

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Balance Sheet (Unaudited)
Dated March 31, 2020, December 31 and March 31, 2019

Unit : NT\$ Thousands

ASSETS		March 31, 2020		December 31, 2019		March 31, 2019	
		NT\$	%	NT\$	%	NT\$	%
Current assets							
1100	Cash and cash equivalents	\$ 113,750	3	\$ 101,220	3	\$ 97,429	3
1140	Current contract assets	112	-	452	-	-	-
1150	Notes receivable, net	564	-	345	-	687	-
1170	Accounts receivable, net	119,983	3	125,268	4	170,751	5
1180	Accounts receivable due from related parties, net	31,975	1	24,293	1	23,709	1
1200	Other receivables	21,191	1	20,908	-	7,110	-
1220	Current tax assets	22	-	431	-	2,155	-
130X	Current inventories	398,024	12	412,184	12	318,937	10
1410	Prepayments	8,208	-	2,480	-	6,160	-
11XX	Total current assets	<u>693,829</u>	<u>20</u>	<u>687,581</u>	<u>20</u>	<u>626,938</u>	<u>19</u>
Non-current assets							
1510	Non-current financial assets at fair value through profit or loss	24,513	1	28,160	1	33,250	1
1550	Investments accounted for using equity method	491,499	14	478,894	14	394,356	12
1600	Property, plant and equipment	2,178,163	63	2,180,308	63	2,193,024	66
1755	Right-of-use assets	4,723	-	5,418	-	7,003	-
1760	Investment property, net	10,700	-	10,700	-	10,700	-
1780	Intangible assets	972	-	1,250	-	1,972	-
1840	Deferred tax assets	16,525	1	19,075	1	20,332	1
1900	Other non-current assets	27,816	1	27,461	1	20,220	1
15XX	Total non-current assets	<u>2,754,911</u>	<u>80</u>	<u>2,751,266</u>	<u>80</u>	<u>2,680,857</u>	<u>81</u>
1XXX	Total assets	<u>\$ 3,448,740</u>	<u>100</u>	<u>\$ 3,438,847</u>	<u>100</u>	<u>\$ 3,307,795</u>	<u>100</u>

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Liabilities and equity	March 31, 2020		December 31, 2019		March 31, 2019	
	NT\$	%	NT\$	%	NT\$	%
Current liabilities						
2100	\$ 100,000	3	\$ 70,000	2	\$ 100,000	3
2110	189,779	6	219,740	6	159,885	5
2130	56,191	2	61,640	2	3,477	-
2150	596	-	1,192	-	596	-
2170	75,653	2	77,226	2	62,483	2
2200	112,136	3	125,399	4	107,468	3
2230	15,602	-	15,948	1	21,615	1
2280	2,648	-	2,657	-	2,572	-
2399	2,852	-	2,620	-	2,215	-
21XX	<u>555,457</u>	<u>16</u>	<u>576,422</u>	<u>17</u>	<u>460,311</u>	<u>14</u>
Non-current liabilities						
2540	600,000	18	600,000	17	567,440	17
2570	244,841	7	244,584	7	244,141	8
2580	2,033	-	2,709	-	4,435	-
2645	-	-	-	-	522	-
25XX	<u>846,874</u>	<u>25</u>	<u>847,293</u>	<u>24</u>	<u>816,538</u>	<u>25</u>
2XXX	<u>1,402,331</u>	<u>41</u>	<u>1,423,715</u>	<u>41</u>	<u>1,276,849</u>	<u>39</u>
Equity attributable to owners of parent						
Share capital						
3110	775,600	22	775,600	23	775,600	23
Capital surplus						
3200	334,323	10	334,323	10	334,323	10
Retained earnings						
3310	159,344	5	159,344	5	135,919	4
3320	183,296	5	183,296	5	183,296	6
3350	584,061	17	556,306	16	595,032	18
Other equity interest						
3400	9,508	-	6,031	-	6,487	-
31XX	<u>2,046,132</u>	<u>59</u>	<u>2,014,900</u>	<u>59</u>	<u>2,030,657</u>	<u>61</u>
36XX	<u>277</u>	<u>-</u>	<u>232</u>	<u>-</u>	<u>289</u>	<u>-</u>
3XXX	<u>2,046,409</u>	<u>59</u>	<u>2,015,132</u>	<u>59</u>	<u>2,030,946</u>	<u>61</u>
Significant contingent liabilities and unrecognized contractual commitments						
Major subsequent events						
3X2X	<u>\$ 3,448,740</u>	<u>100</u>	<u>\$ 3,438,847</u>	<u>100</u>	<u>\$ 3,307,795</u>	<u>100</u>

