

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

**Consolidated Balance Sheet (Reviewed)**

**Dated September 30, 2021, December 31 and September 30, 2020**

Unit : NT\$ Thousands

Assets		September 30, 2021		December 31, 2020		September 30, 2020	
		NT\$	%	NT\$	%	NT\$	%
<b>Current assets</b>							
1100	Cash and cash equivalents	\$ 223,768	5	\$ 148,625	5	\$ 194,400	7
1140	Current contract assets	-	-	21	-	644	-
1150	Notes receivable, net	225	-	344	-	-	-
1170	Accounts receivable, net	337,599	8	315,610	10	95,865	3
1180	Accounts receivable due from related parties, net	34,905	1	41,952	2	54,132	2
1200	Other receivables	26,296	1	9,653	-	11,611	-
1220	Current tax assets	-	-	21	-	22	-
130X	Current inventories	710,346	17	481,244	15	482,974	16
1410	Prepayments	12,522	-	4,132	-	5,999	-
11XX	<b>Total current assets</b>	<u>1,345,661</u>	<u>32</u>	<u>1,001,602</u>	<u>32</u>	<u>845,647</u>	<u>28</u>
<b>Non-current assets</b>							
1510	Non-current financial assets at fair value through profit or loss	24,666	1	32,456	1	31,706	1
1550	Investments accounted for using equity method	1,005,827	24	511,434	16	508,933	17
1600	Property, plant and equipment	1,751,059	41	1,539,251	49	1,535,361	52
1755	Right-of-use assets	2,902	-	3,110	-	3,844	-
1760	Investment property, net	10,700	-	10,700	-	10,700	-
1780	Intangible assets	2,133	-	1,293	-	1,290	-
1840	Deferred tax assets	17,594	-	16,758	1	18,479	1
1900	Other non-current assets	75,314	2	30,536	1	30,425	1
15XX	<b>Total non-current assets</b>	<u>2,890,195</u>	<u>68</u>	<u>2,145,538</u>	<u>68</u>	<u>2,140,738</u>	<u>72</u>
1XXX	<b>Total assets</b>	<u>\$ 4,235,856</u>	<u>100</u>	<u>\$ 3,147,140</u>	<u>100</u>	<u>\$ 2,986,385</u>	<u>100</u>

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**Consolidated Balance Sheet (Reviewed)**

**Dated September 30, 2021, December 31 and September 30, 2020**

Unit : NT\$ Thousands

Liabilities and Shareholders' Equity		September 30, 2021		December 31, 2020		September 30, 2020	
		NT\$	%	NT\$	%	NT\$	%
<b>Current liabilities</b>							
2100	Current borrowings	\$ 370,000	9	\$ -	-	\$ -	-
2130	Current contract liabilities	36,898	1	3,657	-	55,114	2
2150	Notes payable	1,215	-	1,215	-	1,216	-
2170	Accounts payable	113,640	3	96,495	3	67,222	2
2200	Other payables	242,315	6	187,686	6	122,245	4
2230	Current tax liabilities	26,214	-	106,544	4	86,258	3
2280	Current lease liabilities	1,705	-	2,252	-	2,528	-
2399	Other current liabilities	2,570	-	2,310	-	2,140	-
21XX	<b>Total current liabilities</b>	<u>794,557</u>	<u>19</u>	<u>400,159</u>	<u>13</u>	<u>336,723</u>	<u>11</u>
<b>Non-current liabilities</b>							
2540	Non-current portion of non-current borrowings	400,000	9	-	-	-	-
2570	Deferred tax liabilities	244,978	6	247,499	8	243,983	8
2580	Non-current lease liabilities	1,230	-	819	-	1,278	-
25XX	<b>Total non-current liabilities</b>	<u>646,208</u>	<u>15</u>	<u>248,318</u>	<u>8</u>	<u>245,261</u>	<u>8</u>
2XXX	<b>Total liabilities</b>	<u>1,440,765</u>	<u>34</u>	<u>648,477</u>	<u>21</u>	<u>581,984</u>	<u>19</u>
<b>Equity attributable to owners of parent</b>							
Share capital							
3110	Ordinary share	775,600	18	775,600	25	775,600	26
Capital surplus							
3200	Capital surplus	334,323	8	334,323	10	334,323	11
Retained earnings							
3310	Legal reserve	226,015	6	171,229	5	171,229	6
3320	Special reserve	183,296	4	183,296	6	183,296	6
3350	Unappropriated retained earnings	1,233,524	29	1,030,235	33	931,738	31
Other equity interest							
3400	Other equity interest	41,812	1	3,719	-	7,899	1
31XX	<b>Total equity attributable to owners of parent</b>	<u>2,794,570</u>	<u>66</u>	<u>2,498,402</u>	<u>79</u>	<u>2,404,085</u>	<u>81</u>
36XX	<b>Non-controlling interests</b>	<u>521</u>	<u>-</u>	<u>261</u>	<u>-</u>	<u>316</u>	<u>-</u>
3XXX	<b>Total equity</b>	<u>2,795,091</u>	<u>66</u>	<u>2,498,663</u>	<u>79</u>	<u>2,404,401</u>	<u>81</u>
<b>Significant contingent liabilities and unrecognized contractual commitments</b>							
<b>Major subsequent events</b>							
3X2X	<b>Total liabilities and equity</b>	<u>\$ 4,235,856</u>	<u>100</u>	<u>\$ 3,147,140</u>	<u>100</u>	<u>\$ 2,986,385</u>	<u>100</u>

