

Stock Code: 1711



**Everlight  
Chemical**

**Handbook for the  
2025 General Shareholders Meeting  
Everlight Chemical Industrial Corporation**

Convening method: entity shareholders  
meeting

Time: May 29, 2025

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

## ***DISCLAIMER***

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# **Everlight Chemical Industrial Corporation**

## **Meeting Procedure of 2025 General Shareholders Meeting**

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

# **Everlight Chemical Industrial Corporation**

## **Meeting Agenda of 2025 General Shareholders Meeting**

Time: 9:00 AM, May 29, 2025

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

### **1. Reports**

- (1) The Company's 2024 Business Report
- (2) The Company's 2024 Audit Committee's Review Report
- (3) The Company's 2024 Earnings Distribution of cash dividends Report
- (4) The Company's 2024 Remuneration to Employees and Directors Report
- (5) The Company's 2024 Directors' Remuneration Payments Report

### **2. Proposals**

- (1) Approval of 2024 closing statements

### **3. Discussions**

- (1) The amendments to "Regulations Governing Loaning of Funds and Making of Endorsements / Guarantees"
- (2) The amendments to "Articles of Incorporation"

### **4. Extemporary Motions**

### **5. Adjournment**

# Reports

# Reports

## 1. The Company's 2024 Business Report

### 2024 Business Report, Everlight Chemical Industrial Corporation

#### (1) Implementation results of operating plan

The Company's consolidated operating revenue in 2024 was NT\$ 8,168,220k, representing a 4% increase. In terms of operating income, the consolidated net income after tax was NT\$ 253,262k and the EPS was NT\$ 0.44, reflecting increases of 166% and 175%, respectively.

#### (2) Budget execution status

Unit: NTD thousand

Account	Plan for the whole year	Actual amount	Achievement rate
Operating revenue	9,000,000	8,168,220	91%
Operating cost	6,995,000	6,380,955	91%
Operating gross profit	2,005,000	1,787,265	89%
Operating expense	1,605,000	1,611,905	100%
Operating profit	400,000	175,360	44%
Net income before tax	400,000	286,213	72%

#### (3) Analysis on revenue and expense and profitability

Unit: NTD thousand

Item		2024	2023
Financial income and expense	Operating revenue	8,168,220	7,861,424
	Operating cost	6,380,955	6,261,590
	Operating gross profit	1,787,265	1,599,834
	Operating expense	1,611,905	1,516,414
	Operating profit	175,360	83,420
	Net non-operating revenue	110,853	25,537
	Net income before tax	286,213	108,957
	Income tax expense	32,951	13,880
	Net income after tax	253,262	95,077
	EPS (NTD)	0.44	0.16
Profitability Analysis	ROA	2.5%	1.3%
	ROE	2.9%	1.1%
	Percentage of paid-in capital	Operating profit	3.2%
		Pre-tax income	5.2%
	Profit margin		3.1%
	EPS (NTD)		0.44

#### (4) R&D status

Developing high-tech, high value-added chemical products and continuously improving ecological benefits are our R&D goals. R&D expense in 2024 was about NT\$ 370,000k which accounted for 4.5% of operating revenue. The specific results of R&D are as follows:

##### 1) Intellectual property right:

In 2024, there were 9 patents granted. As of Feb. 2025, the accumulated patent number was 208.

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

In 2024, the completed items of new products developed by each business are: 18 items of color chemicals, 6 items of specialty chemicals, 8 items of electronic chemicals, 0 item of pharmaceuticals and 17 items of toner, which are 49 items in total.

#### (5) Future Corporate Development Strategies

EVERLIGHT CHEMICAL INDUSTRIAL CORP.'s vision is to "become the high-tech chemistry industrial group contributing to people's lives". To enhance the life quality and health of people, we have been striving on the research and development of forward-looking chemicals and produce high-tech products to enable outstanding chemicals to bring happy lives to people, and contribute to the life quality of our employees, product competitiveness, and sustainable future, to fully fulfill our brand commitment of "Better Chemistry Better Life."

Chairman: Chen, Chien-Hsin



General manager: Chen, Wei-Wang



Accounting officer: Wong, Guo-Bin





## **Reports**

### **2. The Company's 2024 Audit Committee's Review Report**

#### **Audit Committee's Review Report, Everlight Chemical Industrial Corporation**

The Board of Directors has prepared the Company's 2024 Business Report, Financial Statements, and proposal for distribution of earnings, The CPAs, Huang Ming-Hung and Tang Chia-Chien, of KPMG Taiwan were retained to audit the Company's Financial Statements and have issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and earnings distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of the Company. According to relevant requirements of the Securities and Exchange Act and the Company Act, we hereby submit this report.

Yours sincerely

To

The Company's 2025 General Shareholders Meeting

Convener of Audit Committee, Lin, Shu-Yu



Committee, Yang, Way-Wen



Committee, Chang, Yuan-Jan



March 13, 2025

## **Reports**

### **3. The Company's 2024 Earnings Distribution of cash dividends Report**

- (1) According to Article 28 and Article 29 of the Articles of Incorporation, resolution of the company's board of directors on March 13, 2025, 10% of the earnings or NT\$27,810,864 shall be appropriated as legal reserve, followed by the appropriate of cash dividend to shareholders amounting to NT\$164,325,668 (at 3% dividend rate). Accordingly, each shareholder shall be entitled to cash dividend of NT\$300 for each lot of shareholding. Cash dividend released to the shareholders will be rounded to the nearest dollar and the fraction of a dollar will not be counted. As such, the exact amount of cash dividend will be based on the actual amount paid. In the event of change in the quantity of outstanding shares issued by the Company with consequential change in the dividend rate to shareholders, the Chairman of the Board will be authorized to handle related matters.
- (2) The proposal for the distribution of earnings in 2024 will be based on the earnings of the year.

## **Reports**

### **4. The Company's 2024 Remuneration to Employees and Directors Report**

- (1) According to Article 27 of the Company's Articles of Incorporation, if the Company has profits in the current year, it shall appropriate 5% as employee remuneration and no more than 2% as director remuneration. However, when the Company still has accumulated losses, the amount for compensation should be retained in advance.

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

- (2) The Company appropriates 5% of profit as the remuneration to employees, totaling NT\$14,627,254, 2% of profit as remuneration to directors (excluding independent directors) totaling NT\$5,850,901, which are both distributed in cash.
- (3) The counterparties to be distributed with employee remuneration are those who have been on position before (and during) 2024 and are still on position on the day when the board passes the Motion of Earnings Distribution. No remuneration is paid to the employees of the subordinate companies.

## **Reports**

### **5. The Company's 2024 Directors' Remuneration Payments Report**

- (1) The company's policy, standards, and composition for paying directors' remuneration are as follows:
1. Directors' remuneration is handled in accordance with Article 27 of the company's Articles of Association. If the company has profits for the year, up to 2% of the profits shall be allocated as directors' remuneration.
  2. According to the company's Articles of Association, the remuneration of the company's directors, regardless of the company's profit or loss, is authorized by the Board of Directors based on their level of participation in and contribution to the company's operations, while also considering the industry standard. The reasonableness of the remuneration is approved by the Remuneration Committee and the Board of Directors. Independent directors are given a fixed monthly remuneration and do not participate in the distribution of directors' remuneration.
- (2) For the detailed list of directors' remuneration, please refer to the attached table.

## 2024 Director's Remuneration

Unit:Thousands of NTD

Title	Name	Director's Remuneration								Amount and Ratio of Total A, B, C, and D to Net Income		Compensation to a Director Who is an Employee of ECIC or of ECIC's Consolidated Entities								Amount and Ratio of Total A, B, C, D, E, F, and G to Net Income		Compensation to Directors from Non-consolidated Affiliates or Parent Company
		Base Compensation (A)		Severance Pay and Pensions (B)		Compensation to Directors (C)		Allowances (D) (D)				Base Compensation, Bonuses, and Allowances (E)		Severance Pay and Pensions (F)		Profit Sharing (G)						
		From ECIC	From All Consolidated Entities	From ECIC	From All Consolidated Entities	From ECIC	From All Consolidated Entities	From ECIC	From All Consolidated Entities	From ECIC	From All Consolidated Entities	From ECIC	From All Consolidated Entities	From ECIC	From All Consolidated Entities	From ECIC		From All Consolidated Entities		From ECIC	From All Consolidated Entities	
																Cash	Stock (Fair Market Value)	Cash	Stock (Fair Market Value)			
Chairman	Ethical Investment Corp. Representative: Chen, Chien-Hsin	3,606	3,606	0	0	1,170	1,170	990	990	5,766 (2.37%)	5,766 (2.37%)	0	0	0	0	0	0	0	0	5,766 (2.37%)	5,766 (2.37%)	無
Director	Chen, Ding-Chuan	0	0	0	0	0	0	726	726	726 (0.30%)	726 (0.30%)	0	0	0	0	0	0	0	0	726 (0.30%)	726 (0.30%)	無
Director	Chen, Ding-Chi	0	0	0	0	585	585	219	219	804 (0.33%)	804 (0.33%)	0	0	0	0	0	0	0	0	804 (0.33%)	804 (0.33%)	無
Director	Chen, Wei-Wang	0	0	0	0	1,170	1,170	180	180	1,350 (0.55%)	1,350 (0.55%)	2,760	2,760	108	108	47	0	47	0	4,265 (1.75%)	4,265 (1.75%)	無
Director	Chen, Chien-Ming	0	0	0	0	585	585	180	180	765 (0.31%)	765 (0.31%)	0	2,142	0	99	0	0	23	0	765 (0.31%)	3,029 (1.24%)	無
Director	Lee, Yung-Long	0	0	0	0	585	585	180	180	765 (0.31%)	765 (0.31%)	0	0	0	0	0	0	0	0	765 (0.31%)	765 (0.31%)	無
Director	Ken, Wen-Yuen	0	0	0	0	585	585	180	180	765 (0.31%)	765 (0.31%)	0	0	0	0	0	0	0	0	765 (0.31%)	765 (0.31%)	無
Director	Chao, Rong-Shiang	0	0	0	0	0	0	75	75	75 (0.03%)	75 (0.03%)	0	0	0	0	0	0	0	0	75 (0.03%)	75 (0.03%)	無
Director	Chen, Ju-Ai	0	0	0	0	585	585	105	105	690 (0.28%)	690 (0.28%)	106	1,065	43	43	14	0	14	0	853 (0.35%)	1,812 (0.74%)	無
Director	Lin, Chao-Wen	0	0	0	0	585	585	105	105	690 (0.28%)	690 (0.28%)	2,068	2,068	64	64	30	0	30	0	2,852 (1.17%)	2,852 (1.17%)	無
Independent Director	Wu, Chung-Fern	350	350	0	0	0	0	0	0	350 (0.14%)	350 (0.14%)	0	0	0	0	0	0	0	0	350 (0.14%)	350 (0.14%)	無
Independent Director	Yang, Way-Wen	840	840	0	0	0	0	0	0	840 (0.34%)	840 (0.34%)	0	0	0	0	0	0	0	0	840 (0.34%)	840 (0.34%)	無
Independent Director	Chang, Yuan-Jan	840	840	0	0	0	0	0	0	840 (0.34%)	840 (0.34%)	0	0	0	0	0	0	0	0	840 (0.34%)	840 (0.34%)	無
Independent Director	Lin, Shu-Yu	490	490	0	0	0	0	0	0	490 (0.20%)	490 (0.20%)	0	0	0	0	0	0	0	0	490 (0.20%)	490 (0.20%)	無

