

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Balance Sheet (Reviewed, Not Audited)

Unit : NT\$ Thousands

Assets	September 30, 2018		December 31, 2017		September 30, 2017		
	NT\$	%	NT\$	%	NT\$	%	
Current assets							
1100	Cash and cash equivalents	\$ 104,409	4	\$ 155,995	5	\$ 168,800	5
1150	Notes receivable, net	543	-	1,787	-	2,911	-
1170	Accounts receivable, net	90,183	3	220,956	6	203,549	6
1180	Accounts receivable due from related parties, net	26,759	1	16,531	-	13,914	-
1200	Other receivables	6,331	-	27,425	1	8,654	-
1220	Current tax assets	1,711	-	-	-	-	-
130X	Current inventories	349,498	11	335,604	10	409,310	12
1410	Prepayments	6,083	-	5,265	-	6,516	-
1460	Non-current assets or disposal groups classified as held for sale, net	-	-	263,553	8	263,553	8
11XX	Total current assets	<u>585,517</u>	<u>19</u>	<u>1,027,116</u>	<u>30</u>	<u>1,077,207</u>	<u>31</u>
Non-current assets							
1510	Non-current financial assets at fair value through profit or loss	31,036	1	-	-	-	-
1517	Non-current financial assets at fair value through other comprehensive income	272,576	9	-	-	-	-
1523	Non-current available-for-sale financial assets	-	-	93,775	3	89,752	3
1543	Non-current financial assets at cost	-	-	30,000	1	33,115	1
1600	Property, plant and equipment	2,212,893	70	2,242,930	65	2,256,446	64
1760	Investment property, net	10,700	-	10,700	-	10,700	-
1780	Intangible assets	2,383	-	3,185	-	1,872	-
1840	Deferred tax assets	18,676	-	14,787	-	15,325	-
1900	Other non-current assets	25,511	1	25,432	1	17,604	1
15XX	Total non-current assets	<u>2,573,775</u>	<u>81</u>	<u>2,420,809</u>	<u>70</u>	<u>2,424,814</u>	<u>69</u>
1XXX	Total assets	<u>\$ 3,159,292</u>	<u>100</u>	<u>\$ 3,447,925</u>	<u>100</u>	<u>\$ 3,502,021</u>	<u>100</u>

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CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Balance Sheet (Reviewed, Not Audited)

Unit : NT\$ Thousands

<u>Liabilities and Shareholders' Equity</u>	<u>September 30, 2018</u>		<u>December31, 2017</u>		<u>September 30, 2017</u>		
	<u>NT\$</u>	<u>%</u>	<u>NT\$</u>	<u>%</u>	<u>NT\$</u>	<u>%</u>	
Current liabilities							
2100	Current borrowings	\$ 70,000	2	\$ 242,376	7	\$ 388,416	11
2110	Short-term notes and bills payable	39,943	1	249,902	7	219,886	7
2130	Current contract liabilities	2,932	-	-	-	-	-
2150	Notes payable	596	-	345	-	363	-
2170	Accounts payable	75,695	3	55,201	2	75,541	2
2200	Other payables	94,466	3	111,527	3	598,008	17
2230	Current tax liabilities	10,265	-	12,816	-	4,565	-
2320	Long-term liabilities, current portion	-	-	130,000	4	160,000	5
2399	Other current liabilities, others	1,073	-	6,141	-	3,139	-
21XX	Total current liabilities	<u>294,970</u>	<u>9</u>	<u>808,308</u>	<u>23</u>	<u>1,449,918</u>	<u>42</u>
Non-current liabilities							
2540	Non-current portion of non-current borrowings	567,440	18	567,440	17	40,000	1
2570	Deferred tax liabilities	246,758	8	250,380	7	243,698	7
2600	Other non-current liabilities	522	-	576	-	576	-
25XX	Total non-current liabilities	<u>814,720</u>	<u>26</u>	<u>818,396</u>	<u>24</u>	<u>284,274</u>	<u>8</u>
2XXX	Total liabilities	<u>1,109,690</u>	<u>35</u>	<u>1,626,704</u>	<u>47</u>	<u>1,734,192</u>	<u>50</u>
Equity attributable to owners of parent							
Share capital							
3110	Ordinary share	775,600	24	775,600	22	775,600	22
Capital surplus							
3200	Capital surplus	334,323	11	334,323	10	334,323	9
Retained earnings							
3310	Legal reserve	135,919	4	127,342	4	127,342	4
3320	Special reserve	183,296	6	183,296	5	183,296	5
3350	Unappropriated retained earnings (accumulated deficit)	601,009	19	410,290	12	360,598	10
Other equity interest							
3400	Other equity interest	19,139	1	(10,023)	-	(13,755)	-
31XX	Total equity attributable to owners of parent	<u>2,049,286</u>	<u>65</u>	<u>1,820,828</u>	<u>53</u>	<u>1,767,404</u>	<u>50</u>
36XX	Non-controlling interests	<u>316</u>	<u>-</u>	<u>393</u>	<u>-</u>	<u>425</u>	<u>-</u>
3XXX	Total equity	<u>2,049,602</u>	<u>65</u>	<u>1,821,221</u>	<u>53</u>	<u>1,767,829</u>	<u>50</u>
Significant contingent liabilities and unrecognized contractual commitments							
3X2X	Total liabilities and equity	<u>\$ 3,159,292</u>	<u>100</u>	<u>\$ 3,447,925</u>	<u>100</u>	<u>\$ 3,502,021</u>	<u>100</u>

