

(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 Six Months Ended June 30, 2024 and 2023**

Address: 5~6F., No.77, Sec. 2, DunHua S.Rd., Taipei 106, Taiwan
Telephone: +886-2-2706-6006

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.

Table of contents

| Contents | Page |
|---|-------|
| 1. Cover Page | 1 |
| 2. Table of Contents | 2 |
| 3. Independent Auditors' Review Report | 3 |
| 4. Consolidated Balance Sheets | 4 |
| 5. Consolidated Statements of Comprehensive Income | 5 |
| 6. Consolidated Statements of Changes in Equity | 6 |
| 7. Consolidated Statements of Cash Flows | 7 |
| 8. Notes to the Consolidated Financial Statements | |
| (1) Company history | 8 |
| (2) Approval date and procedures of the consolidated financial statements | 8 |
| (3) New standards, amendments and interpretations adopted | 8~11 |
| (4) Summary of material accounting policies | 11~13 |
| (5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty | 13 |
| (6) Explanation of significant accounts | 13~37 |
| (7) Related-party transactions | 37~38 |
| (8) Assets pledged as security | 38 |
| (9) Commitments and contingencies | 38 |
| (10) Subsequent Events | 38 |
| (11) Other | 39 |
| (12) Other disclosures | |
| (a) Information on significant transactions | 40~42 |
| (b) Information on investees | 43 |
| (c) Information on investment in mainland China | 44 |
| (d) Major shareholders | 45 |
| (13) Segment information | 46 |



安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666
傳真 Fax + 886 2 8101 6667
網址 Web kpmg.com/tw

Independent Auditors' 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 June 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2024 and 2023, as well as the changes in equity and cash flows for the six months ended June 30, 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 NTD\$301,235 thousand and NTD\$242,678 thousand, constituting 2.30% and 1.84% of consolidated total assets as of June 30, 2024 and 2023, respectively, total liabilities amounting to NTD\$41,127 thousand and NTD\$29,584 thousand, constituting 0.94% and 0.67% of consolidated total liabilities as of June 30, 2024 and 2023, respectively, and total comprehensive income (loss) amounting to NTD\$7,930 thousand, NTD\$(4,538) thousand, NTD\$956 thousand and NTD\$(9,631) thousand, constituting 12.39%, 18.06%, 0.61% and (6.80)% of consolidated total comprehensive income for the three months and six months ended June 30, 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 NTD\$145,479 thousand and NTD\$136,886 thousand as of June 30, 2024 and 2023, respectively, and its equity in net earnings on these investee companies of NTD\$1,241 thousand, NTD\$(272) thousand, NTD\$2,002 thousand and NTD\$(2,526) thousand for the three months and six months ended June 30, 2024 and 2023, thousand for the six months ended June 30, 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 June 30, 2024 and 2023, and of its consolidated financial performance for the three months and six months ended June 30, 2024 and 2023, as well as its consolidated cash flows for the six months ended June 30, 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)
August 8, 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
June 30, 2024, December 31 and June 30, 2023
(Expressed in Thousands New Taiwan Dollars)

| Assets | | June 30, 2024 | | December 31, 2023 | | June 30, 2023 | | Liabilities and Equity | | June 30, 2024 | | December 31, 2023 | | June 30, 2023 | |
|-------------------------|---|----------------------|------------|-------------------|------------|-------------------|------------|----------------------------|---|----------------------|------------|-------------------|------------|-------------------|------------|
| | | Amount | % | Amount | % | Amount | % | | | Amount | % | Amount | % | Amount | % |
| Current assets : | | | | | | | | Current liabilities | | | | | | | |
| 1100 | Cash and cash equivalents (note 6(a)) | \$ 1,527,640 | 12 | 1,409,839 | 11 | 1,155,904 | 9 | 2100 | Short-term borrowings (note 6(k)) | \$ 1,896,716 | 14 | 1,698,179 | 13 | 1,797,536 | 14 |
| 1110 | Financial assets at fair value through profit or loss-current (note 6(b)) | 101,631 | 1 | 36,903 | - | 97,070 | 1 | 2322 | Long-term borrowings, current portion (note 6(l)) | 42,500 | - | 42,500 | - | 42,500 | - |
| 1136 | Financial assets at amortized cost-current (note 6(b)) | 60,000 | - | 60,000 | 1 | 60,000 | - | 2151 | Notes payable (note 7) | 61,929 | 1 | 42,729 | - | 29,648 | - |
| 1150 | Notes receivable, net (notes 6(c) and (t)) | 168,677 | 1 | 202,209 | 2 | 179,143 | 1 | 2170 | Accounts payable (note 7) | 519,307 | 4 | 532,175 | 5 | 402,777 | 3 |
| 1170 | Accounts receivable, net (notes 6(c) and (t)) | 1,672,247 | 13 | 1,418,164 | 11 | 1,334,173 | 10 | 2209 | Other payables (note 6(s)) | 370,313 | 3 | 409,923 | 3 | 325,239 | 3 |
| 130X | Inventories (note 6(d)) | 3,202,885 | 24 | 3,389,731 | 26 | 3,881,788 | 30 | 2213 | Payables on equipment | 24,835 | - | 26,864 | - | 16,906 | - |
| 1476 | Other current financial assets | 35,160 | - | 29,809 | - | 26,309 | - | 2216 | Dividends payable (notes 6(q) and 7) | 82,163 | 1 | - | - | 191,713 | 2 |
| 1479 | Other current assets (note 6(h)) | 179,436 | 1 | 130,739 | 1 | 118,975 | 1 | 2230 | Current tax liabilities | 48,413 | - | 26,769 | - | 50,989 | - |
| | Total current assets | <u>6,947,676</u> | <u>52</u> | <u>6,677,394</u> | <u>52</u> | <u>6,853,362</u> | <u>52</u> | 2280 | Lease liabilities-current (note 6(m)) | 29,141 | - | 34,574 | - | 32,843 | - |
| | Non-current assets: | | | | | | | 2399 | Other current liabilities (note 6(n)) | 60,993 | 1 | 35,947 | - | 55,929 | - |
| 1517 | Financial assets at fair value through other comprehensive income-non-current (note 6(b)) | 891,179 | 8 | 944,447 | 8 | 1,063,420 | 8 | | Total current liabilities | <u>3,136,310</u> | <u>24</u> | <u>2,849,660</u> | <u>21</u> | <u>2,946,080</u> | <u>22</u> |
| 1550 | Investments accounted for using equity method (note 6(e)) | 145,479 | 1 | 140,589 | 1 | 136,886 | 1 | | Non-current liabilities : | | | | | | |
| 1600 | Property, plant and equipment (notes 6(g) and 9) | 4,527,973 | 35 | 4,535,850 | 35 | 4,501,691 | 34 | 2540 | Long-term borrowings (note 6(l)) | 885,000 | 7 | 1,006,250 | 8 | 1,027,500 | 8 |
| 1755 | Right-of-use assets (note 6(i)) | 251,625 | 2 | 266,776 | 2 | 265,309 | 2 | 2570 | Deferred tax liabilities | 80,296 | 1 | 80,296 | 1 | 95,327 | 1 |
| 1780 | Intangible assets (note 6(j)) | 159,728 | 1 | 128,362 | 1 | 143,202 | 1 | 2580 | Lease liabilities non-current (note 6(m)) | 213,970 | 1 | 223,657 | 2 | 223,334 | 2 |
| 1840 | Deferred tax assets | 42,508 | - | 42,508 | - | 59,464 | 1 | 2640 | Net defined benefit liability | 18,144 | - | 18,824 | - | 67,599 | - |
| 1915 | Prepayments for equipment | 113,446 | 1 | 146,818 | 1 | 127,075 | 1 | 2670 | Other non-current liabilities (note 6(n)) | 36,170 | - | 66,164 | 1 | 82,064 | 1 |
| 1980 | Other non-current financial assets (notes 6(c) and (t)) | 3,861 | - | 3,360 | - | 3,282 | - | | Total non-current liabilities | <u>1,233,580</u> | <u>9</u> | <u>1,395,191</u> | <u>12</u> | <u>1,495,824</u> | <u>12</u> |
| 1990 | Other non-current assets | 16,385 | - | 14,622 | - | 12,608 | - | | Total liabilities | <u>4,369,890</u> | <u>33</u> | <u>4,244,851</u> | <u>33</u> | <u>4,441,904</u> | <u>34</u> |
| | Total non-current assets | <u>6,152,184</u> | <u>48</u> | <u>6,223,332</u> | <u>48</u> | <u>6,312,937</u> | <u>48</u> | | Equity attributable to owners of parent (notes 6(b), (e), (f) and (q)) : | | | | | | |
| | Total assets | <u>\$ 13,099,860</u> | <u>100</u> | <u>12,900,726</u> | <u>100</u> | <u>13,166,299</u> | <u>100</u> | 3100 | Common shares | 5,477,522 | 42 | 5,477,522 | 43 | 5,477,522 | 42 |
| | | | | | | | | 3200 | Capital surplus | 474,558 | 4 | 474,558 | 4 | 474,558 | 4 |
| | | | | | | | | 3300 | Retained earnings | 2,423,180 | 18 | 2,351,733 | 18 | 2,288,634 | 17 |
| | | | | | | | | 3400 | Other equity | 27,092 | - | 40,262 | - | 155,001 | 1 |
| | | | | | | | | | Total equity attributable to owners of parent | <u>8,402,352</u> | <u>64</u> | <u>8,344,075</u> | <u>65</u> | <u>8,395,715</u> | <u>64</u> |
| | | | | | | | | 36XX | Non-controlling interests (note 6(f)) | <u>327,618</u> | <u>3</u> | <u>311,800</u> | <u>2</u> | <u>328,680</u> | <u>2</u> |
| | | | | | | | | | Total equity | <u>8,729,970</u> | <u>67</u> | <u>8,655,875</u> | <u>67</u> | <u>8,724,395</u> | <u>66</u> |
| | | | | | | | | | Total liabilities and equity | <u>\$ 13,099,860</u> | <u>100</u> | <u>12,900,726</u> | <u>100</u> | <u>13,166,299</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 and six months ended June 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars Except for Earnings Per Share)

