

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Balance Sheet (Unaudited)
Dated March 31, 2019, December 31 and March 31, 2018

ASSETS		Unit : NT\$ Thousands					
		March 31, 2019		December 31, 2018		March 31, 2018	
		NT\$	%	NT\$	%	NT\$	%
Current assets							
1100	Cash and cash equivalents	\$ 97,429	3	\$ 106,367	4	\$ 173,616	5
1110	Current financial assets at fair value through profit or loss	-	-	-	-	143	-
1150	Notes receivable, net	687	-	666	-	1,638	-
1170	Accounts receivable, net	170,751	5	105,404	3	106,874	3
1180	Accounts receivable due from related parties, net	23,709	1	26,449	1	23,145	1
1200	Other receivables	7,110	-	5,447	-	7,217	-
1220	Current tax assets	2,155	-	2,076	-	-	-
130X	Current inventories	318,937	10	362,398	11	322,721	10
1410	Prepayments	6,160	-	4,987	-	8,499	-
1460	Non-current assets classified as held for sale, net	-	-	-	-	263,553	8
11XX	Total Current Assets	<u>626,938</u>	<u>19</u>	<u>613,794</u>	<u>19</u>	<u>907,406</u>	<u>27</u>
Non-current assets							
1510	Non-current financial assets at fair value through profit or loss	33,250	1	29,978	1	30,601	1
1517	Non-current financial assets at fair value through other comprehensive income	-	-	-	-	98,300	3
1550	Investments accounted for using equity method	394,356	12	325,381	10	-	-
1600	Property, plant and equipment	2,193,024	66	2,195,594	68	2,222,226	67
1755	Right-of-use assets	7,003	-	-	-	-	-
1760	Investment property, net	10,700	-	10,700	-	10,700	-
1780	Intangible assets	1,972	-	2,193	-	2,914	-
1840	Deferred tax assets	20,332	1	20,511	1	18,546	1
1900	Other non-current assets	20,220	1	23,267	1	26,167	1
15XX	Total non-current assets	<u>2,680,857</u>	<u>81</u>	<u>2,607,624</u>	<u>81</u>	<u>2,409,454</u>	<u>73</u>
1XXX	Total assets	<u>\$ 3,307,795</u>	<u>100</u>	<u>\$ 3,221,418</u>	<u>100</u>	<u>\$ 3,316,860</u>	<u>100</u>

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Consolidated Balance Sheet (Unaudited)

Dated March 31, 2019, December 31 and March 31, 2018

Unit : NT\$ Thousands

Liabilities and equity	March 31, 2019		December 31, 2018		March 31, 2018	
	NT\$	%	NT\$	%	NT\$	%
Current liabilities						
2100	Current borrowings	\$ 100,000	3	\$ 150,000	5	\$ 328,957 10
2110	Short-term notes and bills payable	159,885	5	79,956	2	159,815 5
2130	Current contract liabilities	3,477	-	1,579	-	- -
2150	Notes payable	596	-	1,192	-	- -
2170	Accounts payable	62,483	2	60,595	2	87,834 3
2200	Other payables	107,468	3	118,636	4	82,953 2
2230	Current tax liabilities	21,615	1	12,878	-	3,531 -
2280	Current lease liabilities	2,572	-	-	-	- -
2399	Other current liabilities, others	2,215	-	854	-	4,276 -
21XX	Total current liabilities	<u>460,311</u>	<u>14</u>	<u>425,690</u>	<u>13</u>	<u>667,366 20</u>
Non-current liabilities						
2540	Non-current portion of non-current borrowings	567,440	17	567,440	18	567,440 17
2570	Deferred tax liabilities	244,141	8	243,863	7	252,800 8
2580	Non-current lease liabilities	4,435	-	-	-	- -
2645	Guarantee deposits received	522	-	522	-	576 -
25XX	Total non-current liabilities	<u>816,538</u>	<u>25</u>	<u>811,825</u>	<u>25</u>	<u>820,816 25</u>
2XXX	Total liabilities	<u>1,276,849</u>	<u>39</u>	<u>1,237,515</u>	<u>38</u>	<u>1,488,182 45</u>
Equity attributable to owners of parent						
Share capital						
3110	Ordinary share	775,600	23	775,600	24	775,600 23
Capital surplus						
3200	Capital surplus	334,323	10	334,323	11	334,323 10
Retained earnings						
3310	Legal reserve	135,919	4	135,919	4	127,342 4
3320	Special reserve	183,296	6	183,296	6	183,296 6
3350	Unappropriated retained earnings	595,032	18	553,954	17	413,661 12
Other equity interest						
3400	Other equity interest	6,487	-	565	-	(5,919) -
31XX	Total equity attributable to owners of parent	<u>2,030,657</u>	<u>61</u>	<u>1,983,657</u>	<u>62</u>	<u>1,828,303 55</u>
36XX	Non-controlling interests	<u>289</u>	<u>-</u>	<u>246</u>	<u>-</u>	<u>375 -</u>
3XXX	Total equity	<u>2,030,946</u>	<u>61</u>	<u>1,983,903</u>	<u>62</u>	<u>1,828,678 55</u>
Significant contingent liabilities and unrecognized contractual commitments						
Major subsequent events						
3X2X	Total liabilities and equity	<u>\$ 3,307,795</u>	<u>100</u>	<u>\$ 3,221,418</u>	<u>100</u>	<u>\$ 3,316,860 100</u>

