

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Balance Sheet (Reviewed)
Dated June 30, 2021, December 31 and June 30, 2020

Unit : NT\$ Thousands

Assets	<u>June 30, 2021</u>		<u>December 31, 2020</u>		<u>June 30, 2020</u>		
	Amount	%	Amount	%	Amount	%	
Current assets							
1100	Cash and cash equivalents	\$ 199,661	5	\$ 148,625	5	\$ 331,777	11
1140	Current contract assets	-	-	21	-	-	-
1150	Notes receivable, net	378	-	344	-	1,667	-
1170	Accounts receivable, net	294,176	8	315,610	10	165,911	5
1180	Accounts receivable due from related parties, net	38,636	1	41,952	2	34,710	1
1200	Other receivables	48,723	1	9,653	-	45,251	2
1220	Current tax assets	-	-	21	-	22	-
130X	Current inventories	598,890	16	481,244	15	392,332	13
1410	Prepayments	7,922	-	4,132	-	4,647	-
1479	Other current assets	1,639	-	-	-	-	-
11XX	Total current assets	<u>1,190,025</u>	<u>31</u>	<u>1,001,602</u>	<u>32</u>	<u>976,317</u>	<u>32</u>
Non-current assets							
1510	Non-current financial assets at fair value through profit or loss	24,246	1	32,456	1	31,046	1
1550	Investments accounted for using equity method	801,298	21	511,434	16	505,123	16
1600	Property, plant and equipment	1,685,047	45	1,539,251	49	1,500,256	49
1755	Right-of-use assets	2,955	-	3,110	-	3,963	-
1760	Investment property, net	10,700	-	10,700	-	10,700	-
1780	Intangible assets	1,811	-	1,293	-	1,082	-
1840	Deferred tax assets	15,642	1	16,758	1	17,193	1
1900	Other non-current assets	51,426	1	30,536	1	28,276	1
15XX	Total non-current assets	<u>2,593,125</u>	<u>69</u>	<u>2,145,538</u>	<u>68</u>	<u>2,097,639</u>	<u>68</u>
1XXX	Total assets	<u>\$ 3,783,150</u>	<u>100</u>	<u>\$ 3,147,140</u>	<u>100</u>	<u>\$ 3,073,956</u>	<u>100</u>

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Consolidated Balance Sheet (Reviewed)
Dated June 30, 2021, December 31 and June 30, 2020

Unit : NT\$ Thousands

Liabilities and equity		J u n e 3 0 , 2 0 2 1		D e c e m b e r 3 1 , 2 0 2 0		J u n e 3 0 , 2 0 2 0	
		Amount	%	Amount	%	Amount	%
Current liabilities							
2100	Current borrowings	\$ 150,000	4	\$ -	-	\$ -	-
2130	Current contract liabilities	6,083	-	3,657	-	82,337	3
2150	Notes payable	607	-	1,215	-	1,688	-
2170	Accounts payable	99,878	3	96,495	3	95,526	3
2200	Other payables	228,334	6	187,686	6	178,851	6
2230	Current tax liabilities	46,944	1	106,544	4	90,116	3
2280	Current lease liabilities	1,773	-	2,252	-	2,493	-
2399	Other current liabilities	2,589	-	2,310	-	1,432	-
21XX	Total current liabilities	<u>536,208</u>	<u>14</u>	<u>400,159</u>	<u>13</u>	<u>452,443</u>	<u>15</u>
Non-current liabilities							
2540	Non-current portion of non-current borrowings	200,000	5	-	-	-	-
2570	Deferred tax liabilities	245,027	7	247,499	8	243,621	8
2580	Non-current lease liabilities	1,226	-	819	-	1,431	-
25XX	Total non-current liabilities	<u>446,253</u>	<u>12</u>	<u>248,318</u>	<u>8</u>	<u>245,052</u>	<u>8</u>
2XXX	Total liabilities	<u>982,461</u>	<u>26</u>	<u>648,477</u>	<u>21</u>	<u>697,495</u>	<u>23</u>
Equity attributable to owners of parent							
Share capital							
3110	Ordinary share	775,600	20	775,600	25	775,600	25
Capital surplus							
3200	Capital surplus	334,323	9	334,323	10	334,323	11
Retained earnings							
3310	Legal reserve	171,229	5	171,229	5	171,229	5
3320	Special reserve	183,296	5	183,296	6	183,296	6
3350	Unappropriated retained earnings	1,291,178	34	1,030,235	33	891,629	29
Other equity interest							
3400	Other equity interest	44,644	1	3,719	-	20,083	1
31XX	Total equity attributable to owners of parent	<u>2,800,270</u>	<u>74</u>	<u>2,498,402</u>	<u>79</u>	<u>2,376,160</u>	<u>77</u>
36XX	Non-controlling interests	<u>419</u>	<u>-</u>	<u>261</u>	<u>-</u>	<u>301</u>	<u>-</u>
3XXX	Total equity	<u>2,800,689</u>	<u>74</u>	<u>2,498,663</u>	<u>79</u>	<u>2,376,461</u>	<u>77</u>
Significant contingent liabilities and unrecognized contractual commitments							
Major subsequent events							
3X2X	Total liabilities and equity	<u>\$ 3,783,150</u>	<u>100</u>	<u>\$ 3,147,140</u>	<u>100</u>	<u>\$ 3,073,956</u>	<u>100</u>