| | For the three months ended June 30 | | | | For the six months ended June 30 | | | | |
|------|--|-------------------|----------|-----------------|----------------------------------|----------------|----------|----------------|----------|
| | 2024 | | 2023 | | 2024 | | 2023 | | |
| | Amount | % | Amount | % | Amount | % | Amount | % | |
| 4000 | Operating revenue (note 6(t)) | \$ 2,201,656 | 100 | 1,906,046 | 100 | 4,101,251 | 100 | 3,848,076 | 100 |
| 5000 | Operating costs (notes 6(d), (g), (i), (m), (o), (s), 7 and 11) | 1,679,316 | 76 | 1,524,634 | 80 | 3,203,489 | 78 | 3,067,011 | 80 |
| 5950 | Gross profit from operations | 522,340 | 24 | 381,412 | 20 | 897,762 | 22 | 781,065 | 20 |
| 6000 | Operating expenses (notes 6(c), (g), (i), (m), (o), (s), 7 and 11): | | | | | | | | |
| 6100 | Selling expenses | 214,367 | 10 | 195,189 | 10 | 410,167 | 10 | 375,983 | 10 |
| 6200 | Administrative expenses | 100,879 | 5 | 96,427 | 5 | 193,045 | 5 | 187,728 | 5 |
| 6300 | Research and development expenses | 92,693 | 4 | 89,793 | 5 | 179,477 | 4 | 168,964 | 4 |
| 6450 | Expected credit loss (gain) | 2,702 | - | 1,162 | - | 7,020 | - | (3,968) | - |
| | Total operating expenses | 410,641 | 19 | 382,571 | 20 | 789,709 | 19 | 728,707 | 19 |
| 6900 | Net operating income (loss) | 111,699 | 5 | (1,159) | - | 108,053 | 3 | 52,358 | 1 |
| 7000 | Non-operating income and expenses (notes 6(e), (g), (m), (u) and 7) : | | | | | | | | |
| 7100 | Interest income | 9,273 | - | 4,468 | - | 11,895 | - | 5,092 | - |
| 7010 | Other income | 22,700 | 1 | 12,000 | 1 | 22,700 | 1 | 12,000 | - |
| 7020 | Other gains and losses | 35,543 | 2 | 26,272 | 1 | 99,340 | 2 | 44,728 | 1 |
| 7050 | Finance costs | (22,343) | (1) | (23,978) | (1) | (44,709) | (1) | (45,562) | (1) |
| 7060 | Share of gains (losses) of associates accounted for using equity method | 1,241 | - | (272) | - | 2,002 | - | (2,526) | - |
| | Total non-operating income and expense | 46,414 | 2 | 18,490 | 1 | 91,228 | 2 | 13,732 | - |
| 7900 | Income before income tax | 158,113 | 7 | 17,331 | 1 | 199,281 | 5 | 66,090 | 1 |
| 7951 | Income tax expenses (note 6(p)) | 28,191 | 1 | 4,625 | - | 37,500 | 1 | 13,469 | - |
| 8200 | Net income | 129,922 | 6 | 12,706 | 1 | 161,781 | 4 | 52,621 | 1 |
| 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 | (79,548) | (4) | (17,292) | (1) | (53,268) | (1) | 107,863 | 3 |
| 8349 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | - | - | - | - | - | - | - | - |
| | Total components of other comprehensive income (loss) that will not be reclassified to profit or loss | (79,548) | (4) | (17,292) | (1) | (53,268) | (1) | 107,863 | 3 |
| 8360 | Components of other comprehensive income that will be reclassified to profit or loss | | | | | | | | |
| 8361 | Exchange differences on translation of foreign financial statements | 13,728 | 1 | (17,597) | (1) | 53,969 | 1 | (15,743) | - |
| 8370 | Share of other comprehensive income of associates accounted for using equity method | (76) | - | (2,943) | - | (6,224) | - | (3,202) | - |
| 8399 | Income tax related to components of other comprehensive income that will be reclassified to profit or loss | - | - | - | - | - | - | - | - |
| | Total components of other comprehensive income (loss) that will be reclassified to profit or loss | 13,652 | 1 | (20,540) | (1) | 47,745 | 1 | (18,945) | - |
| 8300 | Other comprehensive income (after tax) | (65,896) | (3) | (37,832) | (2) | (5,523) | - | 88,918 | 3 |
| 8500 | Total comprehensive income | \$ 64,026 | 3 | (25,126) | (1) | 156,258 | 4 | 141,539 | 4 |
| | Profit attributable to: | | | | | | | | |
| 8610 | Owners of parent | \$ 123,141 | 6 | 10,371 | 1 | 153,610 | 4 | 47,554 | 1 |
| 8620 | Non-controlling interests | 6,781 | - | 2,335 | - | 8,171 | - | 5,067 | - |
| | | \$ 129,922 | 6 | 12,706 | 1 | 161,781 | 4 | 52,621 | 1 |
| | Comprehensive income attributable to: | | | | | | | | |
| 8710 | Owners of parent | \$ 56,789 | 3 | (29,106) | (1) | 140,440 | 4 | 132,356 | 4 |
| 8720 | Non-controlling interests | 7,237 | - | 3,980 | - | 15,818 | - | 9,183 | - |
| | | \$ 64,026 | 3 | (25,126) | (1) | 156,258 | 4 | 141,539 | 4 |
| 9750 | Basic earnings per share (note 6(r)) (expressed in New Taiwan dollars) | \$ 0.22 | | 0.02 | | 0.28 | | 0.09 | |
| 9850 | Diluted earnings per share (note 6(r)) (expressed in New Taiwan dollars) | \$ 0.22 | | 0.02 | | 0.28 | | 0.09 | |

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 six months ended June 30, 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 | - | - | - | - | 47,554 | 47,554 | - | - | - | 47,554 | 5,067 | 52,621 |
| Other comprehensive income | - | - | - | - | - | - | (20,254) | 105,056 | 84,802 | 84,802 | 4,116 | 88,918 |
| Total comprehensive income | - | - | - | - | 47,554 | 47,554 | (20,254) | 105,056 | 84,802 | 132,356 | 9,183 | 141,539 |
| Appropriation and distribution of retained earnings: | | | | | | | | | | | | |
| Legal reserve | - | - | 45,770 | - | (45,770) | - | - | - | - | - | - | - |
| Cash dividends | - | - | - | - | (191,713) | (191,713) | - | - | - | (191,713) | - | (191,713) |
| Changes in non-controlling interests | - | - | - | - | - | - | - | - | - | - | (32,128) | (32,128) |
| Disposal of investments in equity instruments designated at fair value through other comprehensive income | - | - | - | - | 205 | 205 | - | (205) | (205) | - | - | - |
| Balance on June 30, 2023 | \$ 5,477,522 | 474,558 | 1,189,717 | 30,438 | 1,068,479 | 2,288,634 | (97,241) | 252,242 | 155,001 | 8,395,715 | 328,680 | 8,724,395 |
| 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 | - | - | - | - | 153,610 | 153,610 | - | - | - | 153,610 | 8,171 | 161,781 |
| Other comprehensive income | - | - | - | - | - | - | 41,782 | (54,952) | (13,170) | (13,170) | 7,647 | (5,523) |
| Total comprehensive income | - | - | - | - | 153,610 | 153,610 | 41,782 | (54,952) | (13,170) | 140,440 | 15,818 | 156,258 |
| Appropriation and distribution of retained earnings: | | | | | | | | | | | | |
| Legal reserve | - | - | 11,086 | - | (11,086) | - | - | - | - | - | - | - |
| Cash dividends | - | - | - | - | (82,163) | (82,163) | - | - | - | (82,163) | - | (82,163) |
| Balance on June 30, 2024 | \$ 5,477,522 | 474,558 | 1,200,803 | 30,438 | 1,191,939 | 2,423,180 | (51,278) | 78,370 | 27,092 | 8,402,352 | 327,618 | 8,729,970 |

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 six months ended June 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

| | For the six months ended June 30 | |
|---|----------------------------------|------------------|
| | 2024 | 2023 |
| Cash flows from (used in) operating activities: | | |
| Income before income tax | \$ 199,281 | 66,090 |
| Adjustments: | | |
| Adjustments to reconcile profit: | | |
| Depreciation expense | 303,951 | 299,491 |
| Amortization expense | 25,529 | 26,293 |
| Expected credit loss (gain) | 7,020 | (3,968) |
| Net gains on financial assets at fair value through profit | (4,728) | (300) |
| Interest expense | 44,709 | 45,562 |
| Interest income | (11,895) | (5,092) |
| Dividend income | (22,700) | (12,000) |
| Share of (gains) losses of associates accounted for using equity method | (2,002) | 2,526 |
| Gains on disposal of property, plant and equipment | (48) | (700) |
| Losses (gains) on disposal of investment accounted for using equity method | - | 4,834 |
| Losses (gains) due to disaster | - | (6,352) |
| Other | (210) | 449 |
| Total adjustments to reconcile profit | <u>339,626</u> | <u>350,743</u> |
| Changes in operating assets and liabilities: | | |
| Changes in operating assets: | | |
| Notes receivable | 37,980 | (259) |
| Accounts receivable and overdue receivable (under other non-current financial assets) | (238,128) | (5,612) |
| Inventories | 198,975 | 90,892 |
| Other current financial assets | (7,874) | 31,886 |
| Other current assets | (47,527) | (4,997) |
| Total changes in operating assets | <u>(56,574)</u> | <u>111,910</u> |
| Changes in operating liabilities: | | |
| Notes payable | 19,184 | (59,369) |
| Accounts payable | (17,405) | 61,315 |
| Other payables | (62,408) | (169,317) |
| Other current liabilities | 16,776 | (4,980) |
| Net defined benefit liability | (681) | (8,354) |
| Other non-current liabilities | (22,100) | 34,000 |
| Total changes in operating liabilities | <u>(66,634)</u> | <u>(146,705)</u> |
| Total changes in operating assets and liabilities | <u>(123,208)</u> | <u>(34,795)</u> |
| Total adjustments | <u>216,418</u> | <u>315,948</u> |
| Cash inflow generated from operations | 415,699 | 382,038 |
| Interest received | 11,912 | 5,041 |
| Dividends received | 22,700 | 12,000 |
| Income taxes paid | (15,881) | (3,528) |
| Net cash flows from operating activities | <u>434,430</u> | <u>395,551</u> |
| Cash flows from (used in) investing activities: | | |
| Acquisition of financial assets at amortized cost | (150,000) | (90,000) |
| Proceeds from disposal of financial assets at amortized cost | 150,000 | 30,000 |
| Acquisition of financial assets at fair value through profit or loss | (60,000) | (92,750) |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | - | 853 |
| Acquisition of property, plant and equipment | (167,460) | (191,993) |
| Proceeds from disposal of property, plant and equipment | 1,137 | 1,193 |
| Acquisition of intangible assets | (9,323) | (28,899) |
| Proceeds from disposal of intangible assets | - | 11,037 |
| (Increase) decrease in other non-current financial assets | (480) | 113 |
| (Increase) decrease in other non-current assets | (1,441) | 504 |
| Increase in prepayments for equipment | (114,111) | (107,256) |
| Net cash outflows from losing control of subsidiary | - | (31,947) |
| Net cash used in investing activities | <u>(351,678)</u> | <u>(499,145)</u> |
| Cash flows from (used in) financing activities: | | |
| Increase in short-term borrowings | 3,038,579 | 2,838,091 |
| Decrease in short-term borrowings | (2,819,051) | (2,695,442) |
| Increase in short-term notes and bills payable | 130,000 | - |
| Decrease in short-term notes and bills payable | (160,000) | - |
| Proceeds from long-term borrowings | 1,200,000 | 1,470,000 |
| Repayments of long-term borrowings | (1,321,250) | (1,500,000) |
| Payments of lease liabilities | (17,975) | (17,395) |
| Increase in other non-current liabilities | 56 | - |
| Interest paid | (36,567) | (44,661) |
| Subsidiaries distributed cash dividends to non-controlling interests | - | (7,258) |
| Net cash flows from financing activities | <u>13,792</u> | <u>43,335</u> |
| Effect on exchange rate changes on cash and cash equivalents | <u>21,257</u> | <u>1,013</u> |
| Net increase (decrease) in cash and cash equivalents | <u>117,801</u> | <u>(59,246)</u> |
| Cash and cash equivalents at beginning of period | <u>1,409,839</u> | <u>1,215,150</u> |
| Cash and cash equivalents at end of period | <u>\$ 1,527,640</u> | <u>1,155,904</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
June 30, 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 August 8, 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 the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 “Lack of Exchangeability”

