

**CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES**  
**Consolidated Balance Sheet (Unaudited)**  
**Dated June 30, 2020, December 31 and June 30, 2019**

Unit : NT\$ Thousands

Assets		J u n e 3 0 , 2 0 2 0		December 31, 2019		J u n e 3 0 , 2 0 1 9	
		NT\$	%	NT\$	%	NT\$	%
<b>Current Assets</b>							
1100	Cash and cash equivalents	\$ 331,777	11	\$ 101,220	3	\$ 154,382	5
1140	Current contract assets	-	-	452	-	5,588	-
1150	Notes receivable, net	1,667	-	345	-	774	-
1170	Accounts receivable, net	165,911	5	125,268	4	140,155	4
1180	Accounts receivable due from related parties, net	34,710	1	24,293	1	24,989	1
1200	Other receivables	45,251	2	20,908	-	23,533	1
1220	Current tax assets	22	-	431	-	2,158	-
130X	Current inventories	392,332	13	412,184	12	275,956	8
1410	Prepayments	4,647	-	2,480	-	5,670	-
11XX	<b>Total current assets</b>	<u>976,317</u>	<u>32</u>	<u>687,581</u>	<u>20</u>	<u>633,205</u>	<u>19</u>
<b>Non-current assets</b>							
1510	Non-current financial assets at fair value through profit or loss	31,046	1	28,160	1	31,032	1
1550	Investments accounted for using equity method	505,123	16	478,894	14	433,937	13
1600	Property, plant and equipment	1,500,256	49	2,180,308	63	2,191,803	65
1755	Right-of-use assets	3,963	-	5,418	-	6,449	-
1760	Investment property, net	10,700	-	10,700	-	10,700	-
1780	Intangible assets	1,082	-	1,250	-	1,756	-
1840	Deferred tax assets	17,193	1	19,075	1	21,510	1
1900	Other non-current assets	28,276	1	27,461	1	24,292	1
15XX	<b>Total non-current assets</b>	<u>2,097,639</u>	<u>68</u>	<u>2,751,266</u>	<u>80</u>	<u>2,721,479</u>	<u>81</u>
1XXX	<b>Total assets</b>	<u>\$ 3,073,956</u>	<u>100</u>	<u>\$ 3,438,847</u>	<u>100</u>	<u>\$ 3,354,684</u>	<u>100</u>

(Continue)

**CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES**

**Consolidated Balance Sheet (Unaudited)**

**Dated June 30, 2020, December 31 and June 30, 2019**

Unit : NT\$ Thousands

Liabilities and equity		J u n e 3 0 , 2 0 2 0		D e c e m b e r 3 1 , 2 0 1 9		J u n e 3 0 , 2 0 1 9	
		NT\$	%	NT\$	%	NT\$	%
<b>Current liabilities</b>							
2100	Current borrowings	\$ -	-	\$ 70,000	2	\$ 290,000	9
2110	Short-term notes and bills payable	-	-	219,740	6	69,897	2
2130	Current contract liabilities	82,337	3	61,640	2	4,878	-
2150	Notes payable	1,688	-	1,192	-	603	-
2170	Accounts payable	95,526	3	77,226	2	60,566	2
2200	Other payables	178,851	6	125,399	4	209,058	6
2230	Current tax liabilities	90,116	3	15,948	1	16,464	1
2280	Current lease liabilities	2,493	-	2,657	-	2,593	-
2399	Other current liabilities, others	1,432	-	2,620	-	4,278	-
21XX	<b>Total current liabilities</b>	<u>452,443</u>	<u>15</u>	<u>576,422</u>	<u>17</u>	<u>658,337</u>	<u>20</u>
<b>Non-current liabilities</b>							
2540	Non-current portion of non-current borrowings	-	-	600,000	17	496,512	15
2570	Deferred tax liabilities	243,621	8	244,584	7	244,650	7
2580	Non-current lease liabilities	1,431	-	2,709	-	3,775	-
25XX	<b>Total non-current liabilities</b>	<u>245,052</u>	<u>8</u>	<u>847,293</u>	<u>24</u>	<u>744,937</u>	<u>22</u>
2XXX	<b>Total liabilities</b>	<u>697,495</u>	<u>23</u>	<u>1,423,715</u>	<u>41</u>	<u>1,403,274</u>	<u>42</u>
<b>Equity attributable to owners of parent</b>							
Share capital							
3110	Ordinary share	775,600	25	775,600	23	775,600	23
Capital surplus							
3200	Capital surplus	334,323	11	334,323	10	334,323	10
Retained earnings							
3310	Legal reserve	171,229	5	159,344	5	159,344	5
3320	Special reserve	183,296	6	183,296	5	183,296	5
3350	Unappropriated retained earnings	891,629	29	556,306	16	492,001	15
Other equity interest							
3400	Other equity interest	20,083	1	6,031	-	6,497	-
31XX	<b>Total equity attributable to owners of parent</b>	<u>2,376,160</u>	<u>77</u>	<u>2,014,900</u>	<u>59</u>	<u>1,951,061</u>	<u>58</u>
36XX	<b>Non-controlling interests</b>	<u>301</u>	<u>-</u>	<u>232</u>	<u>-</u>	<u>349</u>	<u>-</u>
3XXX	<b>Total equity</b>	<u>2,376,461</u>	<u>77</u>	<u>2,015,132</u>	<u>59</u>	<u>1,951,410</u>	<u>58</u>
<b>Significant contingent liabilities and unrecognized contractual commitments</b>							
3X2X	<b>Total liabilities and equity</b>	<u>\$ 3,073,956</u>	<u>100</u>	<u>\$ 3,438,847</u>	<u>100</u>	<u>\$ 3,354,684</u>	<u>100</u>

**CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES**  
**Consolidated Statement of Comprehensive Income (Unaudited)**  
**Six months Ended June 30, 2020 and 2019**

Unit : NTS Thousands  
(EPS: NT Dollars)

Accounting Title	2rd Quarter, 2020		2rd Quarter, 2019		1st Half, 2020		1st Half, 2019	
	NT\$	%	NT\$	%	NT\$	%	NT\$	%
4000 Operating revenue	\$ 391,913	100	\$ 319,842	100	\$ 699,352	100	\$ 663,491	100
5000 Operating costs	( 207,790)	( 53)	( 218,794)	( 69)	( 400,746)	( 58)	( 432,605)	( 65)
5900 Gross profit (loss) from operations	<u>184,123</u>	<u>47</u>	<u>101,048</u>	<u>31</u>	<u>298,606</u>	<u>42</u>	<u>230,886</u>	<u>35</u>
Operating expenses								
6100 Selling expenses	( 25,495)	( 6)	( 20,173)	( 6)	( 47,048)	( 7)	( 41,843)	( 6)
6200 Administrative expenses	( 19,697)	( 5)	( 20,909)	( 7)	( 41,125)	( 6)	( 40,925)	( 6)
6300 Research and development expenses	( 51,500)	( 13)	( 48,462)	( 15)	( 95,495)	( 13)	( 95,142)	( 15)
6000 Total operating expenses	( 96,692)	( 24)	( 89,544)	( 28)	( 183,668)	( 26)	( 177,910)	( 27)
6900 Net operating income (loss)	<u>87,431</u>	<u>23</u>	<u>11,504</u>	<u>3</u>	<u>114,938</u>	<u>16</u>	<u>52,976</u>	<u>8</u>
Non-operating income and expenses								
7100 Interest income	86	-	240	-	182	-	347	-
7010 Other income	1,015	-	1,394	1	2,096	-	3,350	1
7020 Other gains and losses	349,963	89	285	-	348,509	50	4,852	1
7050 Finance costs	( 2,076)	-	( 2,569)	( 1)	( 4,654)	-	( 5,065)	( 1)
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method, net	<u>12,653</u>	<u>3</u>	<u>9,268</u>	<u>3</u>	<u>21,882</u>	<u>3</u>	<u>14,382</u>	<u>2</u>
7000 Total non-operating income and expenses	<u>361,641</u>	<u>92</u>	<u>8,618</u>	<u>3</u>	<u>368,015</u>	<u>53</u>	<u>17,866</u>	<u>3</u>
7900 Profit (loss) from continuing operations before tax	<u>449,072</u>	<u>115</u>	<u>20,122</u>	<u>6</u>	<u>482,953</u>	<u>69</u>	<u>70,842</u>	<u>11</u>
7950 Tax expense (income)	( 77,894)	( 20)	( 6,598)	( 2)	( 83,977)	( 12)	( 16,198)	( 3)
8200 Profit (loss)	<u>\$ 371,178</u>	<u>95</u>	<u>\$ 13,524</u>	<u>4</u>	<u>\$ 398,976</u>	<u>57</u>	<u>\$ 54,644</u>	<u>8</u>
<b>Other comprehensive income</b>								
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>								