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Comprehensive Income (Reviewed)
January 1 to June 30, 2021 and 2020

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

Accounting Title	2rd Quarter, 2021		2rd Quarter, 2020		1st Half, 2021		1st Half, 2020	
	A m o u n t	%	A m o u n t	%	A m o u n t	%	A m o u n t	%
4000 Operating revenue	\$ 499,832	100	\$ 391,913	100	\$ 921,442	100	\$ 699,352	100
5000 Operating costs	(248,657)	(50)	(207,790)	(53)	(456,743)	(50)	(400,746)	(58)
5900 Gross profit (loss) from operations	<u>251,175</u>	<u>50</u>	<u>184,123</u>	<u>47</u>	<u>464,699</u>	<u>50</u>	<u>298,606</u>	<u>42</u>
Operating expenses								
6100 Selling expenses	(30,903)	(6)	(25,495)	(6)	(61,416)	(6)	(47,048)	(7)
6200 Administrative expenses	(20,137)	(4)	(19,697)	(5)	(44,562)	(5)	(41,125)	(6)
6300 Research and development expenses	(50,783)	(10)	(51,500)	(13)	(99,802)	(11)	(95,495)	(13)
6000 Total operating expenses	<u>(101,823)</u>	<u>(20)</u>	<u>(96,692)</u>	<u>(24)</u>	<u>(205,780)</u>	<u>(22)</u>	<u>(183,668)</u>	<u>(26)</u>
6900 Net operating income (loss)	<u>149,352</u>	<u>30</u>	<u>87,431</u>	<u>23</u>	<u>258,919</u>	<u>28</u>	<u>114,938</u>	<u>16</u>
Non-operating income and expenses								
7100 Interest income	56	-	86	-	122	-	182	-
7010 Other income	6,285	1	1,015	-	6,809	1	2,096	-
7020 Other gains and losses	(7,964)	(2)	349,963	89	(10,193)	(1)	348,509	50
7050 Finance costs	(236)	-	(2,076)	-	(245)	-	(4,654)	-
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method, net	<u>8,074</u>	<u>2</u>	<u>12,653</u>	<u>3</u>	<u>17,684</u>	<u>2</u>	<u>21,882</u>	<u>3</u>
7000 Total non-operating income and expenses	<u>6,215</u>	<u>1</u>	<u>361,641</u>	<u>92</u>	<u>14,177</u>	<u>2</u>	<u>368,015</u>	<u>53</u>
7900 Profit (loss) from continuing operations before tax	<u>155,567</u>	<u>31</u>	<u>449,072</u>	<u>115</u>	<u>273,096</u>	<u>30</u>	<u>482,953</u>	<u>69</u>
7950 Tax expense (income)	(29,135)	(6)	(77,894)	(20)	(48,354)	(5)	(83,977)	(12)
8200 Profit (loss)	<u>\$ 126,432</u>	<u>25</u>	<u>\$ 371,178</u>	<u>95</u>	<u>\$ 224,742</u>	<u>25</u>	<u>\$ 398,976</u>	<u>57</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>\$ 50,865</u>	<u>10</u>	<u>\$ 22,398</u>	<u>6</u>	<u>\$ 79,117</u>	<u>8</u>	<u>\$ 26,863</u>	<u>4</u>