(Continued)

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

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

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

| Standards or Interpretations | Content of amendment | Effective date per IASB |
|---|---|--------------------------------|
| IFRS 18 “Presentation and Disclosure in Financial Statements” | <p>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.</p> <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 |

(Continued)

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

| Standards or Interpretations | Content of amendment | Effective date per IASB |
|--|---|--------------------------------|
| Annual Improvements to IFRS Accounting Standards | <p>The amendments set out:</p> <ol style="list-style-type: none"> 1. IFRS 1 “ First-time Adoption of International Financial Reporting Standards”: <p>The amendments address a potential confusion arising from an inconsistency in wording between paragraph B6 of IFRS 1 and requirements for hedge accounting in IFRS 9 Financial Instruments.</p> 2. IFRS 7 “ Financial Instruments: Disclosures”: <p>The amendments address a potential confusion in IFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when IFRS 13 Fair Value Measurement was issued.</p> 3. IFRS 9 “Financial Instruments”: <ul style="list-style-type: none"> ● Derecognition of a lease liability <p>The IASB’s amendment states that if a lease liability is derecognized, then the derecognition will be accounted for under IFRS 9, (i.e. the difference between the carrying amount and the consideration paid is recognized in profit or loss). However, when a lease liability is modified, the modification will be accounted for under IFRS 16 Leases.</p> ● Transaction price <p>The amendments require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15 Revenue from Contracts with Customers. The amendments remove the conflict between IFRS 9 and IFRS 15 over the amount at which a trade receivable is initially measured.</p> | January 1, 2026 |

(Continued)

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

| Standards or Interpretations | Content of amendment | Effective date per IASB |
|-------------------------------------|---|--------------------------------|
| | 4. IFRS 10 “ Consolidated Financial Statements”: The amendments clarify the determination of a ‘de facto agent’. | |
| | 5. IAS 7 “Statement of Cash Flows”: The amendments address a potential confusion in applying paragraph 37 of IAS 7 that arises from the use of the term ‘cost method’. | |

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.

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”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

(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 IAS 34 “Interim Financial Reporting” 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 Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the 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 |
|--------------------|--|---|-------------------------|-------------------|---------------|----------|
| | | | June 30, 2024 | December 31, 2023 | June 30, 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 electronic high-tech chemical product | 56.25 | 56.25 | 56.25 | (note 1) |
| EVSG | EVERLIGHT CHEMICALS (VIETNAM) COMPANY LIMITED (EUVN) | Selling chemical product and related raw materials | 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.

(Continued)

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

(d) Income taxes

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

(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 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

| | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|---------------------------|--------------------------------|------------------------------------|--------------------------------|
| Cash on hand | \$ 2,213 | 2,031 | 2,581 |
| Cash in bank | 1,434,838 | 1,334,070 | 1,043,168 |
| Time deposits | 90,589 | 73,738 | 110,155 |
| Cash and cash equivalents | <u>\$ 1,527,640</u> | <u>1,409,839</u> | <u>1,155,904</u> |

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

(Continued)

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

(b) Financial assets and liabilities

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

| | <u>June 30, 2024</u> | <u>December 31, 2023</u> | <u>June 30, 2023</u> |
|--|--------------------------|------------------------------|--------------------------|
| Financial assets mandatorily measured at fair value through profit or loss: | | | |
| Monetary market fund | \$ 97,286 | 36,903 | 96,847 |
| Option contracts | <u>4,345</u> | <u>-</u> | <u>223</u> |
| Total | <u>\$ 101,631</u> | <u>36,903</u> | <u>97,070</u> |

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 June 30, 2024 and 2023:

| | <u>June 30, 2024</u> | | |
|------------------|--|-----------------|----------------------|
| | <u>Contract amount (in thousand)</u> | <u>Currency</u> | <u>Period</u> |
| Option contracts | <u>\$ 1,900</u> | EUR | 2024/7/8~2024/12/31 |
| Option contracts | <u>\$ 3,000</u> | USD | 2024/12/30 |
| | <u>June 30, 2023</u> | | |
| | <u>Contract amount (in thousand)</u> | <u>Currency</u> | <u>Period</u> |
| Option contracts | <u>\$ 1,900</u> | EUR | 2023/7/28~2023/12/29 |

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:

| | <u>June 30, 2024</u> | <u>December 31, 2023</u> | <u>June 30, 2023</u> |
|-------------------------------------|--------------------------|------------------------------|--------------------------|
| Stocks listed on domestic markets | \$ 749,107 | 769,963 | 838,456 |
| Stocks unlisted on domestic markets | <u>142,072</u> | <u>174,484</u> | <u>224,964</u> |
| | <u>\$ 891,179</u> | <u>944,447</u> | <u>1,063,420</u> |

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.

(Continued)

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

For the six months ended June 30, 2023, the Group had sold partial of its financial assets at fair value through other comprehensive income for strategic purposes. The shares sold had a fair value of \$853 and the Group recognized a gain of \$205, which is already included in other comprehensive income. The gain has been transferred to retained earnings. There was no such transaction for the six months ended June 30, 2024.

(iii) Financial assets at amortized cost-current:

| | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|------------------|--------------------------|------------------------------|--------------------------|
| Government bonds | <u>\$ 60,000</u> | <u>60,000</u> | <u>60,000</u> |

The Group purchased government bonds with a face value of \$60,000 thousand during June 2024, December 2023 and June 2023. The due date of government bonds were July 15, 2024, January 15, 2024 and April 26, 2026, and its effective interest rate were 0.98%~1.00%, 0.93%~0.95% and 0.81%~0.9%.

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

(v) The aforementioned financial assets were not pledged.

(c) Receivables

| | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|---|--------------------------|------------------------------|--------------------------|
| Notes receivable | \$ 169,020 | 202,662 | 179,488 |
| Accounts receivable | 1,701,504 | 1,441,277 | 1,358,276 |
| Overdue receivable (under other non-current financial assets) | 39,174 | 38,054 | 36,731 |
| Less: loss allowance | <u>(68,774)</u> | <u>(61,620)</u> | <u>(61,179)</u> |
| | <u>\$ 1,840,924</u> | <u>1,620,373</u> | <u>1,513,316</u> |

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:

| | June 30, 2024 | | |
|-----------------------------|------------------------------|-----------------------------------|---------------------------------|
| | Gross carrying amount | Weighted-average loss rate | Loss allowance provision |
| Current | \$ 1,682,898 | 0.01%~0.12% | 1,239 |
| 1 to 90 days past due | 154,682 | 2.04%~18.36% | 19,099 |
| 91 to 365 days past due | 32,944 | 19.99%~43.56% | 9,262 |
| More than 365 days past due | <u>39,174</u> | 100% | <u>39,174</u> |
| | <u>\$ 1,909,698</u> | | <u>68,774</u> |

(Continued)

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

| | 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 | <u>38,054</u> | 100% | <u>38,054</u> |
| | <u>\$ 1,681,993</u> | | <u>61,620</u> |

| | June 30, 2023 | | |
|-----------------------------|------------------------------|-----------------------------------|---------------------------------|
| | Gross carrying amount | Weighted-average loss rate | Loss allowance provision |
| Current | \$ 1,425,873 | 0.01%~0.16% | 1,104 |
| 1 to 90 days past due | 104,351 | 0.73%~11.13% | 17,595 |
| 91 to 365 days past due | 7,540 | 12.74%~42.77% | 5,749 |
| More than 365 days past due | <u>36,731</u> | 100% | <u>36,731</u> |
| | <u>\$ 1,574,495</u> | | <u>61,179</u> |

The detail of loss allowance were as follows:

| | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|---------------------|--------------------------|------------------------------|--------------------------|
| Notes receivable | \$ 343 | 453 | 345 |
| Accounts receivable | 29,257 | 23,113 | 24,103 |
| Overdue receivable | <u>39,174</u> | <u>38,054</u> | <u>36,731</u> |
| | <u>\$ 68,774</u> | <u>61,620</u> | <u>61,179</u> |

The movement in the allowance for receivables was as follows:

| | For the six months ended June 30 | |
|---|---|----------------------|
| | 2024 | 2023 |
| Balance on January 1, 2024 | \$ 61,620 | 66,670 |
| Impairment losses recognized (reversed) | 7,020 | (3,968) |
| Amounts written off | (798) | (638) |
| Effect on movements in exchange rates | <u>932</u> | <u>(885)</u> |
| Balance on June 30, 2024 | <u>\$ 68,774</u> | <u>61,179</u> |

As of June 30, 2024, December 31 and June 30, 2023, the aforementioned financial assets of the Group were not pledged.

(Continued)

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

(d) Inventories

| | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|----------------------|----------------------------|------------------------------|--------------------------|
| Raw materials | \$ 728,073 | 838,533 | 1,049,804 |
| Supplies | 25,429 | 21,911 | 20,983 |
| Work in progress | 613,075 | 655,636 | 736,465 |
| Finished goods | 1,830,808 | 1,870,331 | 2,023,144 |
| Materials in transit | 5,500 | 3,320 | 51,392 |
| | <u>\$ 3,202,885</u> | <u>3,389,731</u> | <u>3,881,788</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 June 30 | | For the six months ended June 30 | |
|--|---|----------------------|---|-----------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Losses (gains) on valuation of inventories | \$ (6,002) | 1,902 | (2,243) | 2,778 |
| Gains on inventory count | 425 | 1,352 | 425 | 1,348 |
| Unallocated production overheads | 66,445 | 69,598 | 165,650 | 155,918 |
| Losses on obsolescence | 36 | - | 36 | 764 |
| Scrap income | (620) | (507) | (1,055) | (860) |
| | <u>\$ 60,284</u> | <u>72,345</u> | <u>162,813</u> | <u>159,948</u> |

As of June 30, 2024, December 31 and June 30, 2023, the inventories were not pledged.

