

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

Consolidated Balance Sheet (Unaudited)

Dated September 30, 2020, December 31 and September 30, 2019

Unit : NT\$ Thousands

Assets		September 30, 2020		December 31, 2019		September 30, 2019	
		NT\$	%	NT\$	%	NT\$	%
<b>Current assets</b>							
1100	Cash and cash equivalents	\$ 194,400	7	\$ 101,220	3	\$ 96,010	3
1140	Current contract assets	644	-	452	-	304	-
1150	Notes receivable, net	-	-	345	-	1,155	-
1170	Accounts receivable, net	95,865	3	125,268	4	123,279	4
1180	Accounts receivable due from related parties, net	54,132	2	24,293	1	20,920	-
1200	Other receivables	11,611	-	20,908	-	5,590	-
1220	Current tax assets	22	-	431	-	2,157	-
130X	Current inventories	482,974	16	412,184	12	329,496	10
1410	Prepayments	5,999	-	2,480	-	3,363	-
11XX	<b>Total current assets</b>	<u>845,647</u>	<u>28</u>	<u>687,581</u>	<u>20</u>	<u>582,274</u>	<u>17</u>
<b>Non-current assets</b>							
1510	Non-current financial assets at fair value through profit or loss	31,706	1	28,160	1	29,592	1
1550	Investments accounted for using equity method	508,933	17	478,894	14	470,936	14
1600	Property, plant and equipment	1,535,361	52	2,180,308	63	2,191,549	66
1755	Right-of-use assets	3,844	-	5,418	-	6,240	-
1760	Investment property, net	10,700	-	10,700	-	10,700	-
1780	Intangible assets	1,290	-	1,250	-	1,680	-
1840	Deferred tax assets	18,479	1	19,075	1	20,853	1
1900	Other non-current assets	30,425	1	27,461	1	24,556	1
15XX	<b>Total non-current assets</b>	<u>2,140,738</u>	<u>72</u>	<u>2,751,266</u>	<u>80</u>	<u>2,756,106</u>	<u>83</u>
1XXX	<b>Total assets</b>	<u>\$ 2,986,385</u>	<u>100</u>	<u>\$ 3,438,847</u>	<u>100</u>	<u>\$ 3,338,380</u>	<u>100</u>

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Consolidated Balance Sheet (Unaudited)

Dated September 30, 2020, December 31 and September 30, 2019

Unit : NT\$ Thousands

Liabilities and Shareholders' Equity		September 30, 2020		December 31, 2019		September 30, 2019	
		NT\$	%	NT\$	%	NT\$	%
<b>Current liabilities</b>							
2100	Current borrowings	\$ -	-	\$ 70,000	2	\$ 230,000	7
2110	Short-term notes and bills payable	-	-	219,740	6	79,933	3
2130	Current contract liabilities	55,114	2	61,640	2	15,986	1
2150	Notes payable	1,216	-	1,192	-	596	-
2170	Accounts payable	67,222	2	77,226	2	73,586	2
2200	Other payables	122,245	4	125,399	4	102,217	3
2230	Current tax liabilities	86,258	3	15,948	1	11,898	-
2280	Current lease liabilities	2,528	-	2,657	-	2,736	-
2399	Other current liabilities	2,140	-	2,620	-	2,440	-
21XX	<b>Total current liabilities</b>	<u>336,723</u>	<u>11</u>	<u>576,422</u>	<u>17</u>	<u>519,392</u>	<u>16</u>
<b>Non-current liabilities</b>							
2540	Non-current portion of non-current borrowings	-	-	600,000	17	596,512	18
2570	Deferred tax liabilities	243,983	8	244,584	7	244,483	7
2580	Non-current lease liabilities	1,278	-	2,709	-	3,438	-
25XX	<b>Total non-current liabilities</b>	<u>245,261</u>	<u>8</u>	<u>847,293</u>	<u>24</u>	<u>844,433</u>	<u>25</u>
2XX	<b>Total liabilities</b>	<u>581,984</u>	<u>19</u>	<u>1,423,715</u>	<u>41</u>	<u>1,363,825</u>	<u>41</u>
<b>Equity attributable to owners of parent</b>							
Ordinary share							
3110	Ordinary share	775,600	26	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	6	159,344	5	159,344	5
3320	Special reserve	183,296	6	183,296	5	183,296	5
3350	Unappropriated retained earnings	931,738	31	556,306	16	517,498	16
Other equity interest							
3400	Other equity interest	7,899	1	6,031	-	4,152	-
31XX	<b>Total equity attributable to owners of parent</b>	<u>2,404,085</u>	<u>81</u>	<u>2,014,900</u>	<u>59</u>	<u>1,974,213</u>	<u>59</u>
36XX	<b>Non-controlling interests</b>	<u>316</u>	<u>-</u>	<u>232</u>	<u>-</u>	<u>342</u>	<u>-</u>
3XXX	<b>Total equity</b>	<u>2,404,401</u>	<u>81</u>	<u>2,015,132</u>	<u>59</u>	<u>1,974,555</u>	<u>59</u>
Significant contingent liabilities and unrecognized contractual commitments							
3X2X	<b>Total liabilities and equity</b>	<u>\$ 2,986,385</u>	<u>100</u>	<u>\$ 3,438,847</u>	<u>100</u>	<u>\$ 3,338,380</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, 2020 and 2019**