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Comprehensive Income (Unaudited)
January 1 to March 31, 2019 and 2018

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

Accounting Title	January 1 to March 31, 2019		January 1 to March 31, 2018	
	NT\$	%	NT\$	%
4000 Operating revenue	\$ 343,649	100	\$ 275,965	100
5000 Operating costs	(213,811)	(62)	(188,801)	(69)
5900 Gross profit from operations	<u>129,838</u>	<u>38</u>	<u>87,164</u>	<u>31</u>
Operating expenses				
6100 Selling expenses	(21,670)	(6)	(22,566)	(8)
6200 Administrative expenses	(20,016)	(6)	(20,436)	(7)
6300 Research and development expenses	(46,680)	(14)	(37,846)	(14)
6450 Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	<u>-</u>	<u>-</u>	<u>85</u>	<u>-</u>
6000 Total operating expenses	<u>(88,366)</u>	<u>(26)</u>	<u>(80,763)</u>	<u>(29)</u>
6900 Net operating income	<u>41,472</u>	<u>12</u>	<u>6,401</u>	<u>2</u>
Non-operating income and expenses				
7010 Other income	2,063	1	1,359	-
7020 Other gains and losses	4,567	1	(1,115)	-
7050 Finance costs	(2,496)	(1)	(3,378)	(1)
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method	<u>5,114</u>	<u>2</u>	<u>-</u>	<u>-</u>
7000 Total non-operating income and expenses	<u>9,248</u>	<u>3</u>	<u>(3,134)</u>	<u>(1)</u>
7900 Profit before tax	50,720	15	3,267	1
7950 Tax expense (income)	(9,600)	(3)	402	-
8200 Profit (loss)	<u>\$ 41,120</u>	<u>12</u>	<u>\$ 3,669</u>	<u>1</u>

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CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Comprehensive Income (Unaudited)
January 1 to March 31, 2019 and 2018

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

Accounting Title	January 1 to March 31, 2019		January 1 to March 31, 2018	
	NT\$	%	NT\$	%
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	\$ -	-	\$ 4,525	2
8320 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	4,473	1	-	-
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>4,473</u>	<u>1</u>	<u>4,275</u>	<u>2</u>
Components of other comprehensive income that will be reclassified to profit or loss				
8361 Exchange differences on translation	<u>1,450</u>	<u>1</u>	(430)	-
8360 Components of other comprehensive income that will be reclassified to profit or loss	<u>1,450</u>	<u>1</u>	(430)	-
8300 Other comprehensive income, net	<u>\$ 5,923</u>	<u>2</u>	<u>\$ 3,845</u>	<u>2</u>
8500 Total comprehensive income	<u>\$ 47,043</u>	<u>14</u>	<u>\$ 7,514</u>	<u>3</u>
Profit (loss), attributable to:				
8610 Profit (loss), attributable to owners of parent	<u>\$ 41,078</u>	<u>12</u>	<u>\$ 3,678</u>	<u>1</u>
8620 Profit (loss), attributable to non-controlling interests	<u>\$ 42</u>	<u>-</u>	<u>(\$ 9)</u>	<u>-</u>
Comprehensive income attributable to:				
8710 Comprehensive income, attributable to owners of parent	<u>\$ 47,000</u>	<u>14</u>	<u>\$ 7,532</u>	<u>3</u>
8720 Comprehensive income, attributable to non-controlling interests	<u>\$ 43</u>	<u>-</u>	<u>(\$ 18)</u>	<u>-</u>
Earnings per share				
9750 Basic earnings per share	<u>\$</u>	<u>0.53</u>	<u>\$</u>	<u>0.05</u>
9850 Diluted earnings per share	<u>\$</u>	<u>0.53</u>	<u>\$</u>	<u>0.05</u>

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Changes in Equity (Unaudited)
January 1 to March 31, 2019 and 2018