(e) Investments accounted for using equity method

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

| | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|------------|--------------------------|------------------------------|--------------------------|
| Associates | <u>\$ 145,479</u> | <u>140,589</u> | <u>136,886</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.

| | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|--|--------------------------|------------------------------|--------------------------|
| Carrying amount of individually insignificant associates | <u>\$ 145,479</u> | <u>140,589</u> | <u>136,886</u> |

(Continued)

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

| | <u>For the three months ended June 30</u> | | <u>For the six months ended June 30</u> | |
|--|---|----------------|---|----------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Attributable to the Group: | | | | |
| Profit (loss) from continuing operations | \$ 1,241 | (272) | 2,002 | (2,526) |
| Other comprehensive income | (76) | (2,943) | (6,224) | (3,202) |
| Total comprehensive income | <u>\$ 1,165</u> | <u>(3,215)</u> | <u>(4,222)</u> | <u>(5,728)</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.

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 June 30, 2024, December 31 and June 30, 2023, the aforementioned investment accounted for using equity method were not pledged.

(Continued)

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

(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>June 30, 2024</u> | <u>December 31, 2023</u> | <u>June 30, 2023</u> |
| TTI | Taiwan | 23.85 % | 23.85 % | 23.85 % |

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

| | <u>June 30, 2024</u> | <u>December 31, 2023</u> | <u>June 30, 2023</u> |
|--------------------------|--------------------------|------------------------------|--------------------------|
| Current assets | \$ 710,114 | 726,271 | 765,502 |
| Non-current assets | 863,487 | 847,568 | 819,923 |
| Current liabilities | (433,543) | (436,090) | (417,646) |
| Non-current liabilities | (257,714) | (281,447) | (305,658) |
| Net assets | <u>\$ 882,344</u> | <u>856,302</u> | <u>862,121</u> |
| Non-controlling interest | <u>\$ 210,405</u> | <u>204,195</u> | <u>205,583</u> |

| | <u>For the three months ended June 30</u> | | <u>For the six months ended June 30</u> | |
|---|---|--------------|---|---------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Operating revenues | \$ 211,050 | 222,134 | 407,054 | 461,609 |
| Net income | 15,355 | 9,799 | 18,979 | 25,530 |
| Other comprehensive income | (2,354) | (2,461) | 7,062 | 11,770 |
| Total comprehensive income | <u>\$ 13,001</u> | <u>7,338</u> | <u>26,041</u> | <u>37,300</u> |
| Profit attributable to non-controlling interests | <u>\$ 3,662</u> | <u>2,337</u> | <u>4,526</u> | <u>6,088</u> |
| Comprehensive income, attributable to non-controlling interests | <u>\$ 3,100</u> | <u>1,750</u> | <u>6,210</u> | <u>8,895</u> |

| | <u>For the six months ended June 30</u> | |
|--|---|-----------------|
| | <u>2024</u> | <u>2023</u> |
| Net cash flows from (used in) operating activities | \$ 70,912 | (65,935) |
| Net cash used in investing activities | (39,646) | (18,792) |
| Net cash flows from (used in) financing activities | (59,637) | 73,309 |
| Net decrease in cash and cash equivalents | <u>\$ (28,371)</u> | <u>(11,418)</u> |
| Cash dividend distributed to non-controlling interests | <u>\$ -</u> | <u>4,218</u> |

(Continued)

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

(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 | - | - | 11,822 | 45,459 | 115,945 | 173,226 |
| Disposals | - | - | - | (31,408) | - | (31,408) |
| Reclassification (note) | - | - | 11,149 | 137,263 | (51,688) | 96,724 |
| Effect on movements in exchange rates | 214 | - | 10,390 | 22,701 | 66 | 33,371 |
| Balance on June 30, 2024 | <u>\$ 894,366</u> | <u>195,701</u> | <u>4,489,598</u> | <u>10,136,977</u> | <u>360,238</u> | <u>16,076,880</u> |
| Balance on January 1, 2023 | \$ 894,152 | 159,000 | 4,494,950 | 9,854,921 | 126,296 | 15,529,319 |
| Additions | - | 34,000 | 6,491 | 57,654 | 74,420 | 172,565 |
| Disposals | - | - | (110) | (41,766) | - | (41,876) |
| Reclassification (note) | - | - | 12,309 | 85,798 | (19,319) | 78,788 |
| Effects on loss of control of subsidiaries | - | - | - | (4,382) | - | (4,382) |
| Effect on movements in exchange rates | 53 | - | (8,869) | (21,272) | (324) | (30,412) |
| Balance on June 30, 2023 | <u>\$ 894,205</u> | <u>193,000</u> | <u>4,504,771</u> | <u>9,930,953</u> | <u>181,073</u> | <u>15,704,002</u> |
| Accumulated depreciation and impairment: | | | | | | |
| Balance on January 1, 2024 | \$ - | 30,078 | 2,982,580 | 8,256,459 | - | 11,269,117 |
| Depreciation | - | 4,998 | 78,971 | 201,337 | - | 285,306 |
| Disposals | - | - | - | (30,319) | - | (30,319) |
| Effect on movements in exchange rates | - | - | 6,654 | 18,149 | - | 24,803 |
| Balance on June 30, 2024 | <u>\$ -</u> | <u>35,076</u> | <u>3,068,205</u> | <u>8,445,626</u> | <u>-</u> | <u>11,548,907</u> |
| Balance on January 1, 2023 | \$ - | 20,537 | 2,887,767 | 8,079,918 | - | 10,988,222 |
| Depreciation | - | 4,605 | 79,101 | 197,538 | - | 281,244 |
| Disposals | - | - | (66) | (41,317) | - | (41,383) |
| Effects on loss of control of subsidiaries | - | - | - | (3,402) | - | (3,402) |
| Effect on movements in exchange rates | - | - | (5,204) | (17,166) | - | (22,370) |
| Balance on June 30, 2023 | <u>\$ -</u> | <u>25,142</u> | <u>2,961,598</u> | <u>8,215,571</u> | <u>-</u> | <u>11,202,311</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 June 30, 2024 | <u>\$ 894,366</u> | <u>160,625</u> | <u>1,421,393</u> | <u>1,691,351</u> | <u>360,238</u> | <u>4,527,973</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 June 30, 2023 | <u>\$ 894,205</u> | <u>167,858</u> | <u>1,543,173</u> | <u>1,715,382</u> | <u>181,073</u> | <u>4,501,691</u> |

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

- (i) For the six months ended June 30, 2024 and 2023, the Group capitalized the interest expenses on construction in progress amounted to \$7,795 and \$4,326 respectively, and the monthly interest rate used for capitalization calculation were 0.17%~0.30% and 0.14%~0.28%, respectively.
- (ii) As of June 30, 2024, December 31 and June 30, 2023, the property, plant and equipment of the Group were not pledged.

(Continued)

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

(h) Other current assets

| | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|---|--------------------------|------------------------------|--------------------------|
| Prepayments | \$ 129,720 | 81,557 | 76,639 |
| Offset against business tax payable and input taxes | 43,440 | 42,984 | 33,410 |
| Temporary payments | 6,276 | 6,198 | 8,926 |
| | <u>\$ 179,436</u> | <u>130,739</u> | <u>118,975</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:

| | Land | Buildings and construction | Equipment | Total |
|---|--------------------------|---------------------------------------|----------------------|-----------------------|
| Cost: | | | | |
| Balance on January 1, 2024 | \$ 217,971 | 160,145 | 22,188 | 400,304 |
| Acquisitions | - | 3,275 | 230 | 3,505 |
| Disposals | - | (11,091) | (1,515) | (12,606) |
| Effect on movements in exchange rates | 588 | 3,043 | 120 | 3,751 |
| Balance on June 30, 2024 | <u>\$ 218,559</u> | <u>155,372</u> | <u>21,023</u> | <u>394,954</u> |
| Balance on January 1, 2023 | \$ 218,381 | 162,300 | 18,513 | 399,194 |
| Acquisitions | - | 7,910 | 1,913 | 9,823 |
| Disposals | - | (14,431) | (1,513) | (15,944) |
| Effect on loss of control of subsidiaries | - | (8,445) | - | (8,445) |
| Effect on movements in exchange rates | (637) | (2,251) | 80 | (2,808) |
| Balance on June 30, 2023 | <u>\$ 217,744</u> | <u>145,083</u> | <u>18,993</u> | <u>381,820</u> |
| Accumulated depreciation: | | | | |
| Balance on January 1, 2024 | \$ 28,623 | 93,989 | 10,916 | 133,528 |
| Depreciation | 2,875 | 13,939 | 1,831 | 18,645 |
| Disposals | - | (9,187) | (1,515) | (10,702) |
| Effect on movements in exchange rates | 81 | 1,715 | 62 | 1,858 |
| Balance on June 30, 2024 | <u>\$ 31,579</u> | <u>100,456</u> | <u>11,294</u> | <u>143,329</u> |
| Balance on January 1, 2023 | \$ 22,928 | 87,542 | 8,878 | 119,348 |
| Depreciation | 2,875 | 13,667 | 1,705 | 18,247 |
| Disposals | - | (13,147) | (1,514) | (14,661) |
| Effect on loss of control of subsidiaries | - | (5,048) | - | (5,048) |
| Effect on movements in exchange rates | (77) | (1,374) | 76 | (1,375) |
| Balance on June 30, 2023 | <u>\$ 25,726</u> | <u>81,640</u> | <u>9,145</u> | <u>116,511</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 June 30, 2024 | <u>\$ 186,980</u> | <u>54,916</u> | <u>9,729</u> | <u>251,625</u> |
| Balance on January 1, 2023 | <u>\$ 195,453</u> | <u>74,758</u> | <u>9,635</u> | <u>279,846</u> |
| Balance on June 30, 2023 | <u>\$ 192,018</u> | <u>63,443</u> | <u>9,848</u> | <u>265,309</u> |

(Continued)

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

(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 June 30, 2024 | \$ <u>65,471</u> | <u>93,609</u> | <u>648</u> | <u>159,728</u> |
| Balance on January 1, 2023 | \$ <u>89,837</u> | <u>58,275</u> | <u>3,222</u> | <u>151,334</u> |
| Balance on June 30, 2023 | \$ <u>82,770</u> | <u>58,275</u> | <u>2,157</u> | <u>143,202</u> |

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the six months ended June 30, 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.

