (Note 4)	211,200		2,490	79,680			2,490	79,680	5,963	40.00%	2,385	77,227	-	-

Note 1: Reinvest in mainland China through third place (EVSG).

Note 2: Except for ANDA, ADSH and 3ESZ, these financial statements are reviewed by the same auditor of the Taiwan parent company and accounted for equity method. The financial statement of ANDA, ADSH and 3ESZ is not reviewed by independent auditors.

Note 3: Exchange rate: NTD vs USD (1:32), NTD vs RMB (1:4.408) . Expressed in thousands of New Taiwan Dollars unless otherwise specified.

Note 4: EVSG invested in EVSZ USD 5,050, ANDA USD 25 and 3ESZ USD 150 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 (USD 157) by owned funds. And due to the reorganized structure, ADSH is reinvested directly by EVSG.

Note 6: EVSZ invested in ETSZ 1,700 USD, ETGZ 700 USD and EVSH 1,250 USD by issuing shares.

Note 7: Included the capital increasing amounted to USD 1,000 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 March 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
813,984 (USD 25,437)	747,264 (USD 23,352)	5,199,566

As of March 31, 2024, 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) ETSZ: 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 three months ended March 31, 2024, 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 12(a) Information on significant transactions.

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(d) Major shareholders :

(In Shares)

Shareholding Shareholder's Name	Shares	Percentage
ETHICAL INVESTMENT CORPORATION	56,000,000	10.22%
CHEN,DING-CHUAN	53,000,000	9.67%

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(13) Segment information

The Group's operating segment information and reconciliation are as follow:

	For the three months ended March 31, 2024							
	Color chemicals	Specialty chemicals	Electronic chemicals	Toner	Pharmaceuticals	Others	Reconciliation and elimination	Total
Revenue from external customers	\$ 695,118	545,879	333,680	263,947	60,971	-	-	1,899,595
Intersegment revenue	-	-	-	-	-	-	-	-
Total revenue	<u>\$ 695,118</u>	<u>545,879</u>	<u>333,680</u>	<u>263,947</u>	<u>60,971</u>	<u>-</u>	<u>-</u>	<u>1,899,595</u>
Reportable segment profit (loss)	<u>\$ 4,902</u>	<u>63,038</u>	<u>25,743</u>	<u>(10,693)</u>	<u>(45,088)</u>	<u>3,266</u>	<u>-</u>	<u>41,168</u>

	For the three months ended March 31, 2023							
	Color chemicals	Specialty chemicals	Electronic chemicals	Toner	Pharmaceuticals	Others	Reconciliation and elimination	Total
Revenue from external customers	\$ 743,446	557,446	268,155	295,437	77,546	-	-	1,942,030
Intersegment revenue	-	-	-	-	-	-	-	-
Total revenue	<u>\$ 743,446</u>	<u>557,446</u>	<u>268,155</u>	<u>295,437</u>	<u>77,546</u>	<u>-</u>	<u>-</u>	<u>1,942,030</u>
Reportable segment profit (loss)	<u>\$ (578)</u>	<u>44,768</u>	<u>18,186</u>	<u>6,700</u>	<u>(16,157)</u>	<u>(4,160)</u>	<u>-</u>	<u>48,759</u>