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

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

Accounting Title	J u l y 1 t o September 30,2021		J u l y 1 t o September 30,2020		J a n u a r y 1 t o September 30,2021		J a n u a r y 1 t o September 30,2020	
	NT\$	%	NT\$	%	NT\$	%	NT\$	%
4000 Operating revenue	\$ 505,592	100	\$ 284,623	100	\$ 1,427,034	100	\$ 983,975	100
5000 Operating costs	( 272,708)	( 54)	( 160,485)	( 56)	( 729,451)	( 51)	( 561,231)	( 57)
5900 Gross profit from operations	<u>232,884</u>	<u>46</u>	<u>124,138</u>	<u>44</u>	<u>697,583</u>	<u>49</u>	<u>422,744</u>	<u>43</u>
Operating expenses								
6100 Selling expenses	( 40,700)	( 8)	( 19,882)	( 7)	( 102,116)	( 7)	( 66,930)	( 7)
6200 Administrative expenses	( 24,827)	( 5)	( 19,434)	( 7)	( 69,389)	( 5)	( 60,559)	( 6)
6300 Research and development expenses	( 64,887)	( 13)	( 53,722)	( 19)	( 164,689)	( 12)	( 149,217)	( 15)
6000 Total operating expenses	( 130,414)	( 26)	( 93,038)	( 33)	( 336,194)	( 24)	( 276,706)	( 28)
6900 Net operating income	<u>102,470</u>	<u>20</u>	<u>31,100</u>	<u>11</u>	<u>361,389</u>	<u>25</u>	<u>146,038</u>	<u>15</u>
Non-operating income and expenses								
7100 Interest income	33	-	123	-	155	-	305	-
7010 Other income	8,985	2	1,089	-	15,794	1	3,185	-
7020 Other gains and losses, net	2,157	-	( 1,846)	( 1)	( 8,036)	-	346,663	35
7050 Finance costs, net	( 1,391)	-	( 13)	-	( 1,636)	-	( 4,667)	-
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method, net	<u>12,336</u>	<u>3</u>	<u>10,033</u>	<u>4</u>	<u>30,020</u>	<u>2</u>	<u>31,915</u>	<u>3</u>
7000 Total non-operating income and expenses	<u>22,120</u>	<u>5</u>	<u>9,386</u>	<u>3</u>	<u>36,297</u>	<u>3</u>	<u>377,401</u>	<u>38</u>
7900 <b>Profit from continuing operations before tax</b>	<u>124,590</u>	<u>25</u>	<u>40,486</u>	<u>14</u>	<u>397,686</u>	<u>28</u>	<u>523,439</u>	<u>53</u>
7950 Tax expense	( 39,561)	( 8)	( 6,051)	( 2)	( 87,915)	( 6)	( 90,028)	( 9)
8200 <b>Profit</b>	<u>\$ 85,029</u>	<u>17</u>	<u>\$ 34,435</u>	<u>12</u>	<u>\$ 309,771</u>	<u>22</u>	<u>\$ 433,411</u>	<u>44</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>\$ 26,018</u>	<u>5</u>	<u>( \$ 7,620)</u>	<u>( 3)</u>	<u>\$ 105,135</u>	<u>7</u>	<u>\$ 19,243</u>	<u>2</u>
8310 Components of other comprehensive income that will not be reclassified to profit or loss	<u>26,018</u>	<u>5</u>	<u>( 7,620)</u>	<u>( 3)</u>	<u>105,135</u>	<u>7</u>	<u>19,243</u>	<u>2</u>
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>								
8361 Exchange differences on translation	( 16)	-	( 272)	-	( 392)	-	( 453)	-