(k) Short-term borrowings

| | Borrowing currency | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|------------------------------------|-------------------------------|--------------------------|------------------------------|--------------------------|
| Unsecured bank loans | NTD | \$ 715,000 | 765,000 | 795,000 |
| Unsecured bank loans | RMB | 225,388 | 199,728 | 354,705 |
| Unsecured bank loans | USD | 906,569 | 653,827 | 568,238 |
| Short-term notes and bills payable | NTD | <u>49,759</u> | <u>79,624</u> | <u>79,593</u> |
| Total | | <u>\$ 1,896,716</u> | <u>1,698,179</u> | <u>1,797,536</u> |
| Unused credit lines | | <u>\$ 3,816,277</u> | <u>4,103,468</u> | <u>4,040,731</u> |
| Range of interest rate | | <u>1.86%~7.35%</u> | <u>1.69%~7.32%</u> | <u>1.67%~7.14%</u> |

As of June 30, 2024, December 31 and June 30, 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 1.94%, 1.81% and 1.81%, respectively.

The Group had not pledged the assets as collateral for short-term borrowings on June 30, 2024, December 31 and June 30, 2023.

(l) Long-term borrowings

| | June 30, 2024 | | | |
|---|----------------------|-------------|----------------------|-------------------|
| | Currency | Rate | Maturity year | Amount |
| Unsecured bank loans | NTD | 2.01%~2.61% | 2026.1~2027.6 | \$ 927,500 |
| Less: long-term borrowings, current portion | | | | (42,500) |
| Total | | | | <u>\$ 885,000</u> |
| Unused credit lines | | | | <u>\$ 522,500</u> |

(Continued)

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

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

| | June 30, 2023 | | | |
|---|----------------------|-------------|----------------------|---------------------|
| | Currency | Rate | Maturity year | Amount |
| Unsecured bank loans | NTD | 1.88%~2.48% | 2025.1~2027.6 | \$ 1,070,000 |
| Less: long-term borrowings, current portion | | | | (42,500) |
| Total | | | | <u>\$ 1,027,500</u> |
| Unused credit lines | | | | <u>\$ 380,000</u> |

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

(m) Lease liabilities

The carrying amounts of lease liabilities were as follow:

| | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|-------------|--------------------------|------------------------------|--------------------------|
| Current | <u>\$ 29,141</u> | <u>34,574</u> | <u>32,843</u> |
| Non-current | <u>\$ 213,970</u> | <u>223,657</u> | <u>223,334</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 June 30 | | For the six months ended June 30 | |
|--|---|--------------|---|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| Interest on lease liabilities | <u>\$ 1,334</u> | <u>1,430</u> | <u>2,718</u> | <u>2,881</u> |
| Expenses relating to short-term leases | <u>\$ 737</u> | <u>1,293</u> | <u>1,617</u> | <u>2,356</u> |

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

| | For the six months ended June 30 | |
|-------------------------------|---|---------------|
| | 2024 | 2023 |
| Total cash outflow for leases | <u>\$ 22,310</u> | <u>22,632</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.

(Continued)

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

(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:

| | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|----------------------|--------------------------|------------------------------|--------------------------|
| Balance on January 1 | \$ 81,700 | 87,450 | 87,450 |
| Additions | - | 34,000 | 34,000 |
| Decreases | (30,050) | (39,750) | (23,850) |
| Balance on June 30 | <u>\$ 51,650</u> | <u>81,700</u> | <u>97,600</u> |

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 June 30 | | For the six months ended June 30 | |
|--------------------|---|--------------|---|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| Operating costs | \$ 771 | 1,090 | 1,749 | 2,410 |
| Operating expenses | 586 | 827 | 1,338 | 1,822 |
| | <u>\$ 1,357</u> | <u>1,917</u> | <u>3,087</u> | <u>4,232</u> |

(ii) Defined contribution plans

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

| | For the three months ended June 30 | | For the six months ended June 30 | |
|--------------------|---|---------------|---|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| Operating costs | \$ 9,351 | 12,748 | 18,569 | 18,878 |
| Operating expenses | 8,891 | 8,832 | 16,249 | 15,129 |
| | <u>\$ 18,242</u> | <u>21,580</u> | <u>34,818</u> | <u>34,007</u> |

(Continued)

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

(p) Income taxes

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

| | For the three months ended June 30 | | For the six months ended June 30 | |
|---------------------|------------------------------------|-------|----------------------------------|--------|
| | 2024 | 2023 | 2024 | 2023 |
| Current tax expense | \$ 28,191 | 4,625 | 37,500 | 13,469 |

(ii) The Company's income tax returns for all years through 2022 were assessed by the tax authorities.

(q) Capital and other equity

There was no significant change for capital and other equity for the periods from January 1 to June 30, 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.

(Continued)

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

(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.

(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 | - | (54,952) | 1,684 | (53,268) |
| Exchange differences on translation of foreign financial statements | 48,006 | - | 5,963 | 53,969 |
| Exchange differences on associates accounted for using equity method | (6,224) | - | - | (6,224) |
| Balance on June 30, 2024 | <u><u>\$ (51,278)</u></u> | <u><u>78,370</u></u> | <u><u>26,078</u></u> | <u><u>53,170</u></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 | - | 105,056 | 2,807 | 107,863 |
| Exchange differences on translation of foreign financial statements | (17,052) | - | 1,309 | (15,743) |
| Exchange differences on associates accounted for using equity method | (3,202) | - | - | (3,202) |
| Disposal of equity instruments designated at fair value through other comprehensive income | - | (205) | - | (205) |
| Balance on June 30, 2023 | <u><u>\$ (97,241)</u></u> | <u><u>252,242</u></u> | <u><u>19,605</u></u> | <u><u>174,606</u></u> |

(Continued)

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

(r) Earning per share

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

| | <u>For the three months ended June 30</u> | | <u>For the six months ended June 30</u> | |
|--|---|----------------|---|----------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Basic earning per share | | | | |
| Profit attributable to common shareholders of the Company | \$ <u>123,141</u> | <u>10,371</u> | <u>153,610</u> | <u>47,554</u> |
| Weighted-average number of common shares outstanding(thousand share) | <u>547,752</u> | <u>547,752</u> | <u>547,752</u> | <u>547,752</u> |
| Basic earnings per share (expressed in New Taiwan Dollar) | \$ <u>0.22</u> | <u>0.02</u> | <u>0.28</u> | <u>0.09</u> |
| | | | | |
| | <u>For the three months ended June 30</u> | | <u>For the six months ended June 30</u> | |
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Diluted earning per share | | | | |
| Profit attributable to common shareholders of the Company | \$ <u>123,141</u> | <u>10,371</u> | <u>153,610</u> | <u>47,554</u> |
| Weighted-average number of common shares outstanding (basic) (thousand share) | 547,752 | 547,752 | 547,752 | 547,752 |
| Effect of employee compensation(thousand share) | 387 | 53 | 612 | 702 |
| Weighted-average number of common shares outstanding (diluted)(thousand share) | <u>548,139</u> | <u>547,805</u> | <u>548,364</u> | <u>548,454</u> |
| Diluted earnings per share (expressed in New Taiwan Dollar) | \$ <u>0.22</u> | <u>0.02</u> | <u>0.28</u> | <u>0.09</u> |

(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:

| | <u>For the three months ended June 30</u> | | <u>For the six months ended June 30</u> | |
|-------------------------|---|--------------|---|--------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Employees' compensation | \$ 7,427 | 1,148 | 9,592 | 3,491 |
| Directors' remuneration | 2,971 | 459 | 3,837 | 1,396 |
| | <u>\$ 10,398</u> | <u>1,607</u> | <u>13,429</u> | <u>4,887</u> |

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.

(Continued)

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

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 June 30, 2024 | | | | | |
|-------------------------------|-----------|--|------------------------|-------------------------|----------------|-----------------|------------------|
| | | Color chemicals | Specialty chemicals | Electronic chemicals | Toners | Pharmaceuticals | Total |
| Primary geographical markets: | | | | | | | |
| | Taiwan | \$ 105,152 | 75,629 | 303,299 | 7,997 | 2,781 | 494,858 |
| | Americas | 59,171 | 156,100 | - | 57,801 | 10,938 | 284,010 |
| | Asia | 520,320 | 211,486 | 135,783 | 190,184 | 21,089 | 1,078,862 |
| | Europe | 128,741 | 129,697 | - | 21,909 | 26,622 | 306,969 |
| | Other | 30,379 | 465 | - | 6,113 | - | 36,957 |
| | | <u>\$ 843,763</u> | <u>573,377</u> | <u>439,082</u> | <u>284,004</u> | <u>61,430</u> | <u>2,201,656</u> |
| Major products: | | | | | | | |
| | Chemicals | \$ 843,763 | 573,377 | 439,082 | - | - | 1,856,222 |
| | Toners | - | - | - | 284,004 | - | 284,004 |
| | Other | - | - | - | - | 61,430 | 61,430 |
| | | <u>\$ 843,763</u> | <u>573,377</u> | <u>439,082</u> | <u>284,004</u> | <u>61,430</u> | <u>2,201,656</u> |
| | | For the three months ended June 30, 2023 | | | | | |
| | | Color chemicals | Specialty chemicals | Electronic chemicals | Toners | Pharmaceuticals | Total |
| Primary geographical markets: | | | | | | | |
| | Taiwan | \$ 76,221 | 64,538 | 138,308 | 6,506 | 1,495 | 287,068 |
| | Americas | 37,901 | 90,607 | - | 71,636 | 5,839 | 205,983 |
| | Asia | 554,144 | 235,614 | 126,941 | 166,449 | 19,172 | 1,102,320 |
| | Europe | 105,457 | 83,586 | - | 39,226 | 27,303 | 255,572 |
| | Other | 21,217 | 25,243 | - | 8,643 | - | 55,103 |
| | | <u>\$ 794,940</u> | <u>499,588</u> | <u>265,249</u> | <u>292,460</u> | <u>53,809</u> | <u>1,906,046</u> |
| Major products: | | | | | | | |
| | Chemicals | \$ 794,940 | 499,588 | 265,249 | - | - | 1,559,777 |
| | Toners | - | - | - | 292,460 | - | 292,460 |
| | Other | - | - | - | - | 53,809 | 53,809 |
| | | <u>\$ 794,940</u> | <u>499,588</u> | <u>265,249</u> | <u>292,460</u> | <u>53,809</u> | <u>1,906,046</u> |
| | | For the six months ended June 30, 2024 | | | | | |
| | | Color chemicals | Specialty chemicals | Electronic chemicals | Toners | Pharmaceuticals | Total |
| Primary geographical markets: | | | | | | | |
| | Taiwan | \$ 200,758 | 131,762 | 527,079 | 16,903 | 6,043 | 882,545 |
| | Americas | 95,863 | 269,068 | - | 103,238 | 16,425 | 484,594 |
| | Asia | 959,497 | 473,352 | 245,683 | 344,292 | 46,991 | 2,069,815 |
| | Europe | 243,193 | 242,985 | - | 71,887 | 52,400 | 610,465 |
| | Other | 39,570 | 2,089 | - | 11,631 | 542 | 53,832 |
| | | <u>\$ 1,538,881</u> | <u>1,119,256</u> | <u>772,762</u> | <u>547,951</u> | <u>122,401</u> | <u>4,101,251</u> |

