

EVERMORE CHEMICAL INDUSTRY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

September 30, 2023 and December 31 and September 30, 2022

Unit: NTD thousand

Code	ASSETS	September 30, 2023		December 31, 2022		September 30, 2022	
		Amount	%	Amount	%	Amount	%
	CURRENT ASSETS						
1100	Cash (Notes 6)	\$ 340,141	10	\$ 172,219	5	\$ 280,252	7
1136	Financial assets measured at amortized cost - current (Notes VII and XXIV)	36,925	1	59,784	2	74,634	2
1150	Notes receivable (Notes VIII)	179,009	5	278,809	8	325,676	8
1170	Accounts receivable due from non-related parties (Notes VIII)	381,279	11	412,679	12	504,000	13
1180	Accounts receivable due from related parties (Notes VIII and XXIII)	59,898	2	37,284	1	46,090	1
1200	Other receivables	4,855	-	1,950	-	5,926	-
1220	Current tax assets (Notes IV and XIX)	203	-	2,691	-	2,701	-
130X	Inventories (Notes IX)	593,144	18	680,911	20	830,585	22
1410	Prepayments	56,645	2	49,391	2	62,838	2
1479	Other current assets	359	-	628	-	1,090	-
11XX	Total current assets	<u>1,652,458</u>	<u>49</u>	<u>1,696,346</u>	<u>50</u>	<u>2,133,792</u>	<u>55</u>
	NON-CURRENT ASSETS						
1600	Property, plant, and equipment (Notes XI, and XXIV)	1,336,848	40	1,373,046	40	1,391,871	36
1755	Right-of-use assets (Notes XXII and XXIV)	204,252	6	206,047	6	213,377	6
1760	Investment real estate	1,007	-	1,007	-	1,007	-
1780	Intangible assets (Note XIII)	54,170	2	55,059	2	53,872	1
1840	Deferred tax assets (Notes IV and XIX)	29,856	1	24,503	1	32,640	1
1915	Prepayments for equipment	64,776	2	31,580	1	18,842	1
1920	Refundable deposits	1,181	-	1,254	-	1,194	-
15XX	Total non-current assets	<u>1,692,090</u>	<u>51</u>	<u>1,692,496</u>	<u>50</u>	<u>1,712,803</u>	<u>45</u>
1XXX	TOTAL	<u>\$ 3,344,548</u>	<u>100</u>	<u>\$ 3,388,842</u>	<u>100</u>	<u>\$ 3,846,595</u>	<u>100</u>
	LIABILITIES AND EQUITY						
	CURRENT LIABILITIES						
2100	Short-term bank loans (Notes XIV and XXIV)	\$ 903,354	27	\$ 909,553	27	\$ 1,155,959	30
2110	Short term notes and bills payable (Note XXIV)	39,944	1	109,860	3	109,852	3
2150	Notes payable	3,989	-	25,427	1	101,594	3
2170	Accounts payable (Note XXIII)	292,338	9	205,193	6	308,066	8
2200	Other payables (Notes XV and XXIII)	109,682	3	108,185	3	127,842	3
2230	Current tax liabilities (Notes IV and XIX)	12,825	1	9,703	-	12,134	-
2280	Lease liabilities - current (Notes XII)	3,899	-	3,866	-	3,855	-
2322	Long-term bank loans due within one year (Notes XIV and XXIV)	79,000	2	54,000	2	54,000	2
2399	Other current liabilities- Other	5,788	-	12,715	1	11,186	-
21XX	Total current liabilities	<u>1,450,819</u>	<u>43</u>	<u>1,438,502</u>	<u>43</u>	<u>1,884,488</u>	<u>49</u>
	Noncurrent liabilities						
2541	Short-term bank loans (Notes XIV and XXIV)	311,117	9	376,617	11	390,117	10
2570	Deferred tax liabilities (Notes IV and XIX)	56,343	2	44,148	1	50,571	1
2580	Lease liabilities - non-current (Notes XII)	30,706	1	33,635	1	34,606	1
2645	Guarantee deposits	442	-	441	-	448	-
25XX	Total non-current liabilities	<u>398,608</u>	<u>12</u>	<u>454,841</u>	<u>13</u>	<u>475,742</u>	<u>12</u>
2XXX	Total liabilities	<u>1,849,427</u>	<u>55</u>	<u>1,893,343</u>	<u>56</u>	<u>2,360,230</u>	<u>61</u>
	EQUITY						
3110	Share capital from common stock	993,880	30	993,880	29	993,880	26
3200	Capital surplus	98,017	3	98,017	3	98,017	3
	Retained earnings						
3310	Legal reserve	226,553	7	223,032	7	223,032	6
3320	Special reserve	-	-	24,313	1	24,313	1
3350	Unappropriated earnings	169,557	5	152,499	4	130,065	3
3400	Other equity	7,114	-	3,758	-	17,058	-
3XXX	Total equity	<u>1,495,121</u>	<u>45</u>	<u>1,495,499</u>	<u>44</u>	<u>1,486,365</u>	<u>39</u>
	TOTAL	<u>\$ 3,344,548</u>	<u>100</u>	<u>\$ 3,388,842</u>	<u>100</u>	<u>\$ 3,846,595</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Ho Wen-Chieh