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Comprehensive Income (Unaudited)
January 1 to March 31, 2020 and 2019

Unit : NTS Thousands
(EPS: NT Dollars)

Accounting Title	January 1 to March 31, 2020		January 1 to March 31, 2019	
	NTS	%	NTS	%
4000 Operating revenue	\$ 307,439	100	\$ 343,649	100
5000 Operating costs	(192,956)	(63)	(213,811)	(62)
5900 Gross profit from operations	<u>114,483</u>	<u>37</u>	<u>129,838</u>	<u>38</u>
Operating expenses				
6100 Selling expenses	(21,553)	(7)	(21,670)	(6)
6200 Administrative expenses	(21,428)	(7)	(20,016)	(6)
6300 Research and development expenses	(43,995)	(14)	(46,680)	(14)
6000 Total operating expenses	<u>(86,976)</u>	<u>(28)</u>	<u>(88,366)</u>	<u>(26)</u>
6900 Net operating income	<u>27,507</u>	<u>9</u>	<u>41,472</u>	<u>12</u>
Non-operating income and expenses				
7010 Other income	1,177	-	2,063	1
7020 Other gains and losses	(1,454)	-	4,567	1
7050 Finance costs	(2,578)	(1)	(2,496)	(1)
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method	<u>9,229</u>	<u>3</u>	<u>5,114</u>	<u>2</u>
7000 Total non-operating income and expenses	<u>6,374</u>	<u>2</u>	<u>9,248</u>	<u>3</u>
7900 Profit from continuing operations before tax	<u>33,881</u>	<u>11</u>	<u>50,720</u>	<u>15</u>
7950 Tax expense	(6,083)	(2)	(9,600)	(3)
8200 Profit (loss)	<u>\$ 27,798</u>	<u>9</u>	<u>\$ 41,120</u>	<u>12</u>
Other comprehensive income				
Components of other comprehensive income that will not be reclassified to profit or loss				
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	<u>\$ 4,465</u>	<u>1</u>	<u>\$ 4,473</u>	<u>1</u>
8310 Components of other comprehensive income that will not be reclassified to profit or loss	<u>4,465</u>	<u>1</u>	<u>4,473</u>	<u>1</u>
Components of other comprehensive income that will be reclassified to profit or loss				
8361 Exchange differences on translation	103	-	1,450	1
8370 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	<u>(1,089)</u>	<u>-</u>	<u>-</u>	<u>-</u>
8360 Components of other comprehensive income that will be reclassified to profit or loss	<u>(986)</u>	<u>-</u>	<u>1,450</u>	<u>1</u>
8300 Other comprehensive income, net	<u>\$ 3,479</u>	<u>1</u>	<u>\$ 5,923</u>	<u>2</u>
8500 Total comprehensive income	<u>\$ 31,277</u>	<u>10</u>	<u>\$ 47,043</u>	<u>14</u>
Profit (loss), attributable to:				
8610 Profit (loss), attributable to owners of parent	<u>\$ 27,755</u>	<u>9</u>	<u>\$ 41,078</u>	<u>12</u>
8620 Profit (loss), attributable to non-controlling interests	<u>\$ 43</u>	<u>-</u>	<u>\$ 42</u>	<u>-</u>
Comprehensive income attributable to:				
8710 Comprehensive income, attributable to owners of parent	<u>\$ 31,232</u>	<u>10</u>	<u>\$ 47,000</u>	<u>14</u>
8720 Comprehensive income, attributable to non-controlling interests	<u>\$ 45</u>	<u>-</u>	<u>\$ 43</u>	<u>-</u>
Earnings per share				
9750 Basic earnings per share	<u>\$ 0.36</u>		<u>\$ 0.53</u>	
9850 Diluted earnings per share	<u>\$ 0.36</u>		<u>\$ 0.53</u>	