(Continued)

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

| For the six months ended June 30, 2024 | | | | | | |
|--|---------------------|------------------------|-------------------------|----------------|-----------------|------------------|
| | Color chemicals | Specialty chemicals | Electronic chemicals | Toners | Pharmaceuticals | Total |
| Major products: | | | | | | |
| Chemicals | \$ 1,538,881 | 1,119,256 | 772,762 | - | - | 3,430,899 |
| Toners | - | - | - | 547,951 | - | 547,951 |
| Other | - | - | - | - | 122,401 | 122,401 |
| | <u>\$ 1,538,881</u> | <u>1,119,256</u> | <u>772,762</u> | <u>547,951</u> | <u>122,401</u> | <u>4,101,251</u> |
| For the six months ended June 30, 2023 | | | | | | |
| | Color chemicals | Specialty chemicals | Electronic chemicals | Toners | Pharmaceuticals | Total |
| Primary geographical markets: | | | | | | |
| Taiwan | \$ 167,098 | 127,593 | 304,895 | 14,171 | 4,844 | 618,601 |
| Americas | 79,510 | 202,754 | - | 122,092 | 31,315 | 435,671 |
| Asia | 1,019,085 | 444,983 | 228,509 | 329,349 | 31,175 | 2,053,101 |
| Europe | 227,585 | 231,138 | - | 107,153 | 58,446 | 624,322 |
| Other | 45,108 | 50,566 | - | 15,132 | 5,575 | 116,381 |
| | <u>\$ 1,538,386</u> | <u>1,057,034</u> | <u>533,404</u> | <u>587,897</u> | <u>131,355</u> | <u>3,848,076</u> |
| Major products: | | | | | | |
| Chemicals | \$ 1,538,386 | 1,057,034 | 533,404 | - | - | 3,128,824 |
| Toners | - | - | - | 587,897 | - | 587,897 |
| Other | - | - | - | - | 131,355 | 131,355 |
| | <u>\$ 1,538,386</u> | <u>1,057,034</u> | <u>533,404</u> | <u>587,897</u> | <u>131,355</u> | <u>3,848,076</u> |

(ii) Contract balance

| | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|----------------------|---------------------|----------------------|------------------|
| Receivables | \$ 1,909,698 | 1,681,993 | 1,574,495 |
| Less: loss allowance | (68,774) | (61,620) | (61,179) |
| Total | <u>\$ 1,840,924</u> | <u>1,620,373</u> | <u>1,513,316</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 June 30 | | For the six months ended June 30 | |
|------------------------------------|------------------------------------|-------|----------------------------------|-------|
| | 2024 | 2023 | 2024 | 2023 |
| Interest income from bank deposits | \$ 9,273 | 4,468 | 11,895 | 5,092 |

(ii) Other income

| | For the three months ended June 30 | | For the six months ended June 30 | |
|-----------------|------------------------------------|--------|----------------------------------|--------|
| | 2024 | 2023 | 2024 | 2023 |
| Dividend income | \$ 22,700 | 12,000 | 22,700 | 12,000 |

(Continued)

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

(iii) Other gains and losses

| | <u>For the three months ended June 30</u> | | <u>For the six months ended June 30</u> | |
|--|---|---------------|---|---------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Foreign exchange gains net | \$ 21,980 | 4,994 | 64,690 | 13,013 |
| Net gains on financial assets and liabilities at fair value through profit | 2,010 | 1,531 | 4,728 | 300 |
| Gains on disposal of property, plant and equipment | 139 | 264 | 48 | 700 |
| Losses on disposal of investment accounted for using equity method | - | - | - | (4,834) |
| Subsidy revenue | 980 | 4,254 | 2,401 | 6,607 |
| Gains on disaster | - | 6,352 | - | 6,352 |
| Others | 10,434 | 8,877 | 27,473 | 22,590 |
| | <u>\$ 35,543</u> | <u>26,272</u> | <u>99,340</u> | <u>44,728</u> |

(iv) Finance costs

| | <u>For the three months ended June 30</u> | | <u>For the six months ended June 30</u> | |
|------------------|---|---------------|---|---------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Interest expense | \$ <u>22,343</u> | <u>23,978</u> | <u>44,709</u> | <u>45,562</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 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 six months ended June 30, 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.

(Continued)

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> |
|---|----------------------------|-----------------------------------|--------------------------|-----------------------|-----------------------|-------------------------|
| June 30, 2024 | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| Short-term borrowings | \$ 1,896,716 | 1,903,885 | 1,903,885 | - | - | - |
| Notes payable | 61,929 | 61,929 | 61,929 | - | - | - |
| Accounts payable | 519,307 | 519,307 | 519,307 | - | - | - |
| Lease liabilities | 243,111 | 303,097 | 33,832 | 30,659 | 40,848 | 197,758 |
| Other payables | 370,313 | 370,313 | 370,313 | - | - | - |
| Payables on equipment | 24,835 | 24,835 | 24,835 | - | - | - |
| Dividends payable | 82,163 | 82,163 | 82,163 | - | - | - |
| Long-term borrowings (including current portion) | <u>927,500</u> | <u>967,247</u> | <u>62,336</u> | <u>658,688</u> | <u>246,223</u> | <u>-</u> |
| | <u>\$ 4,125,874</u> | <u>4,232,776</u> | <u>3,058,600</u> | <u>689,347</u> | <u>287,071</u> | <u>197,758</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> |
| June 30, 2023 | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| Short-term borrowings | \$ 1,797,536 | 1,801,021 | 1,801,021 | - | - | - |
| Notes payable | 29,648 | 29,648 | 29,648 | - | - | - |
| Accounts payable | 402,777 | 402,777 | 402,777 | - | - | - |
| Lease liabilities | 256,177 | 319,860 | 37,838 | 32,201 | 43,630 | 206,191 |
| Other payables | 325,239 | 325,239 | 325,239 | - | - | - |
| Payables on equipment | 16,906 | 16,906 | 16,906 | - | - | - |
| Dividends payable | 191,713 | 191,713 | 191,713 | - | - | - |
| Long-term borrowings (including current portion) | <u>1,070,000</u> | <u>1,119,253</u> | <u>46,325</u> | <u>520,686</u> | <u>552,242</u> | <u>-</u> |
| | <u>\$ 4,089,996</u> | <u>4,206,417</u> | <u>2,851,467</u> | <u>552,887</u> | <u>595,872</u> | <u>206,191</u> |

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(Continued)

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

(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

| | June 30, 2024 | | | December 31, 2023 | | | June 30, 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 | \$ 49,736 | 32.45 | 1,613,923 | 46,974 | 30.71 | 1,442,556 | 38,085 | 31.14 | 1,185,952 |
| JPY | 135,848 | 0.20 | 27,170 | 72,342 | 0.22 | 15,915 | 121,762 | 0.22 | 26,788 |
| RMB | 71,953 | 4.44 | 319,473 | 74,429 | 4.33 | 322,277 | 67,861 | 4.28 | 290,443 |
| <u>Financial liabilities</u> | | | | | | | | | |
| <u>Monetary items</u> | | | | | | | | | |
| USD | 35,811 | 32.45 | 1,162,066 | 29,185 | 30.71 | 896,266 | 30,037 | 31.14 | 935,358 |
| JPY | 197,630 | 0.20 | 39,526 | 148,611 | 0.22 | 32,695 | 129,394 | 0.22 | 28,467 |
| RMB | 4,532 | 4.44 | 20,124 | 8,659 | 4.33 | 37,494 | 6,344 | 4.28 | 27,154 |

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 six months ended June 30, 2024 and 2023, would have changed the profit by \$5,911 and \$4,098, 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 and six months ended June 30, 2024 and 2023, foreign exchange gains (including realized and unrealized portions) amounted to \$21,980, \$4,994, \$64,690 and \$13,013, 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.

(Continued)

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

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 \$11,297 and \$11,470, respectively, for the six months ended June 30, 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 six months ended June 30, 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 six months ended June 30, 2024 | | For the six months ended June 30, 2023 | |
|--|---|------------|---|------------|
| | Other comprehensive income after tax | Net income | Other comprehensive income after tax | Net income |
| 1% increase | \$ 8,912 | 973 | 10,634 | 968 |
| 1% decrease | \$ (8,912) | (973) | (10,634) | (968) |

(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 | June 30, 2024 | | | Total |
|---|--------------------|---------------|---------|---------|---------|
| | | Fair value | | | |
| | | Level 1 | Level 2 | Level 3 | |
| Financial assets mandatorily measured at fair value through profit or loss | | | | | |
| Monetary market fund | \$ 97,286 | 97,286 | - | - | 97,286 |
| Derivative financial assets | 4,345 | - | 4,345 | - | 4,345 |
| Subtotal | 101,631 | 97,286 | 4,345 | - | 101,631 |
| Financial assets at fair value through other comprehensive income | | | | | |
| Stocks listed on domestic markets | 749,107 | 749,107 | - | - | 749,107 |
| Stocks unlisted on domestic markets | 142,072 | - | 142,072 | - | 142,072 |
| Subtotal | 891,179 | 749,107 | 142,072 | - | 891,179 |

(Continued)

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

| | | June 30, 2024 | | | | |
|--|--|---------------------|----------------|----------------|----------|----------------|
| | | Carrying amount | Fair value | | | Total |
| | | | Level 1 | Level 2 | Level 3 | |
| Financial assets measured at amortized cost | | | | | | |
| | Cash and cash equivalents | \$ 1,527,640 | - | - | - | - |
| | Financial assets at amortized cost | 60,000 | - | - | - | - |
| | Notes and accounts receivable | 1,840,924 | - | - | - | - |
| | Other financial assets | 39,021 | - | - | - | - |
| | Subtotal | <u>3,467,585</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | Total | <u>\$ 4,460,395</u> | <u>846,393</u> | <u>146,417</u> | <u>-</u> | <u>992,810</u> |
| Financial liabilities measured at amortized cost | | | | | | |
| | Bank loans (including current portion) | \$ 2,824,216 | - | - | - | - |
| | Notes and accounts payable | 581,236 | - | - | - | - |
| | Lease liabilities | 243,111 | - | - | - | - |
| | Other payables | 370,313 | - | - | - | - |
| | Payables on equipment | 24,835 | - | - | - | - |
| | Dividends payable | 82,163 | - | - | - | - |
| | Total | <u>\$ 4,125,874</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | | December 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 | \$ 36,903 | 36,903 | - | - | 36,903 |
| | Subtotal | <u>36,903</u> | <u>36,903</u> | <u>-</u> | <u>-</u> | <u>36,903</u> |
| 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 | <u>944,447</u> | <u>769,963</u> | <u>174,484</u> | <u>-</u> | <u>944,447</u> |
| 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 | <u>3,123,381</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | Total | <u>\$ 4,104,731</u> | <u>806,866</u> | <u>174,484</u> | <u>-</u> | <u>981,350</u> |
| 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 | <u>\$ 4,016,851</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