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	( 289)	-	1,397	1	( 1,746)	-	( 884)	-
8360 Components of other comprehensive income that will be reclassified to profit or loss	( 305)	-	1,125	1	( 2,138)	-	( 1,337)	-
8300 <b>Other comprehensive income, net</b>	<u>\$ 25,713</u>	<u>5</u>	<u>( \$ 6,495)</u>	<u>( 2)</u>	<u>\$ 102,997</u>	<u>7</u>	<u>\$ 17,906</u>	<u>2</u>
8500 <b>Total comprehensive income</b>	<u>\$ 110,742</u>	<u>22</u>	<u>\$ 27,940</u>	<u>10</u>	<u>\$ 412,768</u>	<u>29</u>	<u>\$ 451,317</u>	<u>46</u>
Profit (loss), attributable to: :								
8610 Profit (loss), attributable to owners of parent	<u>\$ 84,927</u>	<u>17</u>	<u>\$ 34,414</u>	<u>12</u>	<u>\$ 309,503</u>	<u>22</u>	<u>\$ 433,317</u>	<u>44</u>
8620 Profit (loss), attributable to non-controlling interests	<u>\$ 102</u>	<u>-</u>	<u>\$ 21</u>	<u>-</u>	<u>\$ 268</u>	<u>-</u>	<u>\$ 94</u>	<u>-</u>
Comprehensive income attributable to:								
8710 Comprehensive income, attributable to owners of parent	<u>\$ 110,640</u>	<u>22</u>	<u>\$ 27,925</u>	<u>10</u>	<u>\$ 412,508</u>	<u>29</u>	<u>\$ 451,233</u>	<u>46</u>
8720 Comprehensive income, attributable to non-controlling interests	<u>\$ 102</u>	<u>-</u>	<u>\$ 15</u>	<u>-</u>	<u>\$ 260</u>	<u>-</u>	<u>\$ 84</u>	<u>-</u>
Earnings per share								
9750 Basic earnings per share	<u>\$ 1.09</u>		<u>\$ 0.44</u>		<u>\$ 3.99</u>		<u>\$ 5.59</u>	
9850 Diluted earnings per share	<u>\$ 1.09</u>		<u>\$ 0.44</u>		<u>\$ 3.96</u>		<u>\$ 5.56</u>	

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

Unit : NTS Thousands

	Equity attributable to owners of parent										Non-controlling Interests	Total Equity
	Capital surplus			Retained earnings			Other equity		Total equity attributable to owners of parent			
	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 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	
<b>January 1 to September 30, 2021</b>												
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	-	-	-	-	-	309,503	-	-	309,503	268	309,771	
Other comprehensive income	-	-	-	-	-	-	( 2,130 )	105,135	103,005	( 8 )	102,997	
Total comprehensive income	-	-	-	-	-	309,503	( 2,130 )	105,135	412,508	260	412,768	
Appropriation and distribution of retained earnings of 2020:												
Legal reserve appropriated	-	-	-	54,786	-	( 54,786 )	-	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	-	( 116,340 )	-	-	( 116,340 )	-	( 116,340 )	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	64,912	-	( 64,912 )	-	-	-	
Equity at end of period	\$ 775,600	\$ 333,746	\$ 577	\$ 226,015	\$ 183,296	\$ 1,233,524	(\$ 4,797 )	\$ 46,609	\$ 2,794,570	\$ 521	\$ 2,795,091	

