

EVERMORE CHEMICAL INDUSTRY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

March 31, 2023 and December 31 and March 31, 2022

Unit: NTD thousand

Code	ASSETS	March 31, 2023		December 31, 2022		March 31, 2022	
		Amount	%	Amount	%	Amount	%
	CURRENT ASSETS						
1100	Cash and cash equivalents(Notes 6)	\$ 302,841	9	\$ 172,219	5	\$ 244,130	6
1136	Financial assets measured at amortized cost - current (Notes VII)	58,477	2	59,784	2	67,350	2
1150	Notes receivable (Notes VIII)	206,530	6	278,809	8	237,600	6
1170	Accounts receivable due from non-related parties (Notes VIII)	378,448	11	412,679	12	663,661	17
1180	Accounts receivable due from related parties (Notes VIII and XXIII)	42,176	1	37,284	1	30,421	1
1200	Other receivables	1,851	-	1,950	-	11,682	-
1220	Current tax assets (Notes IV and XIX)	2,691	-	2,691	-	2,691	-
130X	Inventories (Notes IX)	678,702	20	680,911	20	886,051	23
1410	Prepayments	48,286	2	49,391	2	59,521	2
1479	Other current assets	1,400	-	628	-	853	-
11XX	Total current assets	<u>1,721,402</u>	<u>51</u>	<u>1,696,346</u>	<u>50</u>	<u>2,203,960</u>	<u>57</u>
	NON-CURRENT ASSETS						
1600	Property, plant, and equipment (Notes XI, and XXIV)	1,359,717	40	1,373,046	40	1,376,084	36
1755	Right-of-use assets (Notes XXII)	202,520	6	206,047	6	164,580	4
1760	Investment real estate	1,007	-	1,007	-	1,007	-
1780	Intangible assets (Note XIII)	54,613	1	55,059	2	49,899	1
1840	Deferred tax assets (Notes IV and XIX)	28,453	1	24,503	1	29,719	1
1915	Prepayments for equipment	35,596	1	31,580	1	36,199	1
1920	Refundable deposits	1,195	-	1,254	-	1,244	-
15XX	Total non-current assets	<u>1,683,101</u>	<u>49</u>	<u>1,692,496</u>	<u>50</u>	<u>1,658,732</u>	<u>43</u>
1XXX	TOTAL	<u>\$ 3,404,503</u>	<u>100</u>	<u>\$ 3,388,842</u>	<u>100</u>	<u>\$ 3,862,692</u>	<u>100</u>
	LIABILITIES AND EQUITY						
	CURRENT LIABILITIES						
2100	Short-term bank loans (Notes XIV and XXIV)	\$ 977,090	29	\$ 909,553	27	\$ 1,197,807	31
2110	Short term notes and bills payable (Note XXIV)	39,934	1	109,860	3	109,821	3
2150	Notes payable	3,292	-	25,427	1	4,367	-
2170	Accounts payable (Note XXIII)	249,576	7	205,193	6	449,356	12
2200	Other payables (Notes XV and XXIII)	85,266	3	108,185	3	104,383	3
2230	Current tax liabilities (Notes IV and XIX)	15,144	-	9,703	-	10,714	-
2280	Long-term bank loans due within one year (Notes XIV and XXIV)	3,877	-	3,866	-	-	-
2322	Other current liabilities- Other	54,000	2	54,000	2	54,000	1
2399	Total current liabilities	<u>14,747</u>	<u>-</u>	<u>12,715</u>	<u>1</u>	<u>21,261</u>	<u>-</u>
21XX	Long-term bank loans due within one year (Notes XIV and XXIV)	<u>1,442,926</u>	<u>42</u>	<u>1,438,502</u>	<u>43</u>	<u>1,951,709</u>	<u>50</u>
	Noncurrent liabilities						
2541	Short-term bank loans (Notes XIV and XXIV)	363,117	11	376,617	11	417,117	11
2570	Deferred tax liabilities (Notes IV and XIX)	48,148	1	44,148	1	42,810	1
2580	Lease liabilities - non-current (Notes XII)	32,662	1	33,635	1	-	-
2645	Guarantee deposits	443	-	441	-	451	-
25XX	Total non-current liabilities	<u>444,370</u>	<u>13</u>	<u>454,841</u>	<u>13</u>	<u>460,378</u>	<u>12</u>
2XXX	Total liabilities	<u>1,887,296</u>	<u>55</u>	<u>1,893,343</u>	<u>56</u>	<u>2,412,087</u>	<u>62</u>
	EQUITY						
3110	Share capital from common stock	993,880	29	993,880	29	993,880	26
3200	Capital surplus	98,017	3	98,017	3	98,017	3
	Retained earnings						
3310	Legal reserve	223,032	7	223,032	7	222,026	6
3320	Special reserve	24,313	1	24,313	1	11,624	-
3350	Unappropriated earnings	172,981	5	152,499	4	122,999	3
3400	Other equity	<u>4,984</u>	<u>-</u>	<u>3,758</u>	<u>-</u>	<u>2,059</u>	<u>-</u>
3XXX	Total equity	<u>1,517,207</u>	<u>45</u>	<u>1,495,499</u>	<u>44</u>	<u>1,450,605</u>	<u>38</u>
	TOTAL	<u>\$ 3,404,503</u>	<u>100</u>	<u>\$ 3,388,842</u>	<u>100</u>	<u>\$ 3,862,692</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