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Comprehensive Income (Reviewed, Not Audited)
January 1 to September 30, 2018 and 2017

Unit : NT\$ Thousands
(EPS: NT Dollars)

Accounting Title	July 1 to September 30, 2018		July 1 to September 30, 2017		January 1 to September 30, 2018		January 1 to September 30, 2017	
	金額	%	金額	%	金額	%	金額	%
4000 Operating revenue	\$ 178,236	100	\$ 360,100	100	\$ 787,277	100	\$ 824,701	100
5000 Operating costs	(113,973)	(64)	(210,491)	(58)	(530,820)	(67)	(529,024)	(65)
5900 Gross profit (loss) from operations	<u>64,263</u>	<u>36</u>	<u>149,609</u>	<u>42</u>	<u>256,457</u>	<u>33</u>	<u>295,677</u>	<u>35</u>
Operating expenses								
6100 Selling expenses	(14,071)	(8)	(21,049)	(6)	(62,024)	(8)	(62,057)	(7)
6200 Administrative expenses	(12,605)	(7)	(22,980)	(6)	(57,987)	(7)	(71,222)	(9)
6300 Research and development expenses	(39,135)	(22)	(37,980)	(11)	(113,964)	(15)	(107,138)	(13)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9					84	-	-	-
6000 Total operating expenses	<u>(65,804)</u>	<u>(37)</u>	<u>(82,009)</u>	<u>(23)</u>	<u>(233,891)</u>	<u>(30)</u>	<u>(240,417)</u>	<u>(29)</u>
6900 Net operating income (loss)	<u>(1,541)</u>	<u>(1)</u>	<u>67,600</u>	<u>19</u>	<u>22,566</u>	<u>3</u>	<u>55,260</u>	<u>6</u>
Non-operating income and expenses								
7010 Other income	8,610	5	6,706	2	12,961	2	8,966	1
7020 Other gains and losses	215,550	121	(569)	-	215,372	27	(12,638)	(1)
7050 Finance costs	(2,084)	(1)	(1,811)	(1)	(8,613)	(1)	(4,828)	(1)
7000 Total non-operating income and expenses	<u>222,076</u>	<u>125</u>	<u>4,326</u>	<u>1</u>	<u>219,720</u>	<u>28</u>	<u>(8,500)</u>	<u>(1)</u>
7900 Profit (loss) from continuing operations before tax	<u>220,535</u>	<u>124</u>	<u>71,926</u>	<u>20</u>	<u>242,286</u>	<u>31</u>	<u>46,760</u>	<u>5</u>
7950 Tax expense (income)	(787)	(1)	(9,659)	(3)	(3,856)	(1)	(8,582)	(1)
8200 Profit (loss)	<u>\$ 219,748</u>	<u>123</u>	<u>\$ 62,267</u>	<u>17</u>	<u>\$ 238,430</u>	<u>30</u>	<u>\$ 38,178</u>	<u>4</u>
Other comprehensive income								
Components of other comprehensive income that will not be reclassified to profit or loss								
8316 Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	\$ 23,027	13	\$ -	-	\$ 28,809	4	\$ -	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	(250)	-	-	-
8310 Components of other comprehensive income that will not be reclassified to profit or loss	<u>23,027</u>	<u>13</u>	<u>-</u>	<u>-</u>	<u>28,559</u>	<u>4</u>	<u>-</u>	<u>-</u>
Components of other comprehensive income that will be reclassified to profit or loss								
8361 Exchange differences on translation	(1)	-	(133)	-	360	-	(976)	-
8362 Unrealised gains (losses) on valuation of available-for-sale financial assets	-	-	(5,279)	(1)	-	-	(1,760)	-
8360 Components of other comprehensive income that will be reclassified to profit or loss	<u>(1)</u>	<u>-</u>	<u>(5,412)</u>	<u>(1)</u>	<u>360</u>	<u>-</u>	<u>(2,736)</u>	<u>-</u>
8300 Other comprehensive income, net	<u>\$ 23,026</u>	<u>13</u>	<u>\$ 5,412</u>	<u>(1)</u>	<u>\$ 28,919</u>	<u>4</u>	<u>\$ 2,736</u>	<u>-</u>
8500 Total comprehensive income	<u>\$ 242,774</u>	<u>136</u>	<u>\$ 56,855</u>	<u>16</u>	<u>\$ 267,349</u>	<u>34</u>	<u>\$ 35,442</u>	<u>4</u>
Profit (loss), attributable to:								
8610 Profit (loss), attributable to owners of parent	\$ 219,751	123	\$ 62,137	17	\$ 238,383	30	\$ 38,027	4
8620 Profit (loss), attributable to non-controlling interests	(3)	-	130	-	47	-	151	-
Comprehensive income attributable to:								
8710 Comprehensive income, attributable to owners of parent	\$ 242,777	136	\$ 56,728	16	\$ 267,295	34	\$ 35,311	4
8720 Comprehensive income, attributable to non-controlling interests	(3)	-	127	-	54	-	131	-
Earnings(loss) per share								
9750 Basic earnings (loss) per share	\$ 2.83		\$ 0.80		\$ 3.07		\$ 0.49	
9850 Diluted earnings (loss) per share	\$ 2.83		\$ 0.80		\$ 3.06		\$ 0.49	