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

Accounting Title	July 1 to September 30, 2020		July 1 to September 30, 2019		January 1 to September 30, 2020		January 1 to September 30, 2019	
	NT\$	%	NT\$	%	NT\$	%	NT\$	%
4000 Operating revenue	\$ 284,623	100	\$ 217,018	100	\$ 983,975	100	\$ 880,509	100
5000 Operating costs	( 160,485)	( 56)	( 113,720)	( 52)	( 561,231)	( 57)	( 546,325)	( 62)
5900 Gross profit from operations	<u>124,138</u>	<u>44</u>	<u>103,298</u>	<u>48</u>	<u>422,744</u>	<u>43</u>	<u>334,184</u>	<u>38</u>
Operating expenses								
6100 Selling expenses	( 19,882)	( 7)	( 15,031)	( 7)	( 66,930)	( 7)	( 56,874)	( 7)
6200 Administrative expenses	( 19,434)	( 7)	( 16,277)	( 8)	( 60,559)	( 6)	( 57,202)	( 7)
6300 Research and development expenses	( 53,722)	( 19)	( 48,236)	( 22)	( 149,217)	( 15)	( 143,378)	( 16)
6000 Total operating expenses	<u>( 93,038)</u>	<u>( 33)</u>	<u>( 79,544)</u>	<u>( 37)</u>	<u>( 276,706)</u>	<u>( 28)</u>	<u>( 257,454)</u>	<u>( 30)</u>
6900 Net operating income (loss)	<u>31,100</u>	<u>11</u>	<u>23,754</u>	<u>11</u>	<u>146,038</u>	<u>15</u>	<u>76,730</u>	<u>8</u>
Non-operating income and expenses								
7100 Interest income	123	-	212	-	305	-	559	-
7010 Other income	1,089	-	3,267	1	3,185	-	6,617	1
7020 Other gains and losses, net	( 1,846)	( 1)	( 2,629)	( 1)	346,663	35	2,223	-
7050 Finance costs, net	( 13)	-	( 2,672)	( 1)	( 4,667)	-	( 7,737)	( 1)
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method, net	<u>10,033</u>	<u>4</u>	<u>8,141</u>	<u>4</u>	<u>31,915</u>	<u>3</u>	<u>22,523</u>	<u>3</u>
7000 Total non-operating income and expenses	<u>9,386</u>	<u>3</u>	<u>6,319</u>	<u>3</u>	<u>377,401</u>	<u>38</u>	<u>24,185</u>	<u>3</u>
7900 <b>Profit (loss) from continuing operations before tax</b>	<u>40,486</u>	<u>14</u>	<u>30,073</u>	<u>14</u>	<u>523,439</u>	<u>53</u>	<u>100,915</u>	<u>11</u>
7950 Tax expense (income)	( 6,051)	( 2)	( 4,583)	( 2)	( 90,028)	( 9)	( 20,781)	( 2)
8200 <b>Profit (loss)</b>	<u>\$ 34,435</u>	<u>12</u>	<u>\$ 25,490</u>	<u>12</u>	<u>\$ 433,411</u>	<u>44</u>	<u>\$ 80,134</u>	<u>9</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>(\$ 7,620)</u>	<u>( 3)</u>	<u>\$ 180</u>	<u>-</u>	<u>\$ 19,243</u>	<u>2</u>	<u>\$ 5,279</u>	<u>1</u>
8310 Components of other comprehensive income that will not be reclassified to profit or loss	<u>( 7,620)</u>	<u>( 3)</u>	<u>180</u>	<u>-</u>	<u>19,243</u>	<u>2</u>	<u>5,279</u>	<u>1</u>
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>								
8361 Exchange differences on translation	( 272)	-	( 710)	-	( 453)	-	126	-
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>1,397</u>	<u>1</u>	<u>( 1,815)</u>	<u>( 1)</u>	<u>( 884)</u>	<u>-</u>	<u>( 1,815)</u>	<u>-</u>
8360 Components of other comprehensive income that will be reclassified to profit or loss	<u>1,125</u>	<u>1</u>	<u>( 2,525)</u>	<u>( 1)</u>	<u>( 1,337)</u>	<u>-</u>	<u>( 1,689)</u>	<u>-</u>
8300 <b>Other comprehensive income, net</b>	<u>(\$ 6,495)</u>	<u>( 2)</u>	<u>(\$ 2,345)</u>	<u>( 1)</u>	<u>\$ 17,906</u>	<u>2</u>	<u>\$ 3,590</u>	<u>1</u>
8500 <b>Total comprehensive income</b>	<u>\$ 27,940</u>	<u>10</u>	<u>\$ 23,145</u>	<u>11</u>	<u>\$ 451,317</u>	<u>46</u>	<u>\$ 83,724</u>	<u>10</u>
Profit (loss), attributable to:								
8610 Profit (loss), attributable to owners of parent	<u>\$ 34,414</u>	<u>12</u>	<u>\$ 25,497</u>	<u>12</u>	<u>\$ 433,317</u>	<u>44</u>	<u>\$ 80,041</u>	<u>9</u>
8620 Profit (loss), attributable to non-controlling interests	<u>\$ 21</u>	<u>-</u>	<u>(\$ 7)</u>	<u>-</u>	<u>\$ 94</u>	<u>-</u>	<u>\$ 93</u>	<u>-</u>
Comprehensive income attributable to:								
8710 Comprehensive income, attributable to owners of parent	<u>\$ 27,925</u>	<u>10</u>	<u>\$ 23,152</u>	<u>11</u>	<u>\$ 451,233</u>	<u>46</u>	<u>\$ 83,628</u>	<u>10</u>
8720 Comprehensive income, attributable to non-controlling interests	<u>\$ 15</u>	<u>-</u>	<u>(\$ 7)</u>	<u>-</u>	<u>\$ 84</u>	<u>-</u>	<u>\$ 96</u>	<u>-</u>
Earnings per share								
9750 Basic earnings per share	<u>\$ 0.44</u>		<u>\$ 0.33</u>		<u>\$ 5.59</u>		<u>\$ 1.03</u>	
9850 Diluted earnings per share	<u>\$ 0.44</u>		<u>\$ 0.33</u>		<u>\$ 5.56</u>		<u>\$ 1.03</u>	

**CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES**  
**Consolidated Statement of Changes in Equity (Reviewed, Not Audited)**  
**January 1 to September 30, 2020 and 2019**

Unit : NT\$ Thousands

	<u>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</u>											
	<u>Capital surplus</u>			<u>Retained earnings</u>			<u>Other equity inte</u>				<u>Total equity attributable to owners of parent</u>	<u>Non-contro l l i n g I n t e r e s t s</u>
	<u>Ordinary share</u>	<u>Additional paid-in capital</u>	<u>Other</u>	<u>Legal reserve</u>	<u>Special reserve</u>	<u>Unappropriated retained earnings</u>	<u>Exchange differences on translation of foreign financial statements</u>	<u>Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income</u>				
<b>January 1 to September 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	-	-	-	-	-	80,041	-	-	80,041	93	80,134	
Other comprehensive income	-	-	-	-	-	-	( 1,692 )	5,279	3,587	3	3,590	
Total comprehensive income	-	-	-	-	-	80,041	( 1,692 )	5,279	83,628	96	83,724	
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	\$ 517,498	( \$ 1,468 )	\$ 5,620	\$ 1,974,213	\$ 342	\$ 1,974,555	
<b>January 1 to September 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	-	-	-	-	-	433,317	-	-	433,317	94	433,411	
Other comprehensive income	-	-	-	-	-	-	( 1,327 )	19,243	17,916	( 10 )	17,906	
Total comprehensive income	-	-	-	-	-	433,317	( 1,327 )	19,243	451,233	84	451,317	
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	-	-	-	-	-	16,048	-	( 16,048 )	-	-	-	
Equity at end of period	\$ 775,600	\$ 333,746	\$ 577	\$171,229	\$ 183,296	\$ 931,738	( \$ 4,018 )	\$ 11,917	\$ 2,404,085	\$ 316	\$ 2,404,401	