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>\$ 22,398</u>	<u>6</u>	<u>\$ 626</u>	<u>-</u>	<u>\$ 26,863</u>	<u>4</u>	<u>\$ 5,099</u>	<u>1</u>
8310 Components of other comprehensive income that will not be reclassified to profit or loss	<u>22,398</u>	<u>6</u>	<u>626</u>	<u>-</u>	<u>26,863</u>	<u>4</u>	<u>5,099</u>	<u>1</u>
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>								
8361 Exchange differences on translation	( 284)	-	( 614)	-	( 181)	-	836	-
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	( 1,192)	( 1)	-	-	( 2,281)	-	-	-
8360 Components of other comprehensive income that will be reclassified to profit or loss	( 1,476)	( 1)	( 614)	-	( 2,462)	-	836	-
8300 Other comprehensive income, net	<u>\$ 20,922</u>	<u>5</u>	<u>\$ 12</u>	<u>-</u>	<u>\$ 24,401</u>	<u>4</u>	<u>\$ 5,935</u>	<u>1</u>
8500 Total comprehensive income	<u>\$ 392,100</u>	<u>100</u>	<u>\$ 13,536</u>	<u>4</u>	<u>\$ 423,377</u>	<u>61</u>	<u>\$ 60,579</u>	<u>9</u>
Profit (loss), attributable to:								
8610 Profit (loss), attributable to owners of parent	<u>\$ 371,148</u>	<u>95</u>	<u>\$ 13,466</u>	<u>4</u>	<u>\$ 398,903</u>	<u>57</u>	<u>\$ 54,544</u>	<u>8</u>
8620 Profit (loss), attributable to non-controlling interests	<u>\$ 30</u>	<u>-</u>	<u>\$ 58</u>	<u>-</u>	<u>\$ 73</u>	<u>-</u>	<u>\$ 100</u>	<u>-</u>
Comprehensive income attributable to:								
8710 Comprehensive income, attributable to owners of parent	<u>\$ 392,076</u>	<u>100</u>	<u>\$ 13,476</u>	<u>4</u>	<u>\$ 423,308</u>	<u>61</u>	<u>\$ 60,476</u>	<u>9</u>
8720 Comprehensive income, attributable to non-controlling interests	<u>\$ 24</u>	<u>-</u>	<u>\$ 60</u>	<u>-</u>	<u>\$ 69</u>	<u>-</u>	<u>\$ 103</u>	<u>-</u>
Earnings(loss) per share								
9750 Basic earnings per share	<u>\$ 4.79</u>	<u>4.79</u>	<u>\$ 0.17</u>	<u>0.17</u>	<u>\$ 5.14</u>	<u>5.14</u>	<u>\$ 0.70</u>	<u>0.70</u>
9850 Diluted earnings per share	<u>\$ 4.78</u>	<u>4.78</u>	<u>\$ 0.17</u>	<u>0.17</u>	<u>\$ 5.12</u>	<u>5.12</u>	<u>\$ 0.70</u>	<u>0.70</u>

**CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES**  
**Consolidated Statement of Changes in Equity (Unaudited)**  
**January 1 to June 30, 2020 and 2019**