# Proposals

# **Proposals**

## **Motion 1**

## **Proposal of the Board of Directors**

Subject: Approval of 2024 closing statements

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

(2) For information on the Business Report, refer to p.3-4 of The Handbook. The Auditing Committee's Review Report is exhibited on p.5 of The Handbook. The Financial Statements are exhibited on p.11-24. The proposal for the distribution of earnings is exhibited on p.25.

Resolutions:

## **Independent Auditors' Report**

To the Board of Directors of Everlight Chemical Industrial Corporation:

### **Opinion**

We have audited the consolidated financial statements of Everlight Chemical Industrial Corporation and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretation developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

- **Revenue recognition**

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



## Description of key audit matters

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

### How the matter was addressed in our audit

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

## Other Matter

Everlight Chemical Industrial Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

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

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

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

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

## Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)  
March 13, 2025

#### **Notes to Readers**

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

The independent auditors' audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES**  
**Consolidated Balance Sheets**  
**December 31, 2024 and 2023**  
**(Expressed in Thousands New Taiwan Dollars)**

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023								
		Amount	%	Amount	%			Amount	%	Amount	%							
Assets																		
Current assets :																		
1100	Cash and cash equivalents	\$	1,305,622	10	1,409,839	11	2100	Short-term borrowings	\$	1,736,412	13	1,698,179	13					
1110	Financial assets at fair value through profit or loss-current		60,775	1	36,903	-	2322	Long-term borrowings, current portion		42,500	-	42,500	-					
1136	Financial assets at amortized cost-current		-	-	60,000	1	2151	Notes payable		40,745	-	42,729	-					
1150	Notes receivable, net		161,274	1	202,209	2	2170	Accounts payable		670,835	5	532,175	5					
1170	Accounts receivable, net		1,592,143	12	1,418,164	11	2209	Other payables		424,259	3	409,923	3					
130X	Inventories		3,423,297	26	3,389,731	26	2213	Payables on equipment		32,761	-	26,864	-					
1476	Other current financial assets		44,189	-	29,809	-	2230	Current tax liabilities		47,854	1	26,769	-					
1479	Other current assets		185,650	1	130,739	1	2280	Lease liabilities-current		26,592	-	34,574	-					
Total current assets			6,772,950	51	6,677,394	52	2399	Other current liabilities		62,467	1	35,947	-					
Non-current assets:												Total current liabilities			3,084,425	23	2,849,660	21
1517	Financial assets at fair value through other comprehensive income-non-current		885,405	7	944,447	8	Non-current liabilities :											
1550	Investments accounted for using equity method		123,527	1	140,589	1	2540	Long-term borrowings		863,750	6	1,006,250	8					
1600	Property, plant and equipment		4,605,298	35	4,535,850	35	2570	Deferred tax liabilities		71,452	1	80,296	1					
1755	Right-of-use assets		251,040	2	266,776	2	2580	Lease liabilities non-current		216,114	2	223,657	2					
1760	Investment property		230,913	2	-	-	2640	Net defined benefit liability		-	-	18,824	-					
1780	Intangible assets		154,460	1	128,362	1	2670	Other non-current liabilities		198,305	1	66,164	1					
1840	Deferred tax assets		36,495	-	42,508	-	Total non-current liabilities			1,349,621	10	1,395,191	12					
1915	Prepayments for equipment		136,610	1	146,818	1	Total liabilities			4,434,046	33	4,244,851	33					
1980	Other non-current financial assets		3,926	-	3,360	-	Equity attributable to owners of parent :											
1975	Net defined benefit asset, non-current		25,803	-	-	-	3100	Common shares		5,477,522	42	5,477,522	43					
1990	Other non-current assets		16,774	-	14,622	-	3200	Capital surplus		475,236	4	474,558	4					
Total non-current assets			6,470,251	49	6,223,332	48	3300	Retained earnings		2,547,678	19	2,351,733	18					
							3400	Other equity		35,704	-	40,262	-					
							Total equity attributable to owners of parent			8,536,140	65	8,344,075	65					
							36XX	Non-controlling interests		273,015	2	311,800	2					
							Total equity			8,809,155	67	8,655,875	67					
Total assets		\$	13,243,201	100	12,900,726	100	Total liabilities and equity		\$	13,243,201	100	12,900,726	100					

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars Except for Earnings Per Share)**

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue</b>	\$ 8,168,220	100	7,861,424	100
5000	<b>Operating costs</b>	<u>6,380,955</u>	<u>78</u>	<u>6,261,590</u>	<u>80</u>
5950	<b>Gross profit from operations</b>	<u>1,787,265</u>	<u>22</u>	<u>1,599,834</u>	<u>20</u>
6000	<b>Operating expenses:</b>				
6100	Selling expenses	839,663	10	782,505	10
6200	Administrative expenses	402,193	5	385,249	5
6300	Research and development expenses	365,825	5	352,401	4
6450	Expected credit loss (gain)	<u>4,224</u>	<u>-</u>	<u>(3,741)</u>	<u>-</u>
	<b>Total operating expenses</b>	<u>1,611,905</u>	<u>20</u>	<u>1,516,414</u>	<u>19</u>
6900	<b>Net operating income</b>	<u>175,360</u>	<u>2</u>	<u>83,420</u>	<u>1</u>
7000	<b>Non-operating income and expenses:</b>				
7100	Interest income	28,216	1	13,425	-
7010	Other income	24,338	-	25,539	-
7020	Other gains and losses	142,962	2	84,182	1
7050	Finance costs	(89,737)	(1)	(93,203)	(1)
7060	Share of gains (losses) of associates accounted for using equity method	<u>5,074</u>	<u>-</u>	<u>(4,406)</u>	<u>-</u>
	<b>Total non-operating income and expense</b>	<u>110,853</u>	<u>2</u>	<u>25,537</u>	<u>-</u>
7900	<b>Income before income tax</b>	286,213	4	108,957	1
7951	<b>Income tax expenses</b>	<u>32,951</u>	<u>1</u>	<u>13,880</u>	<u>-</u>
8200	<b>Net income</b>	<u>253,262</u>	<u>3</u>	<u>95,077</u>	<u>1</u>
8300	<b>Other comprehensive income:</b>				
8310	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>				
8311	Gains on remeasurements of defined benefit plans	43,054	1	30,827	-
8316	Unrealized gains from financial assets measured at fair value through other comprehensive income	(59,042)	(1)	(11,047)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>(8,611)</u>	<u>-</u>	<u>(6,165)</u>	<u>-</u>
	<b>Total components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>	<u>(24,599)</u>	<u>-</u>	<u>13,615</u>	<u>-</u>
8360	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	64,387	1	(6,695)	-
8370	Share of other comprehensive income of associates accounted for using equity method	(4,988)	-	(9,064)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Total components of other comprehensive income (loss) that will be reclassified to profit or loss</b>	<u>59,399</u>	<u>1</u>	<u>(15,759)</u>	<u>-</u>
8300	<b>Other comprehensive income (after tax)</b>	<u>34,800</u>	<u>1</u>	<u>(2,144)</u>	<u>-</u>
8500	<b>Total comprehensive income</b>	<u>\$ 288,062</u>	<u>4</u>	<u>92,933</u>	<u>1</u>
	<b>Profit attributable to:</b>				
8610	Owners of parent	\$ 243,590	3	85,866	1
8620	Non-controlling interests	<u>9,672</u>	<u>-</u>	<u>9,211</u>	<u>-</u>
		<u>\$ 253,262</u>	<u>3</u>	<u>95,077</u>	<u>1</u>
	<b>Comprehensive income attributable to:</b>				
8710	Owners of parent	\$ 273,550	4	80,716	1
8720	Non-controlling interests	<u>14,512</u>	<u>-</u>	<u>12,217</u>	<u>-</u>
		<u>\$ 288,062</u>	<u>4</u>	<u>92,933</u>	<u>1</u>
9750	<b>Basic earnings per share (expressed in New Taiwan dollars)</b>		<u>0.44</u>		<u>0.16</u>
9850	<b>Diluted earnings per share (expressed in New Taiwan dollars)</b>		<u>0.44</u>		<u>0.16</u>