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Changes in Equity (Reviewed, Not Audited)
January 1 to September 30, 2018 and 2017

Unit : NT\$ Thousands

	E q u i t y a t t r i b u t a b l e t o o w n e r s o f p a r e n t											
	Capital surplus			Retained earnings			Other equity interest					Total Equity
	Ordinary share	Additional paid-in capital	Other	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Total Equity Interest	Non-controlling Interests	
January 1 to September 30, 2017												
Equity at beginning of period	\$ 775,600	\$ 333,746	\$ 577	\$121,314	\$ 183,296	\$ 367,379	\$ 874	\$ -	(\$ 11,913)	\$ 1,770,873	\$ 294	\$ 1,771,167
Profit (loss)	-	-	-	-	-	38,027	-	-	-	38,027	151	38,178
Other Comprehensive profit and loss	-	-	-	-	-	-	(956)	-	(1,760)	(2,716)	(20)	(2,736)
Total Other Comprehensive profit and loss	-	-	-	-	-	38,027	(956)	-	(1,760)	35,311	131	35,442
Appropriation and distribution of retained earnings of 2016:												
Legal reserve appropriated	-	-	-	6,028	-	(6,028)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(38,780)	-	-	-	(38,780)	-	(38,780)
Equity at end of period	<u>\$ 775,600</u>	<u>\$ 333,746</u>	<u>\$ 577</u>	<u>\$127,342</u>	<u>\$ 183,296</u>	<u>\$ 360,598</u>	<u>(\$ 82)</u>	<u>\$ -</u>	<u>(\$ 13,673)</u>	<u>\$ 1,767,404</u>	<u>\$ 425</u>	<u>\$ 1,767,829</u>
January 1 to September 30, 2018												
Equity at beginning of period	\$ 775,600	\$ 333,746	\$ 577	\$127,342	\$ 183,296	\$ 410,290	(\$ 373)	(\$ 9,650)	\$ -	\$ 1,820,828	\$ 393	\$ 1,821,221
Effects of retrospective application and retrospective restatement	-	-	-	-	-	(57)	-	-	-	(57)	-	(57)
Equity at beginning of period after adjustments	<u>775,600</u>	<u>333,746</u>	<u>577</u>	<u>127,342</u>	<u>183,296</u>	<u>410,233</u>	<u>(373)</u>	<u>(9,650)</u>	<u>-</u>	<u>1,820,771</u>	<u>393</u>	<u>1,821,164</u>
Profit (loss)	-	-	-	-	-	238,383	-	-	-	238,383	47	238,430
Other Comprehensive profit and loss	-	-	-	-	-	(250)	353	28,809	-	28,912	7	28,919
Total Other Comprehensive profit and loss	-	-	-	-	-	238,133	353	28,809	-	267,295	54	267,349
Appropriation and distribution of retained earnings of 2017:												
Legal reserve appropriated	-	-	-	8,577	-	(8,577)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(38,780)	-	-	-	(38,780)	-	(38,780)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(131)	(131)
Equity at end of period	<u>\$ 775,600</u>	<u>\$ 333,746</u>	<u>\$ 577</u>	<u>\$135,919</u>	<u>\$ 183,296</u>	<u>\$ 601,009</u>	<u>(\$ 20)</u>	<u>\$ 19,159</u>	<u>\$ -</u>	<u>\$ 2,049,286</u>	<u>\$ 316</u>	<u>\$ 2,049,602</u>