Manager: Huang Chng-Tze

Chief Accountant: Chen Hsiang-Li

EVERMORE CHEMICAL INDUSTRY CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
July 1 to September 30, 2023 and 2022 and January 1 to September 30, 2023 and 202

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		July 1 to September 30, 2023		July 1 to September 30, 2022		January 1 to September 30, 2023		January 1 to September 30, 2022	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	NET SALES REVENUES (Notes XXIII)	\$ 630,053	100	\$ 709,318	100	\$ 1,750,026	100	\$ 2,327,755	100
5000	Operating costs (Notes IX, XVIII and XXIII)	<u>511,226</u>	<u>81</u>	<u>632,018</u>	<u>89</u>	<u>1,438,679</u>	<u>82</u>	<u>2,028,495</u>	<u>87</u>
5900	Gross profit	<u>118,827</u>	<u>19</u>	<u>77,300</u>	<u>11</u>	<u>311,347</u>	<u>18</u>	<u>299,260</u>	<u>13</u>
	OPERATING EXPENSES (Note XVIII)								
6100	Selling and marketing expenses	34,843	5	40,140	6	100,839	6	121,034	5
6200	Management expenses	46,076	7	39,292	5	126,247	7	113,380	5
6300	Research and development expenses	16,395	3	18,738	3	47,328	3	54,690	2
6450	Expected credit loss(gain) (Notes VIII)	(7,064)	(1)	(4,857)	(1)	(17,630)	(1)	31,875	2
6000	Total operating expenses	<u>90,250</u>	<u>14</u>	<u>93,313</u>	<u>13</u>	<u>256,784</u>	<u>15</u>	<u>320,979</u>	<u>14</u>
6900	PROFIT (LOSS) FROM OPERATIONS	<u>28,577</u>	<u>5</u>	(16,013)	(2)	<u>54,563</u>	<u>3</u>	(21,719)	(1)
	Non-operating revenue and expenditure								
7010	Other income	2,346	-	4,022	1	8,150	1	12,247	-
7100	Interest income	1,512	-	113	-	4,195	-	432	-
7210	Gain (loss) on disposal of property, plant, and equipment	11	-	(9)	-	89	-	(623)	-
7230	Foreign exchange net gain (loss)	12,042	2	21,479	3	19,805	1	45,282	2
7510	Interest fees	(6,085)	(1)	(6,643)	(1)	(19,069)	(1)	(19,854)	(1)
7590	Other non-operating expenses	(628)	-	(551)	-	(2,149)	-	(1,158)	-
7000	Total non-operating income and expenses	<u>9,198</u>	<u>1</u>	<u>18,411</u>	<u>3</u>	<u>11,021</u>	<u>1</u>	<u>36,326</u>	<u>1</u>
7900	Net profits before tax	37,775	6	2,398	1	65,584	4	14,607	-
7950	Income tax expense (gain) (Notes IV and XIX)	<u>8,028</u>	<u>1</u>	(1,188)	-	<u>13,953</u>	<u>1</u>	<u>1,831</u>	-
8200	Net income	<u>29,747</u>	<u>5</u>	<u>3,586</u>	<u>1</u>	<u>51,631</u>	<u>3</u>	<u>12,776</u>	-
	OTHER COMPREHENSIVE INCOME (LOSS)								
8360	Items that may be reclassified subsequently to profit or loss :								
8361	Exchange differences on translating the financial statements of foreign operations	20,827	3	21,658	3	5,531	-	50,953	2
8399	Income tax related to items that may be reclassified to profit or loss	(4,837)	(1)	(4,177)	(1)	(2,175)	-	(9,582)	-
8300	Other comprehensive income (loss) for the year, net income tax	<u>15,990</u>	<u>2</u>	<u>17,481</u>	<u>2</u>	<u>3,356</u>	-	<u>41,371</u>	<u>2</u>
8500	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 45,737</u>	<u>7</u>	<u>\$ 21,067</u>	<u>3</u>	<u>\$ 54,987</u>	<u>3</u>	<u>\$ 54,147</u>	<u>2</u>
	EARNINGS PER SHARE (Note XX)								
9710	Basic	<u>\$ 0.30</u>		<u>\$ 0.04</u>		<u>\$ 0.52</u>		<u>\$ 0.13</u>	
9810	Diluted	<u>\$ 0.30</u>		<u>\$ 0.04</u>		<u>\$ 0.52</u>		<u>\$ 0.13</u>	