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

**EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**

**For the years ended December 31, 2024 and 2023**

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
	Retained earnings						Other equity					
	Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance on January 1, 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	-	-	-	-	85,866	85,866	-	-	-	85,866	9,211	95,077
Other comprehensive income	-	-	-	-	24,598	24,598	(16,073)	(13,675)	(29,748)	(5,150)	3,006	(2,144)
Total comprehensive income	-	-	-	-	110,464	110,464	(16,073)	(13,675)	(29,748)	80,716	12,217	92,933
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	45,770	-	(45,770)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(191,713)	(191,713)	-	-	-	(191,713)	(24,132)	(215,845)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(27,910)	(27,910)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	394	394	-	(394)	(394)	-	-	-
Balance on December 31, 2023	5,477,522	474,558	1,189,717	30,438	1,131,578	2,351,733	(93,060)	133,322	40,262	8,344,075	311,800	8,655,875
Net income	-	-	-	-	243,590	243,590	-	-	-	243,590	9,672	253,262
Other comprehensive income	-	-	-	-	34,518	34,518	54,204	(58,762)	(4,558)	29,960	4,840	34,800
Total comprehensive income	-	-	-	-	278,108	278,108	54,204	(58,762)	(4,558)	273,550	14,512	288,062
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	11,086	-	(11,086)	-	-	-	-	-	-	-
Special reserve	-	-	-	(12,025)	12,025	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(82,163)	(82,163)	-	-	-	(82,163)	-	(82,163)
Changes in non-controlling interests	-	678	-	-	-	-	-	-	-	678	(53,297)	(52,619)
Balance on December 31, 2024	\$ 5,477,522	475,236	1,200,803	18,413	1,328,462	2,547,678	(38,856)	74,560	35,704	8,536,140	273,015	8,809,155

## EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES

## Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
<b>Cash flows from (used in) operating activities:</b>		
Income before income tax	\$ 286,213	108,957
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	613,085	602,798
Amortization expense	52,763	48,939
Expected credit loss (gain)	4,224	(3,741)
Net gains on financial assets at fair value through profit	(1,110)	(220)
Interest expense	89,737	93,203
Interest income	(28,216)	(13,425)
Dividend income	(24,338)	(25,539)
Share of (gains) losses of associates accounted for using equity method	(5,074)	4,406
Losses (gains) on disposal of property, plant and equipment	1,061	(1,323)
Losses on disposal of investment accounted for using equity method	-	4,834
Gains due to disaster	-	(6,352)
Other	(797)	276
Total adjustments to reconcile profit	701,335	703,856
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	46,531	(22,605)
Accounts receivable and overdue receivable (under other non-current financial assets)	(154,127)	(85,383)
Inventories	(2,886)	573,067
Other current financial assets	(13,574)	33,723
Other current assets	(53,451)	(15,618)
Total changes in operating assets	(177,507)	483,184
Changes in operating liabilities:		
Notes payable	(1,984)	(46,469)
Accounts payable	133,479	192,769
Other payables	13,779	(76,841)
Other current liabilities	9,889	(40,846)
Net defined benefit liability	(1,573)	(26,301)
Other non-current liabilities	(3,083)	34,000
Total changes in operating liabilities	150,507	36,312
Total changes in operating assets and liabilities	(27,000)	519,496
Total adjustments	674,335	1,223,352
Cash inflow generated from operations	960,548	1,332,309
Interest received	28,222	13,315
Dividends received	24,338	25,539
Income taxes paid	(33,575)	(34,988)
<b>Net cash flows from operating activities</b>	<b>979,533</b>	<b>1,336,175</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at amortized cost	(210,000)	(210,000)
Proceeds from disposal of financial assets at amortized cost	270,000	150,000
Acquisition of financial assets at fair value through profit or loss	(60,000)	(122,749)
Proceeds from disposal of financial assets at fair value through profit or loss	37,238	90,086
Acquisition of financial assets at fair value through other comprehensive income	-	(450)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	1,366
Acquisition of property, plant and equipment	(407,617)	(424,646)
Proceeds from disposal of property, plant and equipment	2,160	4,639
Acquisition of intangible assets	(34,905)	(26,193)
Acquisition of investment properties	(48,307)	-
Increase (decrease) in other non-current financial assets	(539)	25
Increase in other non-current assets	(1,740)	(1,405)
Increase in prepayments for equipment	(269,974)	(211,823)
Proceeds from capital reduction of investments accounted for using equity method	27,431	-
Net cash outflows from losing control of subsidiary	-	(31,947)
<b>Net cash used in investing activities</b>	<b>(696,253)</b>	<b>(783,097)</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term borrowings	5,585,081	5,449,757
Decrease in short-term borrowings	(5,528,616)	(5,410,914)
Increase in short-term notes and bills payable	230,000	320,000
Decrease in short-term notes and bills payable	(260,000)	(320,000)
Proceeds from long-term borrowings	2,000,000	2,570,000
Repayments of long-term borrowings	(2,142,500)	(2,621,250)
Payments of lease liabilities	(35,818)	(35,074)
Increase in other non-current liabilities	303	-
Cash dividends paid	(82,163)	(191,713)
Interest paid	(107,343)	(102,435)
Subsidiaries distributed cash dividends to non-controlling interests	-	(27,171)
Changes in non-controlling interests	(52,619)	-
<b>Net cash used in financing activities</b>	<b>(393,675)</b>	<b>(368,800)</b>
<b>Effect on exchange rate changes on cash and cash equivalents</b>	<b>6,178</b>	<b>10,411</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(104,217)</b>	<b>194,689</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,409,839</b>	<b>1,215,150</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 1,305,622</b>	<b>1,409,839</b>

## Independent Auditors' Report

To the Board of Directors of Everlight Chemical Industrial Corporation:

### Opinion

We have audited the financial statements of Everlight Chemical Industrial Corporation (“the Company”), which comprise the balance sheets as of December 31, 2024 and 2023, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

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

### Key Audit Matters

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

- Revenue recognition

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

#### Description of key audit matters

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



How the matter was addressed in our audit

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

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

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

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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



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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)  
March 13, 2025

#### **Notes to Readers**

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

The independent auditors' audit report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements and Report Originally Issued in Chinese)  
EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION

Balance Sheets

December 31, 2024 and 2023

(expressed in thousands New Taiwan dollars)

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Assets</b>						<b>Liabilities and Equity</b>					
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents	\$ 730,493	6	866,586	8	2100	Short-term borrowings	\$ 1,100,146	10	1,081,219	10
1110	Financial assets at fair value through profit or loss-current	60,775	1	30,067	-	2151	Notes payable	40,745	-	42,729	-
1136	Financial assets at amortized cost-current	-	-	60,000	1	2170	Accounts payable (included related parties)	524,602	5	474,364	4
1150	Notes receivable, net	41,385	-	44,737	-	2209	Other payables (included related parties)	308,542	3	314,522	3
1170	Accounts receivable, net	870,024	8	768,979	7	2213	Payables on equipment	25,813	-	20,860	-
1180	Accounts receivable due from related parties, net	456,652	4	468,632	4	2230	Current tax liabilities	41,337	-	22,462	-
1210	Other receivables due from related parties	27,066	-	29,987	-	2280	Lease liabilities-current	7,204	-	10,516	-
130X	Inventories	2,427,343	21	2,340,721	20	2399	Other current liabilities	30,732	-	23,920	-
1476	Other current financial assets	27,108	-	18,201	-		<b>Total current liabilities</b>	2,079,121	18	1,990,592	17
1479	Other current assets	113,428	1	91,376	1		<b>Non-current liabilities:</b>				
	<b>Total current assets</b>	4,754,274	41	4,719,286	41	2541	Long-term bank loans	800,000	7	900,000	8
	<b>Non-current assets:</b>					2570	Deferred tax liabilities	71,032	1	80,296	1
1517	Financial assets at fair value through other comprehensive income-non-current	792,614	7	845,868	8	2580	Lease liabilities non-current	7,586	-	9,476	-
1550	Investments accounted for using equity method	1,947,875	17	1,901,077	17	2640	Net defined benefit liability	-	-	18,273	-
1600	Property, plant and equipment	3,734,367	33	3,678,589	32	2670	Other non-current liabilities, others	27,800	-	65,800	1
1755	Right-of-use-assets	14,555	-	19,544	-		<b>Total non-current liabilities</b>	906,418	8	1,073,845	10
1780	Intangible assets	82,964	1	112,009	1		<b>Total liabilities</b>	2,985,539	26	3,064,437	27
1840	Deferred tax assets	34,215	-	39,741	-		<b>Equity:</b>				
1915	Prepayments for equipment	131,461	1	90,081	1	3100	Common shares	5,477,522	48	5,477,522	48
1975	Net defined benefit asset, non-current	26,567	-	-	-	3200	Capital surplus	475,236	4	474,558	4
1980	Other non-current financial assets	2,787	-	2,317	-	3300	Retained earnings	2,547,678	22	2,351,733	21
	<b>Total non-current assets</b>	6,767,405	59	6,689,226	59	3400	Other equity	35,704	-	40,262	-
	<b>Total assets</b>	\$ 11,521,679	100	11,408,512	100		<b>Total equity</b>	8,536,140	74	8,344,075	73
							<b>Total liabilities and equity</b>	\$ 11,521,679	100	11,408,512	100

(English Translation of Financial Statements and Report Originally Issued in Chinese)  
EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