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	C a p i t a l s u r p l u s		R e t a i n e d e a r n i n g s		O t h e r e q u i t y i n t e r e s t			T o t a l	N o n - c o n t r o l l i n g I n t e r e s t s	T o t a l E q u i t y	
	Ordinary share	A d d i t i o n a l p a i d - i n c a p i t a l	O t h e r	L e g a l r e s e r v e	S p e c i a l r e s e r v e	U n a p p r o p r i a t e d r e t a i n e d e a r n i n g s	E x c h a n g e m e a s u r e d a t f a i r d i f f e r e n c e s o n v a l u e t h r o u g h t r a n s l a t i o n o f o t h e r f o r e i g n f i n a n c i a l c o m p r e h e n s i v e s t a t e m e n t s				U n r e a l i s e d g a i n s (l o s s e s) o n f i n a n c i a l a s s e t s
January 1 to March 31, 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>1,820,771</u>	<u>393</u>	<u>1,821,164</u>
Profit (loss)	-	-	-	-	-	3,678	-	-	3,678	(9)	3,669
Other comprehensive income	-	-	-	-	-	(250)	(421)	4,525	3,854	(9)	3,845
Total comprehensive income	-	-	-	-	-	3,428	(421)	4,525	7,532	(18)	7,514
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>\$ 413,661</u>	<u>(\$ 794)</u>	<u>(\$ 5,125)</u>	<u>\$ 1,828,303</u>	<u>\$ 375</u>	<u>\$ 1,828,678</u>
January 1 to March 31, 2019											
Equity at beginning of period	\$ 775,600	\$ 333,746	\$ 577	\$ 135,919	\$ 183,296	\$ 553,954	\$ 224	\$ 341	\$ 1,983,657	\$ 246	\$ 1,983,903
Profit (loss)	-	-	-	-	-	41,078	-	-	41,078	42	41,120
Other comprehensive income	-	-	-	-	-	-	1,449	4,473	5,922	1	5,923
Total comprehensive income	-	-	-	-	-	41,078	1,449	4,473	47,000	43	47,043
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>\$ 595,032</u>	<u>\$ 1,673</u>	<u>\$ 4,814</u>	<u>\$ 2,030,657</u>	<u>\$ 289</u>	<u>\$ 2,030,946</u>

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Cash Flows (Unaudited)
January 1 to March 31, 2019 and 2018

Unit : NT\$ Thousands

	<u>January 1 to March</u> <u>3 1 , 2 0 1 9</u>	<u>January 1 to March</u> <u>3 1 , 2 0 1 8</u>
<u>Cash flows from (used in) operating activities</u>		
Profit (loss) before tax	\$ 50,720	\$ 3,267
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	32,929	33,988
Amortization expense	482	461
Expected credit gain	-	(85)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(3,272)	(405)
Interest expense	2,496	3,378
Interest income	(107)	(33)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(5,114)	-
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in notes receivable	(21)	142
Decrease (increase) in accounts receivable	(65,347)	113,825
Decrease (increase) in accounts receivable due from related parties	2,740	(6,660)
Decrease (increase) in other receivable	(1,445)	(1,443)
Decrease (increase) in inventories	43,461	12,883
Decrease (increase) in prepayments	(1,173)	(3,234)
Increase (decrease) in defined benefit assets, net	(269)	(735)
Changes in operating liabilities		
Increase (decrease) in contract liabilities	1,898	-
Increase (decrease) in notes payable	(596)	(345)
Increase (decrease) in accounts payable	1,888	32,633
Increase (decrease) in other payable	(4,481)	(23,575)
Increase (decrease) in other current liabilities	1,361	(1,865)
Cash inflow (outflow) generated from operations	56,150	162,197
Interest received	(111)	-
Interest paid	(2,518)	(3,492)
Income taxes refund (paid)	(481)	(10,559)
Net cash flows from (used in) operating activities	<u>53,040</u>	<u>148,146</u>

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CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Cash Flows (Unaudited)
January 1 to March 31, 2019 and 2018

Unit : NT\$ Thousands

	<u>January 1 to March</u> <u>3 1 , 2 0 1 9</u>	<u>January 1 to March</u> <u>3 1 , 2 0 1 8</u>
<u>Cash flows from (used in) investing activities</u>		
Proceeds from disposal of financial assets at amortised cost	\$ -	\$ 21,684
Acquisition of property, plant and equipment	(36,441)	(18,180)
Acquisition of intangible assets	(261)	(190)
Acquisition of investments accounted for using equity method	(57,980)	-
Decrease in refundable deposits	<u>3,318</u>	<u>-</u>
Net cash flows from (used in) investing activities	<u>(91,364)</u>	<u>3,314</u>
<u>Cash flows from (used in) financing activities</u>		
Increase(decrease) in short-term loans	(50,000)	86,581
Increase(decrease) in short-term notes and bills payable	79,929	(90,087)
Payments of lease liabilities	(575)	-
Repayments of long-term debt	<u>-</u>	<u>(130,000)</u>
Net cash flows from (used in) financing activities	<u>29,354</u>	<u>(133,506)</u>
Effect of exchange rate changes on cash	<u>32</u>	<u>(333)</u>
Net increase (decrease) in cash and cash equivalents	(8,938)	17,621
Cash and cash equivalents at beginning of period	<u>106,367</u>	<u>155,995</u>
Cash and cash equivalents at end of period	<u>\$ 97,429</u>	<u>\$ 173,616</u>