(Continued)

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

| | June 30, 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 | \$ 96,847 | 96,847 | - | - | 96,847 |
| Derivative financial assets | <u>223</u> | <u>-</u> | <u>223</u> | <u>-</u> | <u>223</u> |
| Subtotal | <u>97,070</u> | <u>96,847</u> | <u>223</u> | <u>-</u> | <u>97,070</u> |
| Financial assets at fair value through other comprehensive income | | | | | |
| Stocks listed on domestic markets | 838,456 | 838,456 | - | - | 838,456 |
| Stocks unlisted on domestic markets | <u>224,964</u> | <u>-</u> | <u>224,964</u> | <u>-</u> | <u>224,964</u> |
| Subtotal | <u>1,063,420</u> | <u>838,456</u> | <u>224,964</u> | <u>-</u> | <u>1,063,420</u> |
| Financial assets measured at amortized cost | | | | | |
| Cash and cash equivalents | 1,155,904 | - | - | - | - |
| Financial assets at amortized cost | 60,000 | - | - | - | - |
| Notes and accounts receivable | 1,513,316 | - | - | - | - |
| Other financial assets | <u>29,591</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Subtotal | <u>2,758,811</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u>\$ 3,919,301</u> | <u>935,303</u> | <u>225,187</u> | <u>-</u> | <u>1,160,490</u> |
| Financial liabilities measured at amortized cost | | | | | |
| Bank loans (including current portion) | \$ 2,867,536 | - | - | - | - |
| Notes and accounts payable | 432,425 | - | - | - | - |
| Lease liabilities | 256,177 | - | - | - | - |
| Others payables | 325,239 | - | - | - | - |
| Payables on equipment | 16,906 | - | - | - | - |
| Dividends payable | <u>191,713</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u>\$ 4,089,996</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</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:

(Continued)

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

- i) the bid-ask spread is increasing; or
- ii) the bid-ask spread varies significantly; or
- iii) there has been a significant decline in trading volume.

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

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

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

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 six months ended June 30, 2024 and 2023.

(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.

(Continued)

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

(y) Investing and financing activities not affecting current cash flow

Reconciliations of liabilities arising from financing activities were as follows:

| | <u>January 1, 2024</u> | <u>Cash flows</u> | <u>Non-cash changes</u> | | <u>June 30, 2024</u> |
|---|------------------------|-------------------|----------------------------------|---------------|----------------------|
| | | | <u>Foreign exchange movement</u> | <u>Others</u> | |
| Short-term borrowings | \$ 1,698,179 | 189,528 | 8,874 | 135 | 1,896,716 |
| Long-term borrowings | 1,048,750 | (121,250) | - | - | 927,500 |
| Lease liabilities | 258,231 | (17,975) | 1,464 | 1,391 | 243,111 |
| Total liabilities from financing activities | <u>\$ 3,005,160</u> | <u>50,303</u> | <u>10,338</u> | <u>1,526</u> | <u>3,067,327</u> |

| | <u>January 1, 2023</u> | <u>Cash flows</u> | <u>Non-cash changes</u> | | <u>June 30, 2023</u> |
|---|------------------------|-------------------|----------------------------------|---------------|----------------------|
| | | | <u>Foreign exchange movement</u> | <u>Others</u> | |
| Short-term borrowings | \$ 1,665,417 | 142,649 | (10,500) | (30) | 1,797,536 |
| Long-term borrowings | 1,100,000 | (30,000) | - | - | 1,070,000 |
| Lease liabilities | 269,235 | (17,395) | (929) | 5,266 | 256,177 |
| Total liabilities from financing activities | <u>\$ 3,034,652</u> | <u>95,254</u> | <u>(11,429)</u> | <u>5,236</u> | <u>3,123,713</u> |

(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:

| | <u>For the three months ended June 30</u> | | <u>For the six months ended June 30</u> | |
|-------|---|--------------|---|---------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| CHCIW | <u>\$ 10,109</u> | <u>7,184</u> | <u>17,966</u> | <u>13,628</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.

(Continued)

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

(ii) Payables to related parties

| <u>Account</u> | <u>Name of related party</u> | <u>June 30, 2024</u> | <u>December 31, 2023</u> | <u>June 30, 2023</u> |
|----------------------------|------------------------------|----------------------|--------------------------|----------------------|
| Notes and accounts payable | CHCIW | \$ 13,545 | 10,692 | 10,542 |
| Dividend payable | EIC | 8,400 | - | 17,150 |
| Dividend payable | Chen, Ding-Chuan | 7,950 | - | 20,300 |
| | | <u>\$ 29,895</u> | <u>10,692</u> | <u>47,992</u> |

(iii) Rental income

The amounts of rental income by the Group from related parties were as follows:

| | <u>For the three months ended June 30</u> | | <u>For the six months ended June 30</u> | |
|-----|---|-------------|---|-------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| EIC | \$ - | - | 12 | 12 |

(c) Key management personnel compensation

| | <u>For the three months ended June 30</u> | | <u>For the six months ended June 30</u> | |
|------------------------------|---|--------------|---|---------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Short-term employee benefits | \$ 5,641 | 6,879 | 13,924 | 14,856 |
| Post-employment benefits | 143 | 131 | 285 | 244 |
| | <u>\$ 5,784</u> | <u>7,010</u> | <u>14,209</u> | <u>15,100</u> |

(8) Assets pledged as security: None.

(9) Commitments and contingencies

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

| | <u>June 30, 2024</u> | <u>December 31, 2023</u> | <u>June 30, 2023</u> |
|--|----------------------|--------------------------|----------------------|
| Acquisition of property, plant and equipment | <u>\$ 379,502</u> | <u>461,266</u> | <u>274,380</u> |

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

| | <u>June 30, 2024</u> | <u>December 31, 2023</u> | <u>June 30, 2023</u> |
|--------------------------------------|----------------------|--------------------------|----------------------|
| Outstanding standby letter of credit | <u>\$ -</u> | <u>19,708</u> | <u>-</u> |

(10) Subsequent Events: None.

(Continued)

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

(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 June 30, 2024 | | | For the three months ended June 30, 2023 | | |
|----------------------------|-------------|--|--------------------|---------|--|--------------------|---------|
| | | Operating costs | Operating expenses | Total | Operating costs | Operating expenses | Total |
| Employee benefits | | | | | | | |
| Salary | | 188,575 | 155,953 | 344,528 | 178,989 | 153,151 | 332,140 |
| Labor and health insurance | | 18,016 | 15,834 | 33,850 | 18,373 | 15,988 | 34,361 |
| Pension | | 10,122 | 9,477 | 19,599 | 13,838 | 9,659 | 23,497 |
| Remuneration of directors | | - | 2,971 | 2,971 | - | 459 | 459 |
| Others | | 6,128 | 7,692 | 13,820 | 6,822 | 6,762 | 13,584 |
| Depreciation | | 124,662 | 27,605 | 152,267 | 120,421 | 29,146 | 149,567 |
| Amortization | | 2,025 | 10,351 | 12,376 | 2,085 | 10,594 | 12,679 |

| By item | By function | For the six months ended June 30, 2024 | | | For the six months ended June 30, 2023 | | |
|----------------------------|-------------|--|--------------------|---------|--|--------------------|---------|
| | | Operating costs | Operating expenses | Total | Operating costs | Operating expenses | Total |
| Employee benefits | | | | | | | |
| Salary | | 361,435 | 291,661 | 653,096 | 355,190 | 290,837 | 646,027 |
| Labor and health insurance | | 36,871 | 32,422 | 69,293 | 37,161 | 32,063 | 69,224 |
| Pension | | 20,318 | 17,587 | 37,905 | 21,288 | 16,951 | 38,239 |
| Remuneration of directors | | - | 3,837 | 3,837 | - | 1,396 | 1,396 |
| Others | | 12,151 | 13,532 | 25,683 | 12,989 | 12,456 | 25,445 |
| Depreciation | | 247,634 | 56,317 | 303,951 | 241,314 | 58,177 | 299,491 |
| Amortization | | 3,977 | 21,552 | 25,529 | 2,579 | 23,714 | 26,293 |

(b) Seasonality of operations:

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

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(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 six months ended June 30, 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 | 19,383 | - | - | 4% | 1 | 161,744 | - | - | NA | - | 75,646 | 302,587 |

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 | 840,235 | 65,090 | 64,900 | - | - | 0.77% | 2,100,588 | 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.