January 1 to March 31, 2023 and 2022

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

Code		January 1 to March 31, 2023		January 1 to March 31, 2022	
		Amount	%	Amount	%
4000	NET SALES REVENUES (Notes XXIII)	\$ 570,752	100	\$ 800,540	100
5000	Operating costs (Notes IX, XVIII and XXIII)	<u>456,959</u>	<u>80</u>	<u>689,023</u>	<u>86</u>
5900	Gross profit	<u>113,793</u>	<u>20</u>	<u>111,517</u>	<u>14</u>
	OPERATING EXPENSES (Note XVIII)				
6100	Selling and marketing expenses	32,591	6	40,623	5
6200	Management expenses	41,188	7	34,439	4
6300	Research and development expenses	15,338	3	17,025	2
6450	Expected credit loss(gain) (Notes VIII)	(<u>7,566</u>)	(<u>2</u>)	(<u>37,878</u>)	(<u>5</u>)
6000	Total operating expenses	<u>81,551</u>	<u>14</u>	<u>129,965</u>	<u>16</u>
6900	PROFIT (LOSS) FROM OPERATIONS	<u>32,242</u>	<u>6</u>	(<u>18,448</u>)	(<u>2</u>)
	Non-operating revenue and expenditure				
7010	Other income	2,470	-	4,057	1
7020	Other gains(losses)	(369)	-	(577)	-
7100	Interest income	540	-	75	-
7510	Interest fees	(6,518)	(1)	(5,906)	(1)
7630	Foreign exchange net gain (loss)	(<u>1,207</u>)	<u>-</u>	<u>11,348</u>	<u>1</u>
7000	Total non-operating income and expenses	(<u>5,084</u>)	(<u>1</u>)	<u>8,997</u>	<u>1</u>
7900	Net profit (loss) before tax	27,158	5	(9,451)	(1)
7950	Income tax expense (gain) (Notes IV and XIX)	<u>6,676</u>	<u>1</u>	(<u>1,466</u>)	<u>-</u>
8200	Net profit (loss)	<u>20,482</u>	<u>4</u>	(<u>7,985</u>)	(<u>1</u>)

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Code		January 1 to March 31, 2023		January 1 to March 31, 2022	
		Amount	%	Amount	%
	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	\$ 1,429	-	\$ 32,010	4
8399	Income tax related to items that may be reclassified to profit or loss	(203)	-	(5,638)	(1)
8300	Other comprehensive income (loss) for the year, net income tax	<u>1,226</u>	<u>-</u>	<u>26,372</u>	<u>3</u>
8500	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 21,708</u>	<u>4</u>	<u>\$ 18,387</u>	<u>2</u>
	EARNINGS PER SHARE (Note XX)				
9750	Basic	<u>\$ 0.21</u>		<u>(\$ 0.08)</u>	
9850	Diluted	<u>\$ 0.21</u>		<u>(\$ 0.08)</u>	