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Cash Flows (Reviewed, Not Audited)
January1 to September 30, 2018 and 2017

Unit : NT\$ Thousands

	January1 to September 30, 2018	January1 to September 30, 2017
<u>Cash flows from (used in) operating activities, indirect method</u>		
Profit (loss) before tax	\$ 242,286	\$ 46,760
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	99,831	98,999
Amortization expense	1,310	853
Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	(84)	-
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(908)	-
Interest expense	8,613	4,828
Interest income	(124)	(86)
Dividend income	(3,778)	(3,017)
Loss (gain) on disposal of property, plan and equipment	(214,600)	146
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value	211	-
Decrease (increase) in notes receivable	1,244	(2,290)
Decrease (increase) in accounts receivable	130,507	(42,965)
Decrease (increase) in accounts receivable due from related parties	(10,274)	(1,359)
Decrease (increase) in other receivable	(577)	(1,997)
Decrease (increase) in inventories	(13,894)	(7,556)
Decrease (increase) in prepayments	(818)	(2,984)
Decrease (increase) in other operating assets	(1,277)	(4,041)
Changes in operating liabilities		
Increase (decrease) in contract liabilities	(1,566)	-
Increase (decrease) in notes payable	251	18
Increase (decrease) in accounts payable	20,494	4,865
Increase (decrease) in other payable	(21,239)	(11,507)
Increase (decrease) in other current liabilities	(570)	(250)
Cash inflow (outflow) generated from operations	235,038	78,417
Interest received	111	71
Dividends received	3,778	3,017
Interest paid	(8,758)	(4,833)
Income taxes refund (paid)	(15,966)	(20,824)
Net cash flows from (used in) operating activities	214,203	55,848

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CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Cash Flows (Reviewed, Not Audited)
January1 to September 30, 2018 and 2017

	Unit : NT\$ Thousands	
	January1 to September 30, 2018	January1 to September 30, 2017
<u>Cash flows from (used in) investing activities</u>		
Acquisition of financial assets at fair value through other comprehensive income	(\$ 149,992)	\$ -
Proceeds from disposal of financial assets at cost	21,684	-
Acquisition of property, plant and equipment	(65,619)	(285,332)
Proceeds from disposal of property, plant and equipment	478,180	1,095
Acquisition of intangible assets	(508)	(1,751)
Decrease (increase) in refundable deposits	1,198	(3,118)
Net cash flows from (used in) investing activities	284,943	(289,106)
<u>Cash flows from (used in) financing activities</u>		
Increase (decrease) in short-term loans	(172,376)	178,416
Increase (decrease) in short-term notes and bills payable	(209,959)	49,988
Proceeds from long-term debt	-	210,000
Repayments of long-term debt	(130,000)	(140,000)
Increase (decrease) in guarantee deposits received	(54)	310
Cash dividends paid	(38,780)	(38,780)
Net cash flows from (used in) financing activities	(551,169)	259,934
Effect of exchange rate changes on cash and cash equivalents	437	(956)
Net increase (decrease) in cash and cash equivalents	(51,586)	25,720
Cash and cash equivalents at beginning of period	155,995	143,080
Cash and cash equivalents at end of period	\$ 104,409	\$ 168,800