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

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue	\$ 6,528,041	100	6,108,600	100
5000	Operating costs	<u>5,205,392</u>	<u>80</u>	<u>5,008,425</u>	<u>82</u>
5900	Gross profit from operations	1,322,649	20	1,100,175	18
5910	Realized (unrealized) gross profit from sales	<u>(5,661)</u>	<u>-</u>	<u>18,783</u>	<u>-</u>
5950	Gross profit from operations	<u>1,316,988</u>	<u>20</u>	<u>1,118,958</u>	<u>18</u>
6000	Operating expenses:				
6100	Selling expenses	522,853	8	478,197	8
6200	Administrative expenses	216,371	3	213,228	3
6300	Research and development expenses	324,277	5	310,164	5
6450	Expected credit loss	<u>1,217</u>	<u>-</u>	<u>2,338</u>	<u>-</u>
	Total operating expenses	<u>1,064,718</u>	<u>16</u>	<u>1,003,927</u>	<u>16</u>
6900	Net operating income	<u>252,270</u>	<u>4</u>	<u>115,031</u>	<u>2</u>
7000	Non-operating income and expenses:				
7100	Interest income	6,949	-	4,042	-
7010	Other income	18,928	-	20,731	-
7020	Other gains and losses	124,900	2	73,448	1
7050	Finance costs	(55,942)	(1)	(59,369)	(1)
7060	Share of gains of subsidiaries and associates accounted for using equity method	<u>(75,038)</u>	<u>(1)</u>	<u>(55,760)</u>	<u>-</u>
	Total non-operating income and expense	<u>19,797</u>	<u>-</u>	<u>(16,908)</u>	<u>-</u>
7990	Income before income tax	272,067	4	98,123	2
7950	Income tax expenses	<u>28,477</u>	<u>-</u>	<u>12,257</u>	<u>-</u>
	Net income	<u>243,590</u>	<u>4</u>	<u>85,866</u>	<u>2</u>
8300	Other comprehensive income:				
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311	Gains on remeasurements of defined benefit plans	43,448	-	30,492	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(53,254)	(1)	(20,164)	-
8330	Share of other comprehensive income of subsidiaries accounted for using equity method	(5,748)	-	6,693	-
8349	Income tax related to components that may not be reclassified to profit or loss	<u>(8,690)</u>	<u>-</u>	<u>(6,098)</u>	<u>-</u>
	Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	<u>(24,244)</u>	<u>(1)</u>	<u>10,923</u>	<u>-</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	59,192	1	(7,009)	-
8380	Share of other comprehensive income of associates accounted for using equity method	(4,988)	-	(9,064)	-
8399	Income tax related to components that may be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total components of other comprehensive income (loss) that will be reclassified to profit or loss	<u>54,204</u>	<u>1</u>	<u>(16,073)</u>	<u>-</u>
8300	Other comprehensive income(after tax)	<u>29,960</u>	<u>-</u>	<u>(5,150)</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ 273,550</u>	<u>4</u>	<u>80,716</u>	<u>2</u>
9750	Basic earnings per share (expressed in New Taiwan dollars)	<u>\$ 0.44</u>		<u>0.16</u>	
9850	Diluted earnings per share (expressed in New Taiwan dollars)	<u>\$ 0.44</u>		<u>0.16</u>	

(English Translation of Financial Statements and Report Originally Issued in Chinese)  
EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION

Statements of Changes in Equity  
For the years ended December 31, 2024 and 2023  
(expressed in thousands of New Taiwan dollars )

	Retained earnings						Other equity			
	Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	Total equity
<b>Balance on January 1, 2023</b>	\$ 5,477,522	474,558	1,143,947	30,438	1,258,203	2,432,588	(76,987)	147,391	70,404	8,455,072
Net income	-	-	-	-	85,866	85,866	-	-	-	85,866
Other comprehensive income	-	-	-	-	24,598	24,598	(16,073)	(13,675)	(29,748)	(5,150)
Total comprehensive income	-	-	-	-	110,464	110,464	(16,073)	(13,675)	(29,748)	80,716
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	45,770	-	(45,770)	-	-	-	-	-
Cash dividends	-	-	-	-	(191,713)	(191,713)	-	-	-	(191,713)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	394	394	-	(394)	(394)	-
<b>Balance on December 31, 2023</b>	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
Net income	-	-	-	-	243,590	243,590	-	-	-	243,590
Other comprehensive income	-	-	-	-	34,518	34,518	54,204	(58,762)	(4,558)	29,960
Total comprehensive income	-	-	-	-	278,108	278,108	54,204	(58,762)	(4,558)	273,550
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	11,086	-	(11,086)	-	-	-	-	-
Special reserve	-	-	-	(12,025)	12,025	-	-	-	-	-
Cash dividends	-	-	-	-	(82,163)	(82,163)	-	-	-	(82,163)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	678	-	-	-	-	-	-	-	678
<b>Balance on December 31, 2024</b>	<u>\$ 5,477,522</u>	<u>475,236</u>	<u>1,200,803</u>	<u>18,413</u>	<u>1,328,462</u>	<u>2,547,678</u>	<u>(38,856)</u>	<u>74,560</u>	<u>35,704</u>	<u>8,536,140</u>

## EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES

## Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
<b>Cash flows from (used in) operating activities:</b>		
Income before income tax	\$ 286,213	108,957
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	613,085	602,798
Amortization expense	52,763	48,939
Expected credit loss (gain)	4,224	(3,741)
Net gains on financial assets at fair value through profit	(1,110)	(220)
Interest expense	89,737	93,203
Interest income	(28,216)	(13,425)
Dividend income	(24,338)	(25,539)
Share of (gains) losses of associates accounted for using equity method	(5,074)	4,406
Losses (gains) on disposal of property, plant and equipment	1,061	(1,323)
Losses on disposal of investment accounted for using equity method	-	4,834
Gains due to disaster	-	(6,352)
Other	(797)	276
Total adjustments to reconcile profit	701,335	703,856
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	46,531	(22,605)
Accounts receivable and overdue receivable (under other non-current financial assets)	(154,127)	(85,383)
Inventories	(2,886)	573,067
Other current financial assets	(13,574)	33,723
Other current assets	(53,451)	(15,618)
Total changes in operating assets	(177,507)	483,184
Changes in operating liabilities:		
Notes payable	(1,984)	(46,469)
Accounts payable	133,479	192,769
Other payables	13,779	(76,841)
Other current liabilities	9,889	(40,846)
Net defined benefit liability	(1,573)	(26,301)
Other non-current liabilities	(3,083)	34,000
Total changes in operating liabilities	150,507	36,312
Total changes in operating assets and liabilities	(27,000)	519,496
Total adjustments	674,335	1,223,352
Cash inflow generated from operations	960,548	1,332,309
Interest received	28,222	13,315
Dividends received	24,338	25,539
Income taxes paid	(33,575)	(34,988)
<b>Net cash flows from operating activities</b>	<b>979,533</b>	<b>1,336,175</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at amortized cost	(210,000)	(210,000)
Proceeds from disposal of financial assets at amortized cost	270,000	150,000
Acquisition of financial assets at fair value through profit or loss	(60,000)	(122,749)
Proceeds from disposal of financial assets at fair value through profit or loss	37,238	90,086
Acquisition of financial assets at fair value through other comprehensive income	-	(450)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	1,366
Acquisition of property, plant and equipment	(407,617)	(424,646)
Proceeds from disposal of property, plant and equipment	2,160	4,639
Acquisition of intangible assets	(34,905)	(26,193)
Acquisition of investment properties	(48,307)	-
Increase (decrease) in other non-current financial assets	(539)	25
Increase in other non-current assets	(1,740)	(1,405)
Increase in prepayments for equipment	(269,974)	(211,823)
Proceeds from capital reduction of investments accounted for using equity method	27,431	-
Net cash outflows from losing control of subsidiary	-	(31,947)
<b>Net cash used in investing activities</b>	<b>(696,253)</b>	<b>(783,097)</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term borrowings	5,585,081	5,449,757
Decrease in short-term borrowings	(5,528,616)	(5,410,914)
Increase in short-term notes and bills payable	230,000	320,000
Decrease in short-term notes and bills payable	(260,000)	(320,000)
Proceeds from long-term borrowings	2,000,000	2,570,000
Repayments of long-term borrowings	(2,142,500)	(2,621,250)
Payments of lease liabilities	(35,818)	(35,074)
Increase in other non-current liabilities	303	-
Cash dividends paid	(82,163)	(191,713)
Interest paid	(107,343)	(102,435)
Subsidiaries distributed cash dividends to non-controlling interests	-	(27,171)
Changes in non-controlling interests	(52,619)	-
<b>Net cash used in financing activities</b>	<b>(393,675)</b>	<b>(368,800)</b>
<b>Effect on exchange rate changes on cash and cash equivalents</b>	<b>6,178</b>	<b>10,411</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(104,217)</b>	<b>194,689</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,409,839</b>	<b>1,215,150</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 1,305,622</b>	<b>1,409,839</b>

Everlight Chemical Industrial Corporation  
Table of Earnings Distribution  
2024

Unit: NTD

Items of distribution	Dollar amount of distribution	
	Subtotal	Total
<b>Undistributed earnings at the beginning of period</b>		<b>1,038,328,967</b>
Net income before tax for the period	272,066,929	243,590,273
Less: income tax expense	28,476,656	
Net income after tax for the period		
Add: changes to the re-evaluated amount of defined-benefit program for the period	34,518,363	278,108,636
Subtotal		
Add: Reversal of Special Surplus Reserve		12,024,837
<b>Distributable earnings</b>		<b>1,328,462,440</b>
The appropriated and distributed items for the current year		192,136,532
Less: recognition of legal reserves	27,810,864	
Distribution of cash dividends - NT\$ 0.3 per share	164,325,668	
Subtotal		
<b>Undistributed earnings at the end of period</b>		<b>1,136,325,908</b>

Chairman: Chen, Chien-Hsin



General manager: Chen, Wei-Wang



Accounting officer: Wong, Guo-Bin



# Discussions

## **Discussions**

### **Motion 1**

### **Proposal of the Board of Directors**

Subject: The amendments to “Regulations Governing Loaning of Funds and Making of Endorsements / Guarantees”

Explanation: (1) This procedure was revised and passed by the 2009 General Shareholders Meeting dated 2009.05.30.

(2) Due to actual business needs, the company’s Regulations Governing Loaning of Funds and Making of Endorsements / Guarantees are being amended. The “Amendment Clauses Comparison Table” is shown in the Appendix for discussion on feasibility of implementation.