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Ho Wen-Chieh

Manager: Huang Chng-Tze

Chief Accountant: Chen Hsiang-Li

EVERMORE CHEMICAL INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

January 1 to September 30, 2023 and 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

		EQUITY					Exchange differences on translating the financial statements of foreign operations	Total Equity
Code		Share capital from common stock (Note XVII)	Capital Surplus (Note XVII)	Retained Earnings (Note XVII)				
				Legal Reserve	Special Reserve	Unappropriated Earnings		
A1	Balance on January 1, 2022	\$ 993,880	\$ 98,017	\$ 222,026	\$ 11,624	\$ 130,984	(\$ 24,313)	\$ 1,432,218
	Earnings allocation and distribution for 2021							
B1	Legal reserve	-	-	1,006	-	(1,006)	-	-
B3	Special reserve	-	-	-	12,689	(12,689)	-	-
D1	Net profit from January 1 to September 30,2022	-	-	-	-	12,776	-	12,776
D3	Other comprehensive income (loss) after tax from January 1 to September 30, 2022	-	-	-	-	-	41,371	41,371
D5	Total comprehensive income (loss) from January 1 to September 30, 2022	-	-	-	-	12,776	41,371	54,147
Z1	Balance on September 30, 2022	\$ 993,880	\$ 98,017	\$ 223,032	\$ 24,313	\$ 130,065	\$ 17,058	\$ 1,486,365
A1	Balance on January 1, 2023	\$ 993,880	\$ 98,017	\$ 223,032	\$ 24,313	\$ 152,499	\$ 3,758	\$ 1,495,499
	Earnings allocation and distribution for 2022							
B1	Legal reserve	-	-	3,521	-	(3,521)	-	-
B5	Cash dividend	-	-	-	-	(49,694)	-	(49,694)
B17	Reversal of special reserve	-	-	-	(24,313)	24,313	-	-
M3	Organizational restructuring	-	-	-	-	(5,671)	-	(5,671)
D1	Net profit from January 1 to September 30,2023	-	-	-	-	51,631	-	51,631
D3	Other comprehensive income (loss) after tax from January 1 to September 30, 2023	-	-	-	-	-	3,356	3,356
D5	Total comprehensive income (loss) from January 1 to September 30, 2023	-	-	-	-	51,631	3,356	54,987
Z1	Balance on September 30, 2023	\$ 993,880	\$ 98,017	\$ 226,553	\$ -	\$ 169,557	\$ 7,114	\$ 1,495,121

