

## EVERMORE CHEMICAL INDUSTRY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

June 30, 2023 and December 31 and June 30, 2022

Unit: NTD thousand

Code	ASSETS	June 30, 2023		December 31, 2022		June 30, 2022	
		Amount	%	Amount	%	Amount	%
	CURRENT ASSETS						
1100	Cash (Notes 6)	\$ 326,672	10	\$ 172,219	5	\$ 211,770	5
1136	Financial assets measured at amortized cost - current (Notes VII and XXV)	58,969	2	59,784	2	69,958	2
1150	Notes receivable (Notes VIII)	169,715	5	278,809	8	336,295	9
1170	Accounts receivable due from non-related parties (Notes VIII)	343,415	11	412,679	12	595,979	15
1180	Accounts receivable due from related parties (Notes VIII and XXIV)	58,836	2	37,284	1	55,059	1
1200	Other receivables	3,323	-	1,950	-	6,891	-
1220	Current tax assets (Notes IV and XIX)	2,888	-	2,691	-	2,701	-
130X	Inventories (Notes IX)	582,526	18	680,911	20	915,938	23
1410	Prepayments	45,785	1	49,391	2	70,405	2
1479	Other current assets	487	-	628	-	601	-
11XX	Total current assets	<u>1,592,616</u>	<u>49</u>	<u>1,696,346</u>	<u>50</u>	<u>2,265,597</u>	<u>57</u>
	NON-CURRENT ASSETS						
1600	Property, plant, and equipment (Notes XI, and XXV)	1,346,187	41	1,373,046	40	1,396,615	35
1755	Right-of-use assets (Notes XXII and XXV)	202,620	6	206,047	6	206,846	5
1760	Investment real estate	1,007	-	1,007	-	1,007	-
1780	Intangible assets (Note XIII)	54,042	2	55,059	2	53,165	1
1840	Deferred tax assets (Notes IV and XIX)	31,695	1	24,503	1	29,492	1
1915	Prepayments for equipment	53,555	1	31,580	1	15,808	1
1920	Refundable deposits	1,175	-	1,254	-	1,193	-
15XX	Total non-current assets	<u>1,690,281</u>	<u>51</u>	<u>1,692,496</u>	<u>50</u>	<u>1,704,126</u>	<u>43</u>
1XXX	TOTAL	<u>\$ 3,282,897</u>	<u>100</u>	<u>\$ 3,388,842</u>	<u>100</u>	<u>\$ 3,969,723</u>	<u>100</u>
	LIABILITIES AND EQUITY						
	CURRENT LIABILITIES						
2100	Short-term bank loans (Notes XIV and XXV)	\$ 936,123	29	\$ 909,553	27	\$ 1,228,414	31
2110	Short term notes and bills payable (Note XXIV)	39,988	1	109,860	3	109,956	3
2150	Notes payable	1,501	-	25,427	1	80,404	2
2170	Accounts payable (Note XXIV)	186,064	6	205,193	6	398,359	10
2200	Other payables (Notes XV and XXIV)	158,350	5	108,185	3	125,886	3
2230	Current tax liabilities (Notes IV and XIX)	9,083	-	9,703	-	11,847	-
2280	Lease liabilities - current (Notes XII)	3,888	-	3,866	-	3,844	-
2322	Long-term bank loans due within one year (Notes XIV and XXV)	66,500	2	54,000	2	54,000	2
2399	Other current liabilities- Other	9,502	-	12,715	1	9,355	-
21XX	Total current liabilities	<u>1,410,999</u>	<u>43</u>	<u>1,438,502</u>	<u>43</u>	<u>2,022,065</u>	<u>51</u>
	Noncurrent liabilities						
2541	Short-term bank loans (Notes XIV and XXV)	337,117	10	376,617	11	403,617	10
2570	Deferred tax liabilities (Notes IV and XIX)	47,613	2	44,148	1	42,725	1
2580	Lease liabilities - non-current (Notes XII)	31,685	1	33,635	1	35,574	1
2645	Guarantee deposits	428	-	441	-	444	-
25XX	Total non-current liabilities	<u>416,843</u>	<u>13</u>	<u>454,841</u>	<u>13</u>	<u>482,360</u>	<u>12</u>
2XXX	Total liabilities	<u>1,827,842</u>	<u>56</u>	<u>1,893,343</u>	<u>56</u>	<u>2,504,425</u>	<u>63</u>
	EQUITY						
3110	Share capital from common stock	993,880	30	993,880	29	993,880	25
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	-
3350	Unappropriated earnings	145,481	4	152,499	4	126,479	3
3400	Other equity	( 8,876 )	-	3,758	-	( 423 )	-
3XXX	Total equity	<u>1,455,055</u>	<u>44</u>	<u>1,495,499</u>	<u>44</u>	<u>1,465,298</u>	<u>37</u>
	TOTAL	<u>\$ 3,282,897</u>	<u>100</u>	<u>\$ 3,388,842</u>	<u>100</u>	<u>\$ 3,969,723</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  
April 1 to June 30, 2023 and 2022 and January 1 to June 30, 2023 and 202