Appendix: Amendment Clauses Comparison Table of Regulations Governing Loaning of Funds and Making of Endorsements / Guarantees

Resolutions:

### **Everlight Chemical Industrial Corporation Amendment Clauses Comparison Table of Regulations Governing Loaning of Funds and Making of Endorsements / Guarantees**

Article No.	Amended articles	Existing articles	Explanation
5	<p>5.4.1 Controlling procedures for fund lending:</p> <p>(1) The fund lending of the Company’s subsidiaries shall be conducted in accordance with the following regulations.</p> <p>a.Except for the other subsidiaries of the Company, the subsidiary shall not lend funds to others. <u>However, production type subsidiaries may lend funds to other companies based on business dealings or financial needs.</u></p> <p>b.If the subsidiary lends <u>funds</u>, it shall conduct the lending in accordance with the company’s “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees”.</p> <p>(2) If the subsidiary lends <u>funds</u>, it shall prepare a detail table of fund lending to other companies of the previous month before the 5th (but not on) of every month and send it to the Company’s Financial Division.</p> <p>(3) .....</p>	<p>5.4.1 Controlling procedures for fund lending:</p> <p>(1) The fund lending of the Company’s subsidiaries shall be conducted in accordance with the following regulations.</p> <p>a.Except for the other subsidiaries of the Company, the subsidiary shall not lend funds to others.</p> <p>b.If the subsidiary lends <u>to other subsidiaries of the Company</u>, it shall conduct the lending in accordance with the company’s “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees”.</p> <p>(2) If the subsidiary lends <u>to other subsidiaries of the Company</u>, it shall prepare a detail table of fund lending to other companies of the previous month before the 5th (but not on) of every month and send it to the Company’s Financial Division.</p> <p>(3) .....</p>	Amended for actual business needs.



Article No.	Amended articles	Existing articles	Explanation
5	<p>5.8 The Regulations were formulated on June 8, 1996;</p> <p>.....</p> <p>The fifth amendment was made on June 11, 2015;</p> <p>The sixth amendment was made on May 30, 2019.</p> <p><u>The seventh amendment was made on May 29, 2025.</u></p>	<p>5.8 The Regulations were formulated on June 8, 1996;</p> <p>.....</p> <p>The fifth amendment was made on June 11, 2015;</p> <p>The sixth amendment was made on May 30, 2019.</p>	Date of amendment

## **Discussion**

### **Motion 2**

### **Proposal of the Board of Directors**

Subject: The amendments to “Articles of Incorporation”

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

Appendix: Amendment Clauses Comparison Table of the Articles of Incorporation

Resolutions:

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

Amended articles	Existing articles	Explanation
<p>Article 27: If the Company generates a profit for the year, 5% of the profit shall be allocated as employee remuneration and no more than 2% as director remuneration. However, if the Company still has accumulated losses, the amount should be reserved to make up for the losses first. <u>Of the employee remuneration amount mentioned above, at least 60% should be allocated for distribution to frontline employees.</u> The targets of the employee remuneration given in stock or cash include employees of the subsidiaries approved by the board of directors.</p>	<p>Article 27: If the Company generates a profit for the year, 5% of the profit shall be allocated as employee remuneration and no more than 2% as director remuneration. However, if the Company still has accumulated losses, the amount should be reserved to make up for the losses first. The targets of the employee remuneration given in stock or cash include employees of the subsidiaries approved by the board of directors.</p>	<p>Amended in accordance with laws and regulations</p>
<p>Article 32: The Articles of Incorporation were formulated on Aug. 28, 1972. ..... The forty-fifth amendment was made on May 25, 2023. The forty-sixth amendment was made on May 30, 2024. <u>The forty-seventh amendment was made on May 29, 2025.</u></p>	<p>Article 32: The Articles of Incorporation were formulated on Aug. 28, 1972. ..... The forty-fifth amendment was made on May 25, 2023. The forty-sixth amendment was made on May 30, 2024.</p>	<p>Date of amendment</p>

# Extemporany Motions

## **Extemporaneous Motions**

# Appendices

# **Everlight Chemical Industrial Corporation**

## **Rules of Procedure for Shareholders Meetings**

Passed by the Shareholders' Meeting on May 30, 2024

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

- (3) When a physical shareholders' meeting is convened, along with a video conference held at the same time, if the video conference cannot continue, after the number of shares in attendance through the video conference is deducted, the total number of shares in attendance at the physical shareholders' meeting reaches the number as required by law, the shareholders' meeting shall continue. For shareholders participating by video conference, the number of their shares shall be included in the total number of shares in attendance, and they shall be deemed to abstain for all motions resolved at the shareholders' meeting.
  - (4) The handling method in the event that the resolution results of all motions have been announced, while extempore motions have not been resolved.
3. When a shareholders' meeting is to be convened by video conference, appropriate alternatives to shareholders who have difficulty participating in the meeting by video means shall be specified. Except as provided in Article 44-9, Paragraph 6 of the Guidelines for Handling Stock Affairs of Publicly Issued Companies, at least shareholder connection equipment and necessary assistance should be provided, specifying the period during which shareholders may apply to the company and other relevant matters to note.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

The first amendment was made on May 22, 1998.

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

The third amendment was made on May 24, 2011.

The fourth amendment was made on May 24, 2012.

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

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

The seventh amendment was made on May 28, 2020.

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

The ninth amendment was made on May 26, 2022.

The tenth amendment was made on May 30, 2024.

# **Everlight Chemical Industrial Corporation**

## **Regulations Governing Loaning of Funds and Making of Endorsements / Guarantees**

Passed by the Board on Dec 12, 2024

1. Goal:

In order to let the operation of fund lending and endorsements/guarantees have rules to adhere to, the Company formulated the Regulations.

2. Scope:

The Company's fund lending and endorsements/guarantees shall all be conducted in accordance with the Regulations.

3. References:

3.1 Article 15 of the Company Act

3.2 The document of Jing-Shang-Zi No. 09002270580 published by the MOEA on Jan. 7, 2002.

3.3 The "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" amended and published by the Financial Supervisory Commission (FSC) in Jin-Guan-Zheng-Shen-Zi No. 1080304826 on Mar. 7, 2019 (hereafter, the Regulations)

3.4 The "Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities" published by Taiwan Stock Exchange Corporation

3.5 Regulations Governing the Preparation of Financial Reports by Securities Issuers

4. Definitions:

4.1 The term "endorsements/guarantees" as used in the Regulations refers to the following:

4.1.1 Financing endorsements/guarantees, including:

(1) Bill discount financing.

(2) Endorsement or guarantee made to meet the financing needs of another company.

(3) Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself.

4.1.2 Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the company itself or another company with respect to customs duty matters.

4.1.3 Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs.

4.1.4 Any creation by the Company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with these Regulations.

4.2 Subsidiary and the parent company: as defined in the rules of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

4.3 Net worth: If the Company's financial reports are prepared with IFRS, the so-called net worth in the Regulations is the equity attributable to owners of the parent company in the balance sheet regulated by Regulations Governing the Preparation of Financial Reports by Securities Issuers.

4.4 Publishing and reporting: refer to the information entered in to the designated information reporting website designated by the Financial Supervisory Commission.

4.5 “Date of occurrence”: the date of occurrence mentioned in the Regulations refers to the signing date of contract, date of payment, date of board resolutions, or other dates that can confirm the counterparty of the lending or endorsement/guarantee and monetary amount of the transaction, whichever date is earlier.

## 5. Contents:

### 5.1 Lending of capital:

#### 5.1.1 Counterparty of lending:

Under Article 15 of the Company Act, the Company shall not loan funds to any of its shareholders or any other person except under the following circumstances:

- (1) Where an inter-company or inter-firm business transaction calls for a loan arrangement; or
- (2) Where an inter-company or inter-firm short-term financing facility is necessary, provided that such financing amount shall not exceed 20 percent of the lender’s net worth.

The term “short-term” as used in the preceding paragraph means one year. The term “financing amount” means the cumulative balance of the Company’s short-term financing.

When the foreign subsidiaries that are held direct or indirectly with 100% of voting shares by the Company conduct fund lending, they are not restricted by Term 2 of Paragraph 1. The limit of fund lending and the term period are formulated in accordance with the regulations governing the lending of funds of each subsidiary. If the responsible person violates Provision 1, he or she and the borrower shall take the returning responsibility together; if the company is harmed, he or she shall also take the liability for damages.

#### 5.1.2 Evaluation standards for loaning funds to others:

- (1) Where funds are loaned for reasons of business dealings, whether the amount of a loan is commensurate to the total amount of trading between the Company and its counterparty shall be evaluated.
- (2) Where short-term financing is needed, the reasons for and conditions of providing loans shall be listed.

#### 5.1.3 The aggregate amount of loans and the maximum amount permitted to a single borrower:

The Company’s total amount of lending shall not exceed 40% of the Company’s net worth, which can also be classified into the following two conditions:

- (1) When funds are lent to the Company’s counterparty in business transaction, the total amount of lending shall not exceed 20% of the Company’s net worth; the individual amount lent to the same enterprise shall not exceed 10% of the Company’s net worth and the business transaction amount between the two party during the most recent year. The so-called transaction amount refers to the higher of purchase or sales amount between the two party.
- (2) When funds are lent to a company that has need for short-term financing, the reason and condition of lending shall be listed and total amount of lending shall

not exceed 20% of the Company's net worth; the individual amount lent to the same enterprise shall not exceed 10% of the Company's net worth.

5.1.4 Term of loan and way of calculating interests:

- (1) The term of loan each time shall not exceed one year since the date of lending.
- (2) The interests of lending are calculated on a daily basis. The interest amount is calculated as the sum of daily loan balance (i.e., total accumulated value) multiplied by the annual rate, and then divided by 365. Annual rate shall not be lower than the highest rate at which the Company borrows short-term funds from financial institutions.
- (3) The loan interests are paid once monthly, except otherwise regulated. The Company notifies the borrower to timely pay interests one week before the agreed payment date.