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES  
Consolidated Statement of Cash Flows (Reviewed, Not Audited)  
January1 to September 30, 2020 and 2019

Unit : NT\$ Thousands  
 January1 to  
 September 30,  
 2019

	January1 to September 30, 2020	January1 to September 30, 2019
<u>Cash flows from (used in) operating activities</u>		
Profit (loss) before tax	\$ 523,439	\$ 100,915
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	97,210	95,937
Amortization expense	1,212	1,450
Interest expense	4,667	7,737
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	( 3,546 )	386
Interest income	( 305 )	( 559 )
Share of loss (profit) of associates and joint ventures accounted for using equity method	( 31,915 )	( 22,523 )
Loss (gain) on disposal of property, plan and equipment	( 346,826 )	( 69 )
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in contract assets	( 192 )	( 304 )
Decrease (increase) in notes receivable	345	( 489 )
Decrease (increase) in accounts receivable	29,403	( 17,875 )
Decrease (increase) in accounts receivable due from related parties	( 29,839 )	5,529
Decrease (increase) in other receivable	9,289	( 347 )
Decrease (increase) in other receivable due from related parties	-	186
Decrease (increase) in inventories	( 70,790 )	32,902
Decrease (increase) in prepayments	( 3,519 )	1,624
Decrease (increase) in other operating assets	( 1,072 )	( 800 )
Changes in operating liabilities		
Increase (decrease) in contract liabilities	( 6,526 )	14,407
Increase (decrease) in notes payable	24	( 596 )
Increase (decrease) in accounts payable	( 10,004 )	12,991
Increase (decrease) in other payable	( 2,760 )	( 12,156 )
Increase (decrease) in other current liabilities	( 480 )	1,064
Cash inflow (outflow) generated from operations	157,815	219,410
Interest received	313	575
Dividends received	20,235	19,478
Interest paid	( 4,774 )	( 7,773 )
Income taxes refund (paid)	( 19,244 )	( 21,557 )
Net cash flows from (used in) operating activities	154,345	210,133

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Consolidated Statement of Cash Flows (Reviewed, Not Audited)  
January1 to September 30, 2020 and 2019

Unit : NT\$ Thousands  
January1 to  
September 30,  
2019

	<u>January1 to September 30, 2020</u>	<u>January1 to September 30, 2019</u>
<u>Cash flows from (used in) investing activities</u>		
Acquisition of investments accounted for using equity method	\$ -	(\$ 139,048 )
Acquisition of property, plant and equipment	( 163,777 )	( 94,527 )
Acquisition of property, plant and equipment	1,059,906	357
Acquisition of intangible assets	( 971 )	( 937 )
Increase in refundable deposits	( 1,895 )	( 488 )
Net cash flows from (used in) investing activities	<u>893,263</u>	<u>( 234,643 )</u>
<u>Cash flows from (used in) financing activities</u>		
Increase(Decrease) in short-term loans	( 70,000 )	80,000
Decrease in short-term notes and bills payable	( 219,740 )	( 23 )
Proceeds from long-term debt	600,000	100,000
Repayments of long-term debt	( 1,200,000 )	( 70,928 )
Payments of lease liabilities	( 2,220 )	( 1,905 )
Cash dividends paid	( 62,048 )	( 93,072 )
Net cash flows from (used in) financing activities	<u>( 954,008 )</u>	<u>14,072</u>
Effect of exchange rate changes on cash and cash equivalents	( 420 )	81
Net increase (decrease) in cash and cash equivalents	93,180	( 10,357 )
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>\$ 194,400</u>	<u>\$ 96,010</u>