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

Code		April 1 to June 30, 2023		April 1 to June 30, 2022		January 1 to June 30, 2023		January 1 to June 30, 2022	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	NET SALES REVENUES (Notes XXIV)	\$ 549,221	100	\$ 817,897	100	\$ 1,119,973	100	\$ 1,618,437	100
5000	Operating costs (Notes IX, XVIII and XXIV)	<u>470,494</u>	<u>86</u>	<u>707,454</u>	<u>86</u>	<u>927,453</u>	<u>82</u>	<u>1,396,477</u>	<u>86</u>
5900	Gross profit	<u>78,727</u>	<u>14</u>	<u>110,443</u>	<u>14</u>	<u>192,520</u>	<u>18</u>	<u>221,960</u>	<u>14</u>
	OPERATING EXPENSES (Note XVIII)								
6100	Selling and marketing expenses	33,405	6	40,271	5	65,996	6	80,894	5
6200	Management expenses	38,983	7	39,649	5	80,171	7	74,088	5
6300	Research and development expenses	15,595	3	18,927	2	30,933	3	35,952	2
6450	Expected credit loss(gain) (Notes VIII)	( 3,000)	( 1	( 1,146)	-	( 10,566)	( 1	36,732	2
6000	Total operating expenses	<u>84,983</u>	<u>15</u>	<u>97,701</u>	<u>12</u>	<u>166,534</u>	<u>15</u>	<u>227,666</u>	<u>14</u>
6900	PROFIT (LOSS) FROM OPERATIONS	( 6,256)	( 1	12,742	2	25,986	3	( 5,706)	-
	Non-operating revenue and expenditure								
7010	Other income	3,334	-	4,168	-	5,804	-	8,225	1
7100	Interest income	2,143	-	244	-	2,683	-	319	-
7210	Gain (loss) on disposal of property, plant, and equipment	78	-	( 614)	-	78	-	( 614)	-
7230	Foreign exchange net gain (loss)	8,970	2	12,455	2	7,763	1	23,803	1
7510	Interest fees	( 6,466)	( 1	( 7,305)	( 1	( 12,984)	( 1	( 13,211)	( 1
7590	Other non-operating expenses	( 1,152)	-	( 30)	-	( 1,521)	-	( 607)	-
7000	Total non-operating income and expenses	<u>6,907</u>	<u>1</u>	<u>8,918</u>	<u>1</u>	<u>1,823</u>	-	<u>17,915</u>	<u>1</u>
7900	Net profits before tax	651	-	21,660	3	27,809	3	12,209	1
7950	Income tax expense (gain) (Notes IV and XIX)	( 751)	-	4,485	1	5,925	1	3,019	-
8200	Net income	<u>1,402</u>	-	<u>17,175</u>	<u>2</u>	<u>21,884</u>	<u>2</u>	<u>9,190</u>	<u>1</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	( 16,725)	( 3	( 2,715)	-	( 15,296)	( 1	29,295	2
8399	Income tax related to items that may be reclassified to profit or loss	<u>2,865</u>	<u>1</u>	<u>233</u>	-	<u>2,662</u>	-	( 5,405)	( 1
8300	Other comprehensive income (loss) for the year, net income tax	( 13,860)	( 2	( 2,482)	-	( 12,634)	( 1	23,890	1
8500	TOTAL COMPREHENSIVE INCOME FORTHE PERIOD	( \$ 12,458)	( 2	\$ 14,693	2	\$ 9,250	1	\$ 33,080	2
	EARNINGS PER SHARE (Note XX)								
9750	Basic	\$ 0.01		\$ 0.17		\$ 0.22		\$ 0.09	
9850	Diluted	\$ 0.01		\$ 0.17		\$ 0.22		\$ 0.09	