5.1.5 Procedures for fund lending:

(1) Application:

- a. The borrower shall provide its basic and financial data and fill in the application form, which clearly states the purpose of fund, term of loan and the amount, and then send the form to the Company's Financial Division.
- b. The Company conducts credit checking and reports to the Board of Directors for resolution after the relevant data and the proposed lending condition are reported to the General Manager.

(2) Credit checking and risk evaluation:

- a. After the Company receives the application, the Financial Division will conduct survey and evaluation on the borrower's business, financial condition, solvency and credit, profitability and purpose of borrowing, and prepare relevant reports.
- b. The credit checking evaluation report prepared by the Financial Division shall list clearly the custody way of the borrowing, proposed lending amount, interest rate, term of loan, scheduled lending date and the repayment plan, etc., which shall be reported and examined level by level.
- c. If the borrowing is a continual one, in principle, the credit check shall be done when the borrowing is proposed. If the borrowing is an important or emergency event, it can be conducted anytime depending on actual needs.
- d. If the financial condition of the borrower is good and a CPA has prepared the certification of finance for its annual financial reports, it may continue using the survey report which has been prepared for no longer than one year, and provide it as the reference for lending along with the CPA's certification and review report.

(3) Reviewing procedures for lending:

The Company's reviewing procedures for lending shall include:

- a. The necessity and reasonableness of fund lending to others;
- b. Attachment of the report on credit checking and risk evaluation of the borrower;
- c. Impacts on the Company's operating risk, financial condition and shareholder's equity;

- d. Whether or not to obtain collateral and the evaluated value of the collateral;
  - e. Measuring whether or not the lending amount is necessary with the financial condition of the borrower;
  - f. Whether or not the accumulated lending amount is still within the limit.
- (4) Case evaluation:
- a. Before lending its fund to others, the Company shall prudentially evaluate whether it satisfies the requirements of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies and the Regulations. The lending shall not be conducted until it has been submitted to the General Manager for examination and reported to the Board of Directors for resolution, and shall not be decided by others under authorization. Important fund lending shall be agreed by over one half of all members in the Audit Committee, shall be proposed to the Board of Directors for resolution before execution, and shall be conducted in accordance with Provision 5.7.4 ~ 5.7.5.
  - b. The fund lending between the Company and its subsidiaries or each subsidiary shall be submitted to the board for resolution, and the Chairman may be authorized to conduct the lending by batches or rearrange the amount in cycle for the same borrower within a specific quota resolved by the board meeting and in a period no longer than one year.
  - c. For the quota mentioned in b., except satisfying Paragraph 3 of Provision 5.1.1, the authorized lending quota of the Company or its subsidiaries to a single enterprise shall not exceed 10% of the company's net worth in the most recent financial reports.
  - d. When the Company's funds are lent to others, the opinions of each independent director shall be fully considered. The clearly consenting or opposing opinions provided by independent directors shall be stated in the board meeting minutes.
- (5) Examination of loans and notification:
- a. For the lending cases that are decided not to be approved under the board's resolution, the handling personnel of Financial Division shall reply the reasons of rejection to the borrower as soon as possible.
  - b. For the lending cases that are approved by the Board of Directors, the handling personnel of Financial Division shall notify the borrower by correspondence as soon as possible, clearly illustrating the Company's conditions of lending, which include the quota, term of loan, interest rate and guarantor, etc., and asking the borrower to complete the signing procedures within a given period.
- (6) Contracts signing and identity verification:
- a. After approved by the board's resolution, the handling personnel of Financial Division shall prepare contract provisions for the lending cases. After they have been examined by the supervisor and sent to the legal affair unit for certification, the signing procedures are then conducted.

- b. The content of contract shall be consistent with the approved lending conditions. After the borrower and the association guarantor have signed on the contract, the procedures of identity verification are then completed by the handling personnel of Financial Division.

(7) Insurance:

- a. Except for land and securities, all collateral shall be provided with fire insurance and other relevant insurance. The insured amount in principle shall not be lower than the pledged amount of the collateral. In the insurance document, the Company shall be noted as the beneficiary. The name of the target, amount, place of storage, insurance conditions and endorsements listed on the insurance document shall be consistent with the Company's original lending conditions.
- b. The handling personnel shall notify the borrower to renew insurance before the insurance period ends.

(8) Evaluation on collateral value and right setting:

- a. When the Company deals with fund lending affairs, except for subsidiaries it shall obtain the collateral note with equivalent amount. When the borrower provides collateral, it shall complete the procedures for pledge setting. The Company shall also evaluate on collateral value to ensure the Company's claim.
- b. If the borrower provides individuals or companies as guarantors with equivalent capital and credit to replace the collateral provider for the above secured claim, the Board of Directors may refer to the credit checking report of Financial Division to handle the claim. For those who provide companies as guarantors, they shall notice whether their Articles of Incorporation have formulated terms about guarantees.

(9) Fund appropriation:

After the lending conditions have been approved and the borrower has signed the contract, completed the registration of setting pledge for collateral value, and all of the procedures have been double-checked and no errors remain, the fund can then be appropriated.

5.1.6 Subsequent control measures after lending:

- (1) After the loan is appropriated, the Financial Division of the Company shall at least quarterly analyze the borrower's financial, business and credit condition and operation performance, and provide them to the decision-making level for reference.
- (2) If the borrower provides collateral, the Company shall take notice of whether its collateral value has any changes. For example, if the collateral value is lower than the lending amount of the asset, the Financial Division shall propose an evaluation report and submit it to the Chairman to decide the way of handling, and shall follow the Chairman's delegation to handle appropriately.

5.1.7 Handling of repayment and debt overdue:

- (1) The Financial Division shall notify the borrower to repay the due principal and interests one month before the loan is due.

- a. When the borrower repays the loan when it is due, it shall first calculate the payable interests and repay them along with the principal, and then return the debt repaying certifications such as notes, and IUOs, etc. back to the lender.
  - b. If the borrower applies for canceling the pledge, the Company shall first check whether it has loan balance before deciding to approve the cancellation.
- (2) When the loan is due, the borrower shall immediately repay the principal and interests.
  - (3) If the borrower does not follow the plan to pay interests or repay the loan, the Financial Division shall report to the decision-making level and notify the legal affair unit in writing whenever necessary. The borrower will then be punished and asked for debt recovery in accordance with laws based on the collateral or guarantor it provides.

#### 5.1.8 Internal control:

- (1) When the Company conducts fund lending, the Financial Division shall establish a reference book, which lists with details the counterparty of the lending, amount, the date on which the lending is passed by the board, the date on which the lending is conducted and matters that shall be evaluated prudentially in accordance with the Regulations.
- (2) The handling personnel of the Financial Division shall, for the case that he/she is responsible of, arrange and organize the contract, debt certifications such as notes, and collateral documents, insurance documents, and the documents of transaction, and then put them into the custody bag after the loan is appropriated. He/she shall also note on the bag the content of custody and the name of customer, and submit it to the supervisor of Financial Division for examination. After the bag has been inspected without any errors, it will then be sealed. The two parties then sign or stamp on the custody registration book and send it to the supervisor for custody.
- (3) The internal audit personnel of the Company shall at least audit on Operation 5.1 and its status of execution every quarter, and prepare paper record. If any significant violations are found, he/she shall immediately notify the Audit Committee in writing.
- (4) When there are changes made which make the borrower not satisfy the requirements of the Regulations or the loan balance exceed the limit, the Financial Divisions of the Company shall form formulate improvement plans, send them to the Audit Committee, and follow the schedule to complete the improvement.

#### 5.2 Provide endorsements or guarantees to others:

##### 5.2.1 Counterparties that may be provided with endorsements or guarantees:

The Company may provide endorsements or guarantees to the following companies:

- (1) Where an inter-company or inter-firm business transaction calls for a loan arrangement; or



- (2) Those of more than 50% of voting shares that are directly or indirectly held by the Company;
- (3) Those that directly or indirectly hold more than 50% of the Company's voting shares;

The percentage of the voting shares held direct or indirectly mentioned above shall be calculated with the Company's percentage of directly-held shareholding and the shareholding of the same invested company held by other companies with which the invested shareholding exceeds 50%. The so-called "other companies" above include the other companies themselves and the other one company held with more than 50% of invested shareholding calculated with the above method, and so on for the remaining.

The companies directly or indirectly held by the Company with more than 90% of voting shares may provide endorsements/guarantees for each other, and the amount shall not exceed 10% of the Company's net worth. However, the endorsements/guarantees made between the companies directly or indirectly held by the Company with 100% of voting shares are not limited here.

If the Company takes mutual insurance according to the contractual requirements based on the need of construction project, or the endorsement of the invested company by the all investing shareholders based on their shareholding ratio due to the mutual investment relationship, or the inter-industry association guarantee for fulfilling the obligation of pre-sales house contract according to the Consumer Protection Law, it is not subject to the restrictions set forth in the preceding paragraph and may provide endorsement.

The so-called investing in the previous paragraph refers to when the Company directly invests or invests via a company that is held with 100% of voting shares.

#### 5.2.2 Limit of endorsement/guarantee and the maximum amount permitted to a single borrower

- (1) The total amount of the Company's endorsements/guarantees to other companies and the total amount of endorsements/guarantees the Company and its subsidiaries provide to other companies shall not exceed 25% of the Company's net worth respectively.
- (2) The amount limit of the Company's endorsements to the same company and the amount limit of endorsements the Company and its subsidiaries provide to the same company shall not exceed 10% of the Company's net worth respectively.
- (3) The amount the Company provides endorsements/guarantees to the same enterprise due to business relationship and the amount the Company and its subsidiaries provide endorsements/guarantees to the same enterprise due to business relationship shall not exceed 50% of the Company's net worth respectively or its business transaction amount with the Company in the most recent year. The so-called transaction amount refers to the higher of purchase or sales amount between the two parties.
- (4) If the total amount of endorsements/guarantees that the Company and its subsidiaries have formulated reaches 5% of the Company's net worth, the

Company shall illustrate its necessity and reasonableness on the shareholders' meeting.