Unit : NT\$ Thousands

	Capital surplus		Retained earnings			Other equity i		Total equity attributable to owners of parent	Non-contro l l i n g Interests	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
<b>January 1 to June 30, 2019</b>											
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)	-	-	-	-	-	54,544	-	-	54,544	100	54,644
Other comprehensive income	-	-	-	-	-	-	833	5,099	5,932	3	5,935
Total comprehensive income	-	-	-	-	-	54,544	833	5,099	60,476	103	60,579
Appropriation and distribution of retained earnings of 2018:											
Legal reserve appropriated	-	-	-	23,425	-	( 23,425 )	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	( 93,072 )	-	-	( 93,072 )	-	( 93,072 )
Equity at end of period	\$ 775,600	\$ 333,746	\$ 577	\$ 159,344	\$ 183,296	\$ 492,001	\$ 1,057	\$ 5,440	\$ 1,951,061	\$ 349	\$ 1,951,410
<b>January 1 to June 30, 2020</b>											
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)	-	-	-	-	-	398,903	-	-	398,903	73	398,976
Other comprehensive income	-	-	-	-	-	-	( 2,458 )	26,863	24,405	( 4 )	24,401
Total comprehensive income	-	-	-	-	-	398,903	( 2,458 )	26,863	423,308	69	423,377
Appropriation and distribution of retained earnings of 2019:											
Legal reserve appropriated	-	-	-	11,885	-	( 11,885 )	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	( 62,048 )	-	-	( 62,048 )	-	( 62,048 )
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	10,353	-	( 10,353 )	-	-	-
Equity at end of period	\$ 775,600	\$ 333,746	\$ 577	\$ 171,229	\$ 183,296	\$ 891,629	(\$ 5,149 )	\$ 25,232	\$ 2,376,160	\$ 301	\$ 2,376,461

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES  
Consolidated Statement of Cash Flows(Unaudited)  
Six months Ended June 30, 2020 and 2019

Unit : NT\$ Thousands

	1st Half, 2020	1st Half, 2019
<u>Cash flows from (used in) operating activities</u>		
Profit (loss) before tax	\$ 482,953	\$ 70,842
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	64,976	64,355
Amortization expense	753	983
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	( 2,886 )	( 1,054 )
Interest income	( 182 )	( 347 )
Share of loss (profit) of associates and joint ventures accounted for using equity method	( 21,882 )	( 14,382 )
Loss (gain) on disposal of property, plan and equipment	( 346,826 )	-
Interest expense	4,654	5,065
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in contract assets	452 (	5,588 )
Decrease (increase) in notes receivable	( 1,322 ) (	108 )
Decrease (increase) in accounts receivable	( 40,643 ) (	34,751 )
Decrease (increase) in accounts receivable due from related parties	( 10,417 )	1,460
Decrease (increase) in other receivable	( 4,119 )	622
Decrease (increase) in other receivable due from related parties	-	186
Decrease (increase) in inventories	19,852	86,442
Decrease (increase) in prepayments	( 2,167 ) (	683 )
Decrease (increase) in other operating assets	( 712 ) (	537 )
Changes in operating liabilities		
Increase (decrease) in contract liabilities	20,697	3,299
Increase (decrease) in notes payable	496 (	589 )
Increase (decrease) in accounts payable	18,300 (	29 )
Increase (decrease) in other payable	( 10,960 ) (	2,566 )
Increase (decrease) in other current liabilities	( 1,188 )	2,902
Cash inflow (outflow) generated from operations	169,829	175,522
Interest received	193	336
Interest paid	( 4,761 ) (	5,120 )
Income taxes refund (paid)	( 8,439 ) (	12,903 )
Net cash flows from (used in) operating activities	156,822	157,835

(Continue)

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES  
Consolidated Statement of Cash Flows(Unaudited)  
Six months Ended June 30, 2020 and 2019

Unit : NT\$ Thousands

	1st Half, 2020	1st Half, 2019
<u>Cash flows from (used in) investing activities</u>		
Acquisition of investments accounted for using equity method	\$ -	(\$ 107,285 )
Acquisition of property, plant and equipment	( 94,384 )	( 59,426 )
Proceeds from disposal of property, plant and equipment	1,059,906	-
Acquisition of intangible assets	( 304 )	( 546 )
Increase in refundable deposits	( 103 )	( 488 )
Net cash flows from (used in) investing activities	965,115	( 167,745 )
<u>Cash flows from (used in) financing activities</u>		
Increase(Decrease) in short-term loans	( 70,000 )	140,000
Decrease in short-term notes and bills payable	( 219,740 )	( 10,059 )
Repayments of long-term debt	( 600,000 )	( 70,928 )
Payments of lease liabilities	( 1,516 )	( 1,144 )
Net cash flows from (used in) financing activities	( 891,256 )	57,869
Effect of exchange rate changes on cash and cash equivalents	( 124 )	56
Net increase (decrease) in cash and cash equivalents	230,557	48,015
Cash and cash equivalents at beginning of period	101,220	106,367
Cash and cash equivalents at end of period	\$ 331,777	\$ 154,382