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

Consolidated Statement of Cash Flows (Reviewed)

January1 to September 30, 2021 and 2020

Unit : NT\$ Thousands

	<u>January1 to</u> <u>September 30, 2021</u>	<u>January1 to</u> <u>September 30, 2020</u>
<u>Cash flows from (used in) operating activities</u>		
Profit (loss) before tax	\$ 397,686	\$ 523,439
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	95,079	97,210
Amortization expense	1,171	1,212
Interest expense	1,636	4,667
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	( 1,210 )	( 3,546 )
Interest income	( 155 )	( 305 )
Share of loss (profit) of associates and joint ventures accounted for using equity method	( 30,020 )	( 31,915 )
Loss (gain) on disposal of property, plan and equipment	-	( 346,826 )
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	( 192 )
Decrease (increase) in notes receivable	119	345
Decrease (increase) in accounts receivable	( 21,989 )	29,403
Decrease (increase) in accounts receivable due from related parties	7,047	( 29,839 )
Decrease (increase) in other receivable	( 16,645 )	9,289
Decrease (increase) in inventories	( 229,102 )	( 70,790 )
Decrease (increase) in prepayments	( 8,390 )	( 3,519 )
Decrease (increase) in other operating assets	745	( 1,072 )
Changes in operating assets and liabilities		
Increase (decrease) in contract liabilities	33,241	( 6,526 )
Increase (decrease) in notes payable	-	24
Increase (decrease) in accounts payable	17,145	( 10,004 )
Increase (decrease) in other payable	( 19,434 )	( 2,760 )
Increase (decrease) in other current liabilities	259	( 480 )
Cash inflow (outflow) generated from operations	236,204	157,815
Interest received	157	313
Dividends received	38,977	20,235
Interest paid	( 1,451 )	( 4,774 )
Income taxes refund (paid)	( 171,570 )	( 19,244 )
Net cash flows from (used in) operating activities	<u>102,317</u>	<u>154,345</u>

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CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES  
Consolidated Statement of Cash Flows (Reviewed)  
January1 to September 30, 2021 and 2020

Unit : NT\$ Thousands

	<u>January1 to</u> <u>September 30, 2021</u>	<u>January1 to</u> <u>September 30, 2020</u>
<u>Cash flows from (used in) investing activities</u>		
Acquisition of investments accounted for using equity method	(\$ 399,961 )	\$ -
Acquisition of property, plant and equipment	( 278,245 )	( 163,777 )
Proceeds from disposal of property, plant and equipment	-	1,059,906
Acquisition of intangible assets	( 2,011 )	( 971 )
Decrease (Increase) in refundable deposits	<u>1,804</u>	<u>( 1,895 )</u>
Net cash flows from (used in) investing activities	<u>( 678,413 )</u>	<u>893,263</u>
<u>Cash flows from (used in) financing activities</u>		
Increase (Decrease) in short-term loans	370,000	( 70,000 )
Decrease in short-term notes and bills payable	-	( 219,740 )
Proceeds from long-term debt	600,000	600,000
Repayments of long-term debt	( 200,000 )	( 1,200,000 )
Payments of lease liabilities	( 2,110 )	( 2,220 )
Cash dividends paid	<u>( 116,340 )</u>	<u>( 62,048 )</u>
Net cash flows from (used in) financing activities	<u>651,550</u>	<u>( 954,008 )</u>
Effect of exchange rate changes on cash and cash equivalents	<u>( 311 )</u>	<u>( 420 )</u>
Net increase (decrease) in cash and cash equivalents	75,143	93,180
Cash and cash equivalents at end of period	<u>148,625</u>	<u>101,220</u>
Cash and cash equivalents reported in the statement of financial position	<u>\$ 223,768</u>	<u>\$ 194,400</u>