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Changes in Equity (Unaudited)
January 1 to March 31, 2020 and 2019

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						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 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 c o m p r e h e n s i v e i n c o m e			
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	\$ 775,600	\$ 333,746	\$ 577	\$ 135,919	\$ 183,296	\$ 595,032	\$ 1,673	\$ 4,814	\$ 2,030,657	\$ 289	\$ 2,030,946
January 1 to March 31, 2020											
Equity at beginning of period	\$ 775,600	\$ 333,746	\$ 577	\$ 159,344	\$ 183,296	\$ 556,306	(\$ 2,691)	\$ 8,722	\$ 2,014,900	\$ 232	\$ 2,015,132
Profit (loss)	-	-	-	-	-	27,755	-	-	27,755	43	27,798
Other comprehensive income	-	-	-	-	-	-	(988)	4,465	3,477	2	3,479
Total comprehensive income	-	-	-	-	-	27,755	(988)	4,465	31,232	45	31,277
Equity at end of period	\$ 775,600	\$ 333,746	\$ 577	\$ 159,344	\$ 183,296	\$ 584,061	(\$ 3,679)	\$ 13,187	\$ 2,046,132	\$ 277	\$ 2,046,409

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Cash Flows (Unaudited)
January 1 to March 31, 2020 and 2019

Unit : NT\$ Thousands

	<u>January 1 to March</u> <u>3 1 , 2 0 2 0</u>	<u>January 1 to March</u> <u>3 1 , 2 0 1 9</u>
<u>Cash flows from (used in) operating activities</u>		
Profit (loss) before tax	\$ 33,881	\$ 50,720
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	32,898	32,929
Amortization expense	395	482
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	3,647	(3,272)
Interest income	(96)	(107)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(9,229)	(5,114)
Interest expense	2,578	2,496
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in contract assets	340	-
Decrease (increase) in notes receivable	(219)	(21)
Decrease (increase) in accounts receivable	5,569	(65,347)
Decrease (increase) in accounts receivable due from related parties	(7,682)	2,740
Decrease (increase) in other receivable	(280)	(1,445)
Decrease (increase) in inventories	14,160	43,461
Decrease (increase) in prepayments	(5,728)	(1,173)
Decrease (increase) in other operating assets	(355)	(269)
Changes in operating liabilities		
Increase (decrease) in contract liabilities	(5,750)	1,898
Increase (decrease) in notes payable	(596)	(596)
Increase (decrease) in accounts payable	(1,573)	1,888
Increase (decrease) in other payable	(10,972)	(4,481)
Increase (decrease) in other current liabilities	232	1,361
Cash inflow (outflow) generated from operations	51,220	56,150
Interest received	93	(111)
Interest paid	(2,634)	(2,518)
Income taxes refund (paid)	(3,238)	(481)
Net cash flows from (used in) operating activities	<u>45,441</u>	<u>53,040</u>

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Unit : NT\$ Thousands

	<u>January 1 to March</u> <u>3 1 , 2 0 2 0</u>	<u>January 1 to March</u> <u>3 1 , 2 0 1 9</u>
<u>Cash flows from (used in) investing activities</u>		
Acquisition of investments accounted for using equity method	\$ -	(\$ 57,980)
Acquisition of property, plant and equipment	(32,268)	(36,441)
Acquisition of intangible assets	(117)	(261)
Decrease in refundable deposits	-	3,318
Net cash flows from (used in) investing activities	<u>(32,385)</u>	<u>(91,364)</u>
<u>Cash flows from (used in) financing activities</u>		
Increase(Decrease) in short-term loans	30,000	(50,000)
Increase(Decrease) in short-term notes and bills payable	(29,961)	79,929
Payments of lease liabilities	(805)	(575)
Net cash flows from (used in) financing activities	<u>(766)</u>	<u>29,354</u>
Effect of exchange rate changes on cash and cash equivalents	<u>240</u>	<u>32</u>
Net increase (decrease) in cash and cash equivalents	12,530	(8,938)
Cash and cash equivalents at beginning of period	<u>101,220</u>	<u>106,367</u>
Cash and cash equivalents at end of period	<u>\$ 113,750</u>	<u>\$ 97,429</u>