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

January 1 to March 31, 2023 and 2022

Unit: NTD thousand

代 碼		EQUITY					Exchange differences on translating the financial statements of foreign operations	Total Equity
		Share capital from common stock (Note XVII)	Capital Surplus (Note XVII)	Retained Earnings (Note XVII)		Unappropriated Earnings		
				Legal Reserve	Special Reserve			
A1	Balance on January 1, 2022	\$ 993,880	\$ 98,017	\$ 222,026	\$ 11,624	\$ 130,984	(\$ 24,313)	\$ 1,432,218
D1	Net loss from January 1 to March 31,2022		-	-	-	(7,985)	-	(7,985)
D3	Other comprehensive income (loss) from January 1 to March 31, 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,372</u>	<u>26,372</u>
D5	Total comprehensive income (loss) from January 1 to March 31, 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,985)</u>	<u>26,372</u>	<u>18,387</u>
Z1	Balance on March 31, 2022	<u>\$ 993,880</u>	<u>\$ 98,017</u>	<u>\$ 222,026</u>	<u>\$ 11,624</u>	<u>\$ 122,999</u>	<u>\$ 2,059</u>	<u>\$ 1,450,605</u>
A1	Balance on January 1, 2023	\$ 993,880	\$ 98,017	\$ 223,032	\$ 24,313	\$ 152,499	\$ 3,758	\$ 1,495,499
D1	Net profit from January 1 to March 31,2023	-	-	-	-	20,482	-	20,482
D3	Other comprehensive income (loss) from January 1 to March 31, 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,226</u>	<u>1,226</u>
D5	Total comprehensive income (loss) from January 1 to March 31, 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,482</u>	<u>1,226</u>	<u>21,708</u>
Z1	Balance on March 31, 2023	<u>\$ 993,880</u>	<u>\$ 98,017</u>	<u>\$ 223,032</u>	<u>\$ 24,313</u>	<u>\$ 172,981</u>	<u>\$ 4,984</u>	<u>\$ 1,517,207</u>

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

January 1 to March 31, 2023 and 2022

Unit: NTD thousand

Code		January 1 to March 31, 2023	January 1 to March 31, 2022
	CASH FLOW FROM OPERATING ACTIVITIES		
A10000	Income(loss) before tax	\$ 27,158	(\$ 9,451)
A20000	Incomes and expense items :		
A20100	Depreciation expense	26,752	24,189
A20200	Amortization expense	494	386
A20300	Expected credit loss (Reversal of benefits)	(7,566)	37,878
A20900	Interest fees	6,518	5,906
A21200	Interest income	(540)	(75)
A23800	Gain from price recovery of inventory	(12,376)	(4,917)
A24100	Foreign exchange losses (gains)	(3,549)	(87)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	73,496	(50,275)
A31150	Accounts receivable	40,595	32,314
A31180	Other receivables	110	(50)
A31200	Inventories	15,724	(128,414)
A31230	Prepayments	1,169	(8,848)
A31240	Other current assets	(772)	1
A32130	Notes payable	(22,135)	(21,761)
A32150	Accounts payables	44,008	122,858
A32180	Other payables	(21,996)	(11,577)
A32230	Other current liabilities	<u>2,032</u>	<u>6,867</u>
A33000	Cash generated from operations	169,122	(5,056)
A33100	Interest received	540	75
A33300	Interest paid	(6,125)	(5,775)
A33500	Income tax paid	<u>(1,494)</u>	<u>(933)</u>
AAAA	Net cash generated from (used in) operating activities	<u>162,043</u>	<u>(11,689)</u>
	CASH FLOW FROM INVESTING ACTIVITIES		
B00050	Disposal of financial assets measured at amortized cost	-	5,861
B02700	Payments for property, plant, and equipment	(9,572)	(3,833)
B03800	Decrease in refundable deposits	59	45
B07100	Increase in prepayments for equipment	<u>(6,290)</u>	<u>(21,059)</u>
BBBB	Net cash used in investing activities	<u>(15,803)</u>	<u>(18,986)</u>

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<u>Code</u>		<u>January 1 to March 31, 2023</u>	<u>January 1 to March 31, 2022</u>
	CASH FLOW FROM FINANCING ACTIVITIES		
C00100	Proceeds from short-term borrowings	\$ 1,431,432	\$ 1,262,496
C00200	Repayments of short-term borrowings	(1,364,532)	(1,212,644)
C00600	Net decrease in short-term notes and bills payable	(70,232)	(20,239)
C01700	Repayments of long-term borrowings	(13,500)	(16,000)
C04020	Payments of lease liabilities	(<u>962</u>)	<u>-</u>
CCCC	Net cash generated from (used in) financing activities	(<u>17,794</u>)	<u>13,613</u>
DDDD	Effects of exchange rate changes on cash	<u>2,176</u>	<u>33,147</u>
EEEE	Net increase in cash and cash equivalents	130,622	16,085
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>\$ 302,841</u>	<u>\$ 244,130</u>

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