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 June 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 June 30,2022	-	-	-	-	9,190	-	9,190
D3	Other comprehensive income (loss) after tax from January 1 to June 30, 2022	-	-	-	-	-	23,890	23,890
D5	Total comprehensive income (loss) from January 1 to June 30, 2022	-	-	-	-	9,190	23,890	33,080
Z1	Balance on June 30, 2022	\$ 993,880	\$ 98,017	\$ 223,032	\$ 24,313	\$ 126,479	(\$ 423)	\$ 1,465,298
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	-	-
D1	Net profit from January 1 to June 30,2023	-	-	-	-	21,884	-	21,884
D3	Other comprehensive income (loss) after tax from January 1 to June 30, 2023	-	-	-	-	-	( 12,634)	( 12,634)
D5	Total comprehensive income (loss) from January 1 to June 30, 2023	-	-	-	-	21,884	( 12,634)	9,250
Z1	Balance on June 30, 2023	\$ 993,880	\$ 98,017	\$ 226,553	\$ -	\$ 145,481	(\$ 8,876)	\$ 1,455,055

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

January 1 to June 30, 2023 and 2022

Unit: NTD thousand

Code		January 1 to June 30, 2023	January 1 to June 30, 2022
	CASH FLOW FROM OPERATING ACTIVITIES		
A10000	Income before tax	\$ 27,809	\$ 12,209
A20010	Incomes and expense items :		
A20100	Depreciation expense	53,753	50,549
A20200	Amortization expense	966	779
A20300	Expected credit loss ( Reversal of benefits )	( 10,566 )	36,732
A20900	Interest fees	12,984	13,211
A21200	Interest income	( 2,683 )	( 319 )
A22500	Loss on disposal of property, plant, and equipment	( 78 )	614
A23700	Loss for market price decline and obsolete and slow-moving inventories	-	2,182
A23800	Gain from price recovery of inventory	( 2,406 )	-
A24100	Net unrealized foreign currency exchange benefits	( 7,149 )	( 3,556 )
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	106,013	( 146,748 )
A31150	Accounts receivable	62,949	91,875
A31180	Other receivables	( 1,383 )	4,835
A31200	Inventories	95,740	( 157,787 )
A31230	Prepayments	1,728	( 18,719 )
A31240	Other current assets	141	253
A32130	Notes payable	( 23,926 )	54,276
A32150	Accounts payables	( 18,418 )	70,287
A32180	Other payables	( 14,769 )	2,036
A32230	Other current liabilities	( 3,213 )	( 5,039 )
A33000	Cash generated from operations	277,492	7,670
A33100	Interest received	2,683	319
A33300	Interest paid	( 12,509 )	( 12,128 )
A33500	Income tax paid	( 7,328 )	( 3,579 )
AAAA	Net cash generated from (used in) operating activities	<u>260,338</u>	<u>( 7,718 )</u>

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Code		January 1 to June 30, 2023	January 1 to June 30, 2022
	CASH FLOW FROM INVESTING ACTIVITIES		
B00050	Disposal of financial assets measured at amortized cost	-	5,861
B02700	Payments for property, plant, and equipment	( 16,595 )	( 9,616 )
B02800	Proceeds from disposal of property, plant, and equipment	78	1,467
B03700	Increase in refundable deposits	-	( 60 )
B03800	Decrease in refundable deposits	73	151
B04500	Acquisition of intangible assets	( 236 )	( 4,060 )
B07100	Increase in prepayments for equipment	( 10,739 )	( 33,973 )
BBBB	Net cash used in investing activities	( 27,419 )	( 40,230 )
	CASH FLOW FROM FINANCING ACTIVITIES		
C00100	Proceeds from short-term borrowings	3,237,314	2,593,206
C00200	Repayments of short-term borrowings	( 3,209,840 )	( 2,508,382 )
C00600	Net decrease in short-term notes and bills payable	( 70,333 )	( 20,412 )
C01700	Repayments of long-term borrowings	( 27,000 )	( 29,500 )
C04020	Payments of lease liabilities	( 1,928 )	( 955 )
CCCC	Net cash generated from (used in) financing activities	( 71,787 )	33,957
DDDD	Effects of exchange rate changes on cash	( 6,679 )	( 2,284 )
EEEE	Net increase(decrease) in cash and cash equivalents	154,453	( 16,275 )
E00100	Cash and cash equivalents at the beginning of period	172,219	228,045
E00200	Cash and cash equivalents at the end of period	\$ 326,672	\$ 211,770

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

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