### 5.2.3 Procedures for endorsements/guarantees

#### (1) Application

When the Company conducts endorsements/guarantees, the company that is provided with endorsements/guarantees shall fill in the application form, provide its basic information and financial data, and apply to the Company's Financial Division. The Financial Division shall refer to Provision 5.1.5(2)a and 5.2.3(2) when conducting credit checking and risk evaluation.

After the handling personnel of the Financial Division has summarized the relevant information above and the results of evaluation, he/she shall send them to the General Manager for preliminary examination and then execute in accordance with the decision-making and authorization level mentioned in Provision 5.2.3(3).

#### (2) Procedures of reviewing:

The Company's procedures of reviewing endorsements/guarantees shall include:

- a. The necessity and reasonableness of the endorsements/guarantees;
- b. The credit checking and risk evaluation on the counterparty of the endorsements/guarantees;
- c. Impacts on the Company's operating risk, financial condition and shareholder's equity;
- d. Whether or not to obtain collateral and the value evaluation of the collateral;
- e. Measuring whether or not the amount of endorsements/guarantees is necessary with the financial condition of the companies that are provided with the endorsements/guarantees; and
- f. Whether or not the accumulated endorsements/guarantees amount is still within the limit.

#### (3) Decision making and hierarchy of authorization:

The matters of endorsements/guarantees made by the Company shall not be conducted until they have been passed and resolved by the Board of Directors. However, to satisfy the need of timeliness, the Chairman may be authorized by the Board of Directors to resolve in advance in accordance with relevant rules of the Regulations within the limit of NT\$ 50,000,000 for a single deal. Then, the deal will be reported to the next board meeting for recognition. Important endorsements/guarantees shall be agreed by over one half of all members in the Audit Committee, shall be proposed to the Board of Directors for resolution before execution, and shall be conducted in accordance with Provision 5.7.4 ~ 5.7.5.

Before the subsidiaries directly or indirectly held by the Company with more than 90% of voting shares provide endorsements/guarantees in accordance with Paragraph 3 of Provision 5.2.1, they shall report to the Company's Board of Directors for resolution. However, the endorsements/guarantees made between the companies directly or indirectly held by the Company with 100% of voting shares are not limited here.

When the Company provides endorsements/guarantees to others, the opinions of each independent director shall be fully considered. The clearly consenting or opposing opinions provided by independent directors shall be stated in the board meeting minutes.

#### 5.2.4 Usage of stamps and custody procedures

- (1) The Company shall set the stamp that is registered to the MOEA as the exclusive stamp for endorsements/guarantees. The stamp shall be kept in custody by a dedicated personnel agreed by the Board of Directors, and the same applies when changes are made. When conducting endorsements/guarantees, the personnel shall use the stamp or sign on notes in accordance with the “Procedures for Bank Deposit Withdrawal and Stamps Management (9-A8-06)” and “Procedures for Handling Cash Expenditure Operation (0-8A-103)”.
- (2) If the Company provides endorsements/guarantees for foreign companies, the letter of guarantee provided by the Company shall be signed by the Board of Directors.

#### 5.2.5 Subsequent control measures after lending

Cancellation of endorsements/guarantees:

- (1) If there is any need to cancel the certificates or notes related to endorsements/guarantees due to debt liquidation or renewal, the company that is provided with the endorsement/guarantee shall prepare formal documents and letters and send the certificates related to the endorsement/guarantee to the Company’s Financial Division to have the word, “cancellation,” stamped on them before being returned back. The application forms and letters are then kept for reference.
- (2) The Financial Division shall list the status of cancellation of endorsements/guarantees into the reference book anytime.

#### 5.2.6 Operation conducted when exceeding the limit of endorsement/guarantee

If the Company has the need to have the amount exceeding the quota regulated by the Regulations and satisfies the conditions regulated by the Regulations, it shall be approved by the Board of Directors and over half of the directors shall provide registered association guarantee on the loss that may be derived from the Company’s exceeding amount. The Regulations shall also be amended and reported to the shareholders’ meeting for recognition. If the shareholders’ meeting does not approve, a plan shall be formulated to cancel the exceeding amount within a given period.

When the Board of Directors participates in the discussion defined in the previous paragraph, the opinions of each independent director shall be fully considered. The clearly consenting or opposing opinions provided by independent directors shall be stated in the board meeting minutes.

#### 5.2.7 Operation conducted when the counterparty of the endorsement/guarantee does not satisfy the regulations or when the amount exceeds the limit:

When there are changes made which make the counterparty of the endorsement/guarantee not satisfy the regulations or the amount exceed the limit, the Financial

Divisions of the Company shall form formulate improvement plans, send them to the Audit Committee, and follow the schedule to complete the improvement.

5.2.8 Internal control:

(1) Reference book of endorsement/guarantee:

The Financial Division shall establish the reference book for the endorsement/guarantee, which lists with details the counterparty, amount, the date on which it has passed by the Board of Directors or resolved by the Chairman, the date of endorsement/guarantee, matters that shall be prudentially evaluated in accordance with Provision 5.2.3(2), the content of collateral and its evaluated value, and the condition and date of terminating the responsibility of endorsement/guarantee, etc.

(2) The internal audit personnel of the Company shall at least audit on Operation 5.2 and its status of execution every quarter, and prepare paper record. If any significant violations are found, he/she shall immediately notify the Audit Committee in writing.

5.3 Information disclosure

5.3.1 Procedures for publishing and reporting

- (1) The Company shall enter the fund lending balance of the Company and its subsidiaries in the previous month into the MOPS before the tenth of each month.
- (2) If the Company's fund lending satisfies any of the following standards, it shall enter the information into the MOPS within two days after the date of occurrence:
  - a. The fund lending balance of the Company and its subsidiaries reaches more than 20% of the Company's net worth in the most recent financial report.
  - b. The fund lending balance of the Company and its subsidiaries to a single enterprise reaches more than 10% of the Company's net worth in the most recent financial report.
  - c. The increased fund lending balance of the Company and its subsidiaries reaches more than NT\$ 10,000,000 and 2% of the Company's net worth in the most recent financial report.
- (3) If the Company's subsidiaries are not domestically publicly listed companies and have matters that shall be published and reported according to Provision 5.3.1(2) c, they shall be done by the Company.

5.3.2 The time limit, contents and standards that shall be published and reported:

- (1) The Company shall report the endorsement/guarantee balance of the Company and its subsidiaries in the previous month and enter it into the MOPS before the tenth of each month.
- (2) If the Company's endorsements/guarantees satisfy any of the following standards, it shall enter the information into the MOPS within two days after the date of occurrence.
  - a. The endorsement/guarantee balance of the Company and its subsidiaries reaches more than 50% of the Company's net worth in the most recent financial report.

- b. The endorsement/guarantee balance of the Company and its subsidiaries to a single enterprise reaches more than 20% of the Company's net worth in the most recent financial report.
  - c. The amount the Company and its subsidiaries provide endorsement/guarantee to a single enterprise reaches more than NT\$ 10 million, and the total amount of the book value of investment of endorsement/guarantee and the Equity Method and the balance of the fund lending reaches more than 30% of the net worth in the Company's most recent financial report.
  - d. The increased endorsement/guarantee balance of the Company and its subsidiaries reaches more than NT\$ 30,000,000 and 5% of the Company's net worth in the most recent financial report.
- (3) If the Company's subsidiaries are not domestically publicly listed companies and have matters that shall be entered into the MOPS according to Provision 5.3.2(2)d, they shall be done by the Company.

#### 5.4 Supervision and management on subsidiaries:

##### 5.4.1 Controlling procedures for fund lending:

- (1) The fund lending of the Company's subsidiaries shall be conducted in accordance with the following regulations.
  - a. Except for the other subsidiaries of the Company, the subsidiary shall not lend funds to others. However, production type subsidiaries may lend funds to other companies based on business dealings or financial needs.
  - b. If the subsidiary lends funds, it shall conduct the lending in accordance with the company's "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees".
- (2) If the subsidiary lends funds, it shall prepare a detail table of fund lending to other companies of the previous month before the 5th (but not on) of every month and send it to the Company's Financial Division.
- (3) When the Company's audit personnel conduct audit at the subsidiary according to the annual audit plan, they shall also audit on the subsidiary's operating procedures of fund lending and the status of execution. If any mistakes are found, they shall continue tracing its improvements, prepare a tracing report, and submit it to the Chairman.

##### 5.4.2 Controlling procedures for conducting endorsements/guarantees:

- (1) In principle, the Company's subsidiaries shall not conduct endorsements/guarantees except for the company's customs duty. However, if there is special need for endorsements/guarantees, the Regulations and the subsidiaries' "Regulations Governing Loaning of Funds and Making of Endorsements / Guarantees" shall be amended and shall be passed by the Boards of Directors of the Company and the subsidiaries respectively.
- (2) If the subsidiaries have endorsements/guarantees, they shall prepare a detail table of endorsements/guarantees to other companies of the previous month before the 10th (but not on) of every month and send it to the Company's Financial Division.

- (3) If the counterparty of the endorsement/guarantee is a subsidiary with net worth lower than one half of paid-in capital, the counterparty shall propose an “improvement plan” and submit it to the Company’s Chairman for approval. For subsequent retrospection, the Financial Division shall at least quarterly analyze the borrower’s financial, business and credit condition and operation performance, and provide them as the reference for decision making
- (4) When the Company’s audit personnel conduct audit at the subsidiary according to the annual audit plan, they shall also audit on the subsidiary’s operating procedures of endorsements/guarantees and the status of execution. If any mistakes are found, they shall continue tracing its improvements, prepare a “tracing report,” and submit it to the Chairman.  
If the stock of the subsidiary has no face value or the face value per share is not NT\$ 10, the paid-in capital calculated according to Provision 5.4.2(3) shall be calculated with capital stock plus capital surplus - additional paid-in capital.