8310 Components of other comprehensive income that will not be reclassified to profit or loss	<u>50,865</u>	<u>10</u>	<u>22,398</u>	<u>6</u>	<u>79,117</u>	<u>8</u>	<u>26,863</u>	<u>4</u>
Components of other comprehensive income that will be reclassified to profit or loss								
8361 Exchange differences on translation	(422)	-	(284)	-	(376)	-	(181)	-
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>(1,874)</u>	<u>-</u>	<u>(1,192)</u>	<u>(1)</u>	<u>(1,457)</u>	<u>-</u>	<u>(2,281)</u>	<u>-</u>
8360 Components of other comprehensive income that will be reclassified to profit or loss	<u>(2,296)</u>	<u>-</u>	<u>(1,476)</u>	<u>(1)</u>	<u>(1,833)</u>	<u>-</u>	<u>(2,462)</u>	<u>-</u>
8300 Other comprehensive income, net	<u>\$ 48,569</u>	<u>10</u>	<u>\$ 20,922</u>	<u>5</u>	<u>\$ 77,284</u>	<u>8</u>	<u>\$ 24,401</u>	<u>4</u>
8500 Total comprehensive income	<u>\$ 175,001</u>	<u>35</u>	<u>\$ 392,100</u>	<u>100</u>	<u>\$ 302,026</u>	<u>33</u>	<u>\$ 423,377</u>	<u>61</u>
Profit (loss), attributable to								
8610 Profit (loss), attributable to owners of parent	<u>\$ 126,329</u>	<u>25</u>	<u>\$ 371,148</u>	<u>95</u>	<u>\$ 224,576</u>	<u>25</u>	<u>\$ 398,903</u>	<u>57</u>
8620 Profit (loss), attributable to non-controlling interests	<u>\$ 103</u>	<u>-</u>	<u>\$ 30</u>	<u>-</u>	<u>\$ 166</u>	<u>-</u>	<u>\$ 73</u>	<u>-</u>
Comprehensive income attributable to:								
8710 Comprehensive income, attributable to owners of parent	<u>\$ 174,908</u>	<u>35</u>	<u>\$ 392,076</u>	<u>100</u>	<u>\$ 301,868</u>	<u>33</u>	<u>\$ 423,308</u>	<u>61</u>
8720 Comprehensive income, attributable to non-controlling interests	<u>\$ 93</u>	<u>-</u>	<u>\$ 24</u>	<u>-</u>	<u>\$ 158</u>	<u>-</u>	<u>\$ 69</u>	<u>-</u>
Earnings(loss) per share								
9750 Basic earnings per share	<u>\$ 1.63</u>		<u>\$ 4.79</u>		<u>\$ 2.90</u>		<u>\$ 5.14</u>	
9850 Diluted earnings per share	<u>\$ 1.62</u>		<u>\$ 4.78</u>		<u>\$ 2.88</u>		<u>\$ 5.12</u>	

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Changes in Equity (Reviewed)
January 1 to June 30, 2021 and 2020