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

3. Securities held as of June 30, 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 | 30,269 | - | 30,269 | |
| " | Yuanta De-Bao Money Market Fund | - | " | 2,420 | 30,080 | - | 30,080 | |
| " | FUBON CHI-HSIANG MONEY MARKET FUND | - | " | 1,854 | 30,056 | - | 30,056 | |
| GLTP | UPAMC James Bond Money Market Fund | - | " | 399 | 6,881 | - | 6,881 | |
| | | | | | 97,286 | | 97,286 | |
| ECIC | Grand Bills Finance Corporation | - | Financial assets at amortized cost - current | - | 30,000 | - | 30,000 | |
| " | Ghina Bills Finance Corporation | - | " | - | 30,000 | - | 30,000 | |
| | | | | | 60,000 | | 60,000 | |
| ECIC | Polytronics Technology Corp. | - | Financial assets at fair value through other comprehensive income-non-current | 8,000 | 445,247 | 9% | 420,800 | |
| " | Chemical Industrial Works, LTD | The entity's chairman is the director of the Company | " | 5,500 | 92,217 | 4% | 164,175 | |
| " | General Plastic Industrial Co., Ltd. | - | " | 2,140 | 74,900 | 2% | 81,106 | |
| " | Andros Pharmaceuticals Co., Ltd. | - | " | 4,724 | 103,120 | 11% | 113,093 | |
| GLTP | QISDA Corp. | - | " | 50 | 1,745 | - | 1,920 | |
| " | Andros Pharmaceuticals Co., Ltd. | - | " | 260 | 7,800 | 1% | 13,814 | |
| " | Taiwan Bio Therapeutics Co., Ltd. | - | " | 414 | 11,400 | 1% | 15,165 | |
| TTI | General Plastic Industrial Co., Ltd. | - | " | 2,140 | 74,900 | 2% | 81,106 | |
| | | | Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income | | 79,850 | | - | |
| | Total | | | | 891,179 | | 891,179 | |

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 | EVUS | Subsidiary | Sale | 217,907 | 5.31% | OA 100 | Non material differences from those of third-parties | Non material differences from those of third-parties | 156,631 | 8.51% | Note |
| " | EVEU | " | " | 207,753 | 5.07% | OA 90 | " | " | 115,038 | 6.25% | Note |
| " | ELITE | " | " | 155,322 | 3.79% | OA 100 | " | " | 70,599 | 3.83% | Note |
| " | ADSH | " | " | 111,229 | 2.71% | OA 120 | " | " | 130,709 | 7.10% | Note |
| " | EVSZ | " | " | 100,159 | 2.44% | OA 90 | " | " | 57,310 | 3.11% | 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
Notes to Consolidated Financial Statements

8. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

| Name of company | Counter-party | Nature of relationship | Ending balance (note) | Turnover rate | Overdue | | Amounts received in subsequent period (As of August 8, 2024) | Loss allowance |
|-----------------|---------------|------------------------|-----------------------|---------------|---------|-----------------------|--|----------------|
| | | | | | Amount | Action taken | | |
| ECIC | EVUS | Subsidiary | 156,631 | 3.44 | - | - | 34,814 | - |
| " | ADSH | " | 130,709 | 1.79 | 34,360 | Strengthen collection | 17,551 | - |
| " | EVEU | " | 115,038 | 4.06 | - | - | 39,883 | - |

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 | EVUS | 1 | Operating revenue | 217,907 | No material differences from those of third parties | 5.31% |
| 0 | " | EVEU | 1 | " | 207,753 | | " |
| 0 | " | ELITE | 1 | " | 155,322 | " | 3.79% |
| 0 | " | ADSH | 1 | " | 111,229 | " | 2.71% |
| 0 | " | EVSZ | 1 | " | 100,159 | " | 2.44% |
| 0 | " | EVSH | 1 | " | 92,768 | " | 2.26% |
| 0 | " | ETHK | 1 | " | 70,824 | " | 1.73% |
| 0 | " | ETSH | 1 | " | 62,382 | " | 1.52% |
| 0 | " | EVUS | 1 | Accounts receivable - related parties | 156,631 | " | 1.20% |
| 1 | TTI | EVSZ | 2 | Operating revenue | 50,448 | " | 1.23% |

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.

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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

The following are the information on investees for the six months ended June 30, 2024:

Units in Thousands

| Reports by Securities Issuers | Name of investee | Location | Main businesses and products | Original investment amount | | Balance of June 30, 2024 | | | Net income (losses) of investee | Share of profits/losses of investee | Note |
|-------------------------------|----------------------------------|--------------|---|----------------------------|-------------------|--------------------------|-------------------------|----------------|---------------------------------|-------------------------------------|--------|
| | | | | June 30, 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% | 155,215 | (2,402) | (2,402) | (Note) |
| " | EVHK | Hong Kong | Selling chemical product and related raw materials | 34,579 | 34,579 | 1,000 | 100.00% | 42,297 | 1,258 | 1,258 | (Note) |
| " | EVSG | Singapore | Investing business | 794,290 | 794,290 | 24,800 | 100.00% | 870,459 | (39,214) | (39,214) | (Note) |
| " | EVEU | Netherland | Selling chemical product and related raw materials | 7,890 | 7,890 | 1 | 100.00% | 57,287 | 1,909 | 1,909 | (Note) |
| " | TTI | Hsinchu City | Manufacturing and selling toners of laser printer, copier and fax machine | 242,192 | 242,192 | 44,906 | 76.15% | 670,410 | 18,979 | 13,911 | (Note) |
| " | ELITE | Turkey | Selling chemical product and related raw materials | 45,016 | 45,016 | 22 | 50.00% | 109,040 | 5,220 | 2,610 | (Note) |
| " | GOODTV | Taipei City | Cable TV channels | 19,000 | 19,000 | 1,900 | 22.35% | 21,042 | 2,781 | 613 | |
| " | TAK | Taoyuan City | Manufacturing of inductance core and cathode materials of Lithium ion battery | 58,600 | 58,600 | 4,856 | 16.78% | 31,853 | (23,893) | (3,686) | |
| " | GLTP | Taipei City | Investing business | 100,000 | 100,000 | 10,000 | 100.00% | 38,009 | 34 | 34 | (Note) |
| | Unrealized gross profit on sales | | | - | - | | | (87,347) | | - | |
| | | | | 1,390,435 | 1,390,435 | | | 1,908,265 | | (24,967) | |
| EVSG | EVVN | Vietnam | Selling chemical product and related raw materials | 12,140 | 12,140 | - | 100.00% | 5,725 | (2,068) | (2,068) | (Note) |

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

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(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 June 30, 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) | 55,165 | (Note 1) | 700 | 22,715 | | | 700 | 22,715 | (4,912) | 100.00% | (4,912) | 155,426 | 2,961 | 96,084 |
| ETGZ (Note 8) | Selling chemical product and related raw materials | USD | 700 (Note 6) | 22,715 | (Note 1) | 200 | 6,490 | | | 200 | 6,490 | (1,251) | 100.00% | (1,251) | 99,191 | 1,523 | 49,421 |
| EVSH (Note 8) | Selling chemical product and related raw materials | USD | 1,250 (Note 6) | 40,563 | (Note 1) | 1,100 | 35,695 | | | 1,100 | 35,695 | (7,160) | 100.00% | (7,160) | 141,450 | 950 | 30,828 |
| EVSZ (Note 8) | Manufacturing and selling color chemical, toners and electronic high tech chemical product | USD | 23,650 (Note 4) | 767,443 | (Note 1) | 18,600 | 603,570 | | | 18,600 | 603,570 | (43,555) | 100.00% | (43,555) | 756,468 | - | - |
| ANDA | Selling electronic high tech chemical product | RMB | 20,000 (Note 4) | 88,900 | (Note 1) | 650 | 21,093 | | | 650 | 21,093 | (4,583) | 29.80% | (1,366) | 10,646 | - | - |
| ADSH (Note 8) | Selling electronic high tech chemical product | RMB | 1,000 (Note 5) | 4,445 | (Note 5) | - | - | | | - | - | 2,369 | 56.25% | 1,333 | 10,508 | - | - |
| 3ESZ | Manufacturing and selling chemical product and related raw materials | USD | 6,600 (Note 4) | 214,170 | | 2,490 | 80,801 | | | 2,490 | 80,801 | 16,102 | 40.00% | 6,441 | 81,938 | - | - |

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 (1:32.45), NTD vs RMB (1:4.445). 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 ETSH 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 June 30, 2024 | Investment Amounts Authorized by Investment Commission, MOEA | Upper Limit on Investment |
|--|--|---------------------------|
| 825,431 (USD 25,437) | 757,772 (USD 23,352) | 5,237,982 |

As of June 30, 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) ETSH: capital increasing amounted to USD 1,000 thousand from earning.

(ii) EVSG: investment amounted to USD 2,631 thousand by owned funds.

(iii) EVSG: remittance of earnings amounted to USD (5,716) thousand.

(iii) Significant transactions:

For the six months ended June 30, 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.

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(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% |

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

(13) Segment information

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

| | For the three months ended June 30, 2024 | | | | | | | |
|----------------------------------|---|--------------------------------|---------------------------------|----------------|------------------------|---------------|---|------------------|
| | Color chemicals | Specialty chemicals | Electronic chemicals | Toner | Pharmaceuticals | Others | Reconciliation and elimination | Total |
| Revenue from external customers | \$ 843,763 | 573,377 | 439,082 | 284,004 | 61,430 | - | - | 2,201,656 |
| Intersegment revenue | - | - | - | - | - | - | - | - |
| Interest expense | \$ 843,763 | 573,377 | 439,082 | 284,004 | 61,430 | - | - | 2,201,656 |
| Reportable segment profit (loss) | \$ 73,028 | 81,904 | 19,159 | 4,080 | (38,493) | 18,435 | - | 158,113 |

| | For the three months ended June 30, 2023 | | | | | | | |
|----------------------------------|---|--------------------------------|---------------------------------|----------------|------------------------|---------------|---|------------------|
| | Color chemicals | Specialty chemicals | Electronic chemicals | Toner | Pharmaceuticals | Others | Reconciliation and elimination | Total |
| Revenue from external customers | \$ 794,940 | 499,588 | 265,249 | 292,460 | 53,809 | - | - | 1,906,046 |
| Intersegment revenue | - | - | - | - | - | - | - | - |
| Total revenue | \$ 794,940 | 499,588 | 265,249 | 292,460 | 53,809 | - | - | 1,906,046 |
| Reportable segment profit (loss) | \$ (10,176) | 40,431 | 20,554 | (4,601) | (39,621) | 10,744 | - | 17,331 |

| | For the six months ended June 30, 2024 | | | | | | | |
|----------------------------------|---|--------------------------------|---------------------------------|----------------|------------------------|---------------|---|------------------|
| | Color chemicals | Specialty chemicals | Electronic chemicals | Toner | Pharmaceuticals | Others | Reconciliation and elimination | Total |
| Revenue from external customers | \$ 1,538,881 | 1,119,256 | 772,762 | 547,951 | 122,401 | - | - | 4,101,251 |
| Intersegment revenue | - | - | - | - | - | - | - | - |
| Total revenue | \$ 1,538,881 | 1,119,256 | 772,762 | 547,951 | 122,401 | - | - | 4,101,251 |
| Reportable segment profit (loss) | \$ 77,930 | 144,942 | 44,902 | (6,613) | (83,581) | 21,701 | - | 199,281 |

| | For the six months ended June 30, 2023 | | | | | | | |
|----------------------------------|---|--------------------------------|---------------------------------|----------------|------------------------|---------------|---|------------------|
| | Color chemicals | Specialty chemicals | Electronic chemicals | Toner | Pharmaceuticals | Others | Reconciliation and elimination | Total |
| Revenue from external customers | \$ 1,538,386 | 1,057,034 | 533,404 | 587,897 | 131,355 | - | - | 3,848,076 |
| Intersegment revenue | - | - | - | - | - | - | - | - |
| Total revenue | \$ 1,538,386 | 1,057,034 | 533,404 | 587,897 | 131,355 | - | - | 3,848,076 |
| Reportable segment profit (loss) | \$ (10,754) | 85,199 | 38,740 | 2,099 | (55,778) | 6,584 | - | 66,090 |