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Chairman: Ho Wen-Chieh

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Chief Accountant: Chen Hsiang-Li

EVERMORE CHEMICAL INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOW

January 1 to September 30, 2023 and 2022

Unit: NTD thousand

<u>Code</u>		<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
	CASH FLOW FROM OPERATING ACTIVITIES		
A10000	Income before tax	\$ 65,584	\$ 14,607
	Incomes and expense items :		
A20100	Depreciation expense	80,931	77,374
A20200	Amortization expense	1,451	1,248
A20300	Expected credit loss (Reversal of benefits)	(17,630)	31,874
A20900	Interest fees	19,069	19,854
A21200	Interest income	(4,195)	(432)
A22500	Loss on disposal of property, plant, and equipment	(89)	623
A23700	Loss for market price decline and obsolete and slow-moving inventories	981	18,395
A24100	Foreign exchange losses (gains)	(8,971)	(18,966)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	99,677	(134,376)
A31150	Accounts receivable	37,323	214,414
A31180	Other receivables	(2,899)	5,783
A31200	Inventories	87,155	(84,641)
A31230	Prepayments	(6,655)	(10,099)
A31240	Other current assets	269	(236)
A32130	Notes payable	(21,437)	75,466
A32150	Accounts payables	85,650	(23,312)
A32180	Other payables	(3,862)	9,834
A32230	Other current liabilities	(6,926)	(3,208)
A33000	Cash generated from operations	405,426	194,202
A33100	Interest received	4,195	432
A33300	Interest paid	(18,322)	(18,980)
A33500	Income tax paid	(6,599)	(1,816)
AAAA	Net cash generated from operating activities	<u>384,700</u>	<u>173,838</u>

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Code		January 1 to September 30, 2023	January 1 to September 30, 2022
	CASH FLOW FROM INVESTING ACTIVITIES		
B00050	Disposal of financial assets measured at amortized cost	24,745	5,861
B02700	Payments for property, plant, and equipment	(37,070)	(24,986)
B02800	Proceeds from disposal of property, plant, and equipment	89	1,480
B03700	Increase in refundable deposits	-	(60)
B03800	Decrease in refundable deposits	73	151
B04500	Acquisition of intangible assets	(723)	(4,667)
B07100	Increase in prepayments for equipment	(<u>25,701</u>)	(<u>45,367</u>)
BBBB	Net cash used in investing activities	(<u>38,587</u>)	(<u>67,588</u>)
	CASH FLOW FROM FINANCING ACTIVITIES		
C00100	Proceeds from short-term borrowings	4,478,525	4,893,123
C00200	Repayments of short-term borrowings	(4,484,005)	(4,882,627)
C00600	Net decrease in short-term notes and bills payable	(70,528)	(20,820)
C01700	Repayments of long-term borrowings	(40,500)	(43,000)
C04020	Payments of lease liabilities	(2,896)	(1,912)
C04500	Distribution of cash dividend	(49,694)	-
C05700	Income tax paid on disposal of subsidiary companies	(<u>5,671</u>)	<u>-</u>
CCCC	Net cash generated from (used in) financing activities	(<u>174,769</u>)	(<u>55,236</u>)
DDDD	Effects of exchange rate changes on cash	(<u>3,422</u>)	<u>1,193</u>
EEEE	Net increase in cash and cash equivalents	167,922	52,207
E00100	Cash and cash equivalents at the beginning of period	<u>172,219</u>	<u>228,045</u>
E00200	Cash and cash equivalents at the end of period	<u>\$ 340,141</u>	<u>\$ 280,252</u>

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