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				
	O r d i n a r y s h a r e	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 d i f f e r e n c e s o n t r a n s l a t i o n o f 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 m e a s u r e d a t f a i r v a l u e t h r o u g h o t h e r c o m p r e h e n s i v e e i n c o m e	T o t a l 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	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
January 1 to June 30, 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)	-	-	-	-	-	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
January 1 to June 30, 2021											
Equity at beginning of period	\$ 775,600	\$ 333,746	\$ 577	\$ 171,229	\$ 183,296	\$ 1,030,235	(\$ 2,667)	\$ 6,386	\$ 2,498,402	\$ 261	\$ 2,498,663
Profit (loss)	-	-	-	-	-	224,576	-	-	224,576	166	224,742
Other comprehensive income	-	-	-	-	-	-	(1,825)	79,117	77,292	(8)	77,284
Total comprehensive income	-	-	-	-	-	224,576	(1,825)	79,117	301,868	158	302,026
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	36,367	-	(36,367)	-	-	-
Equity at end of period	\$ 775,600	\$ 333,746	\$ 577	\$ 171,229	\$ 183,296	\$ 1,291,178	(\$ 4,492)	\$ 49,136	\$ 2,800,270	\$ 419	\$ 2,800,689

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Cash Flows (Reviewed)
Six months Ended June 30, 2021 and 2020

Unit : NT\$ Thousands

	1st Half, 2021	1st Half, 2020
<u>Cash flows from (used in) operating activities</u>		
Profit (loss) before tax	\$ 273,096	\$ 482,953
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	63,827	64,976
Amortization expense	761	753
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(790)	(2,886)
Interest income	(122)	(182)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(17,684)	(21,882)
Loss (gain) on disposal of property, plan and equipment	-	(346,826)
Interest expense	245	4,654
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	9,000	-
Decrease (increase) in contract assets	21	452
Decrease (increase) in notes receivable	(34)	(1,322)
Decrease (increase) in accounts receivable	21,434	(40,643)
Decrease (increase) in accounts receivable due from related parties	3,316	(10,417)
Decrease (increase) in other receivable	(4,019)	(4,119)
Decrease (increase) in inventories	(117,646)	19,852
Decrease (increase) in prepayments	(3,790)	(2,167)
Decrease (increase) in other current assets	(1,639)	-
Decrease (increase) in other operating assets	432	(712)
Changes in operating liabilities		
Increase (decrease) in contract liabilities	2,426	20,697
Increase (decrease) in notes payable	(608)	496
Increase (decrease) in accounts payable	3,383	18,300
Increase (decrease) in other payable	2,641	(10,960)
Increase (decrease) in other current liabilities	279	(1,188)
Cash inflow (outflow) generated from operations	234,529	169,829
Interest received	127	193
Interest paid	(197)	(4,761)
Income taxes refund (paid)	(109,273)	(8,439)
Net cash flows from (used in) operating activities	125,186	156,822

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CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Cash Flows (Reviewed)
Six months Ended June 30, 2021 and 2020

Unit : NT\$ Thousands

	1st Half, 2021	1st Half, 2020
<u>Cash flows from (used in) investing activities</u>		
Acquisition of investments accounted for using equity method	(\$ 218,310)	\$ -
Acquisition of property, plant and equipment	(204,668)	(94,384)
Proceeds from disposal of property, plant and equipment	-	1,059,906
Acquisition of intangible assets	(1,279)	(304)
Decrease(Increase) in refundable deposits	1,804	(103)
Net cash flows from (used in) investing activities	(422,453)	965,115
<u>Cash flows from (used in) financing activities</u>		
Increase(Decrease) in short-term loans	150,000	(70,000)
Decrease in short-term notes and bills payable	-	(219,740)
Proceeds from long-term debt	200,000	600,000
Repayments of long-term debt	-	(1,200,000)
Payments of lease liabilities	(1,396)	(1,516)
Net cash flows from (used in) financing activities	348,604	(891,256)
Effect of exchange rate changes on cash and cash equivalents	(301)	(124)
Net increase (decrease) in cash and cash equivalents	51,036	230,557
Cash and cash equivalents at beginning of period	148,625	101,220
Cash and cash equivalents at end of period	\$ 199,661	\$ 331,777