## 5.5 Others

### 5.5.1 Recognition of allowance for doubtful account:

The Company shall evaluate the status of fund lending, recognize adequate allowance for doubtful account, appropriately disclose relevant information in financial reports, and provide relevant data for CPA to execute necessary auditing process.

### 5.5.2 Information disclosure:

The Financial Division shall evaluate or recognize the contingent loss of endorsements/guarantees, appropriately disclose relevant information of endorsements/guarantees in financial reports, and provide relevant data for CPA to execute necessary auditing process.

## 5.6 Penalty

If the manager or related personnel conducting fund lending or endorsements/guarantees violates the Standards and the Regulations, they shall be reported to be examined in accordance with the Company’s personnel management rules and the Handbook for Employees, and shall be penalized according to the severity of the matter.

## 5.7 Implementation and amendment:

5.7.1 The formulation or amendment to the Regulations shall be conducted in accordance with Provision 5.7.3, and shall be sent to the Audit Committee and proposed to the shareholders’ meeting for approval. If there are any directors rendering disputes and the disputes are recorded or made into written statements, the Company shall send the data of disputes to the Audit Committee and propose to the shareholders’ meeting for discussion.

5.7.2 When the Company proposes a discussion about the Regulations on the board meeting, the opinions of each independent director shall be fully considered. If there are any opposing or retention opinions provided by independent directors, they shall be stated clearly in the board meeting minutes.

5.7.3 When there are formulations or amendments to the Regulations, they shall be agreed by over one-half of all members of the Audit Committee, and shall be proposed to the Board of Directors for resolution.

- 5.7.4 If the regulations have not been agreed by over one-half of all members in the Audit Committee, they may be conducted under the approval of over two thirds of all directors, and the resolutions of the Audit Committee shall be clearly stated in the board meeting minutes.
- 5.7.5 The so-called all members in the Audit Committee and all directors in Provision 5.7.4 are counted based on those who are still in office. If there are matters not completed in the Regulations, they shall be conducted in accordance with relevant laws and regulations.
- 5.8 The Regulations were formulated on June 8, 1996.  
The first amendment was made on Jun. 13, 2008.  
The second amendment was made on Jun. 12, 2009.  
The third amendment was made on Jun. 9, 2010.  
The fourth amendment was made on Jun. 11, 2013.  
The fifth amendment was made on June 11, 2015.  
The sixth amendment was made on May 30, 2019.  
The seventh amendment was made on May 29, 2025.

# **Articles of Incorporation, Everlight Chemical Industrial Corporation**

Passed by the Shareholders' Meeting on May 30, 2024

## **Chapter 1 General Rules**

- Article 1: The Company is organized and named “Everlight Chemical Industrial Corporation” in accordance with the regulations of the Company Act of Taiwan, R.O.C.
- Article 2: The Company engages in the following businesses:
- 1.C802200 Coating, Paint, Dye and Pigment Manufacturing;
  - 2.C802120 Industrial and Additive Manufacturing;
  - 3.C802990 Other Chemical Products Manufacturing;
  - 4.C802041 Manufacture of Drugs and Medicines;
  - 5.C802060 Veterinary Drug Manufacturing;
  - 6.C802100 Cosmetics Manufacturing;
  - 7.C801990 Other Chemical Materials Manufacturing;
  - 8.CA04010 Surface Treatments;
  - 9.C801010 Basic Chemical Industrial;
  - 10.F401010 International Trade;
  - 11.C199990 Manufacture of Other Food Products Not Elsewhere Classified;
  - 12.C802110 Cosmetic Pigment Manufacturing;
  - 13.C114010 Food Additives Manufacturing;
  - 14.F108021 Wholesale of Western Pharmaceutical;
  - 15.F208021 Retail Sale of Western Pharmaceutical;
  - 16.ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Company is located in Taipei City and may establish branches, factories, representative offices or sales departments whenever necessary. The establishment and abolishment are all conducted in accordance with the resolutions of the Board of Directors.
- Article 4: The publishing of the Company is conducted in accordance with Article 28 of the Company Act.
- The total investment amount of the Company is not limited to the restriction of 40% of the Company's paid-in capital as defined in the Company Act.

## **Chapter 2 Shares**

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



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

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

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

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

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

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

### **Chapter 3 Shareholders' Meeting**

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

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

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

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

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

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

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

Article 13: Unless otherwise specified by the Company Act, the resolutions of the shareholders' meeting require the attendance of shareholders representing more than a half of all shares issued, and is passed if more than a half of the attending shareholders give their consent.

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

#### **Chapter 4 Directors and Audit Committee**

Article 15: The Company has 7~11 directors, including at least three independent directors, shall be elected among persons with legal capacity from the shareholders' meeting. The total registered shares held by all the directors and supervisors shall not be less than a certain percentage of total issued shares of the Company. The total registered shares held by the directors and supervisors mentioned in the above paragraph shall not be less than the percentage specified by the competent authority.

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

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

Article 16: The Company has set up the Audit Committee and other functional committees. The Audit Committee is composed of the entire independent directors, one of whom is the convener, and at least one of whom shall have accounting or financial expertise.

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

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

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

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

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

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

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

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

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

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

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

## **Chapter 5 Managers**

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

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

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

## **Chapter 6 Accounting**

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

Article 27: If the Company generates a profit for the year, 5% of the profit shall be allocated as employee remuneration and no more than 2% as director remuneration. However, if the Company still has accumulated losses, the amount should be reserved to make up for the losses first. The targets of the employee remuneration given in stock or cash include employees of the subsidiaries approved by the Board of Directors..

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

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

Article 29: The Company's dividend policy is in line with the needs of the Company's various business development investments and takes into account the interests of shareholders. In no other special circumstances, the distributed dividends are no less than 50% of the earnings after-tax after deducting legal reserve.

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

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

## **Chapter 7 Additional provisions**

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

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

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

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

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

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

The fourth amendment was made on May 28, 1977.

The fifth amendment was made on Jun. 18, 1978.

The sixth amendment was made on Mar. 17, 1979.  
The seventh amendment was made on Apr. 1, 1980.  
The eighth amendment was made on Mar. 14, 1981.  
The ninth amendment was made on Mar. 20, 1982.  
The tenth amendment was made on Mar. 26, 1983.  
The eleventh amendment was made on Mar. 10, 1984.  
The twelfth amendment was made on Oct. 3, 1985.  
The thirteenth amendment was made on Mar. 28, 1986.  
The fourteenth amendment was made on Apr. 11, 1987.  
The fifteenth amendment was made on Apr. 26, 1988.  
The sixteenth amendment was made on Apr. 27, 1989.  
The seventeenth amendment was made on Apr. 27, 1990.  
The eighteenth amendment was made on May 24, 1991.  
The nineteenth amendment was made on May 15, 1992.  
The twentieth amendment was made on May 21, 1993.  
The twenty-first amendment was made on May 26, 1994.  
The twenty-second amendment was made on May 26, 1995.  
The twenty-third amendment was made on May 24, 1996.  
The twenty-fourth amendment was made on May 22, 1997.  
The twenty-fifth amendment was made on May 22, 1998.  
The twenty-sixth amendment was made on May 20, 1999.  
The twenty-seventh amendment was made on May 19, 2000.  
The twenty-eighth amendment was made on May 18, 2001.  
The twenty-ninth amendment was made on Jun. 21, 2002.  
The thirtieth amendment was made on Jun. 5, 2003.  
The thirty-first amendment was made on Jun. 16, 2005.  
The thirty-second amendment was made on Jun. 8, 2006.  
The thirty-third amendment was made on Jun. 13, 2008.  
The thirty-fourth amendment was made on Jun. 12, 2009.  
The thirty-fifth amendment was made on Jun. 9, 2010.  
The thirty-sixth amendment was made on May 24, 2011.  
The thirty-seventh amendment was made on May 24, 2012.  
The thirty-eighth amendment was made on Jun. 11, 2013.  
The thirty-ninth amendment was made on Jun. 20, 2014.  
The fortieth amendment was made on Jun. 11, 2015.  
The forty-first amendment was made on Jun. 15, 2016.  
The forty-second amendment was made on Jun. 8, 2017.  
The forty-third amendment was made on May 30, 2019.  
The forty-fourth amendment was made on May 26, 2022.  
The forty-fifth amendment was made on May 25, 2023.  
The forty-sixth amendment was made on May 30, 2024.

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

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

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

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

March. 31 , 2025

Title	Name	The shareholding listed on the shareholders name list as of the book closure date	
		Shareholding	Shareholding ratio %
Chairman	Ethical Investment Corp. Representative: Chen, Chien-Hsin	61,000,000	11.13%
Director	Chen, Ding-Chi	12,706,254	2.31%
Director	Chen, Wei-Wang	6,300,000	1.15%
Director	Chen, Chien-Ming	3,508,192	0.64%
Director	Chen, Ju-Ai	6,000,000	1.09%
Director	Lee, Yung-Long	2,281,007	0.41%
Director	Ken, Wen-Yuen	2,951,405	0.53%
Director	Lin, Chao-Wen	71,691	0.01%
Independent director	Yang, Way-Wen	0	0%
Independent director	Chang, Yuan-Jan	0	0%
Independent director	Lin, Shu-Yu	0	0%
Total shareholding of all directors		94,818,549	17.31%

The left side of the image features a vertical arrangement of hexagonal shapes. At the top is a large, solid light-purple hexagon with a dark purple outline. Below it are several other hexagons, some consisting of multiple concentric outlines in varying shades of purple and white, creating a layered, geometric effect.

Better Chemistry  
Better Life