

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Balance Sheet (Reviewed)
Dated March 31, 2022, December 31 and March 31, 2021

Unit : NT\$ Thousands

ASSETS		M a r c h 3 1 , 2 0 2 2		D e c e m b e r 3 1 , 2 0 2 1		M a r c h 3 1 , 2 0 2 1	
		Amount	%	Amount	%	Amount	%
Current assets							
1100	Cash and cash equivalents	\$ 399,313	9	\$ 195,250	5	\$ 200,951	6
1150	Notes receivable, net	138	-	480	-	301	-
1170	Accounts receivable, net	333,024	7	355,923	8	222,420	7
1180	Accounts receivable due from related parties, net	15,660	-	23,477	1	30,084	1
1200	Other receivables	16,944	1	16,127	-	14,963	1
130X	Current inventories	767,251	17	753,850	17	501,937	15
1410	Prepayments	50,503	1	11,971	-	9,573	-
11XX	Total current assets	<u>1,582,833</u>	<u>35</u>	<u>1,357,078</u>	<u>31</u>	<u>980,229</u>	<u>30</u>
Non-current assets							
1510	Non-current financial assets at fair value through profit or loss	25,974	1	26,726	1	24,206	1
1550	Investments accounted for using equity method	988,146	22	1,032,860	24	596,677	18
1600	Property, plant and equipment	1,886,528	41	1,866,152	43	1,638,957	49
1755	Right-of-use assets	4,031	-	2,313	-	2,417	-
1760	Investment property, net	10,700	-	10,700	-	10,700	-
1780	Intangible assets	1,522	-	1,803	-	1,591	-
1840	Deferred tax assets	19,327	-	24,480	-	14,844	-
1900	Other non-current assets	59,163	1	58,649	1	50,817	2
15XX	Total non-current assets	<u>2,995,391</u>	<u>65</u>	<u>3,023,683</u>	<u>69</u>	<u>2,340,209</u>	<u>70</u>
1XXX	Total assets	<u>\$ 4,578,224</u>	<u>100</u>	<u>\$ 4,380,761</u>	<u>100</u>	<u>\$ 3,320,438</u>	<u>100</u>

(Continue)

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Consolidated Balance Sheet (Reviewed)

Dated March 31, 2022, December 31 and March 31, 2021

Unit : NT\$ Thousands

Liabilities and equity		M a r c h 3 1 , 2 0 2 2		D e c e m b e r 3 1 , 2 0 2 1		M a r c h 3 1 , 2 0 2 1	
		Amount	%	Amount	%	Amount	%
Current liabilities							
2100	Current borrowings	\$ 220,000	5	\$ 150,000	3	\$ -	-
2110	Short-term notes and bills payable	219,770	5	-	-	-	-
2130	Current contract liabilities	72,994	2	73,988	2	4,433	-
2150	Notes payable	608	-	1,215	-	608	-
2170	Accounts payable	97,799	2	77,550	2	63,546	2
2200	Other payables	225,208	5	297,541	7	250,070	8
2230	Current tax liabilities	56,166	1	31,047	1	125,833	4
2280	Current lease liabilities	2,010	-	1,320	-	2,035	-
2399	Other current liabilities	3,620	-	2,509	-	2,296	-
21XX	Total current liabilities	<u>898,175</u>	<u>20</u>	<u>635,170</u>	<u>15</u>	<u>448,821</u>	<u>14</u>
Non-current liabilities							
2540	Non-current portion of non-current borrowings	450,000	10	600,000	13	-	-
2570	Deferred tax liabilities	253,914	5	250,299	6	245,495	7
2580	Non-current lease liabilities	2,036	-	1,018	-	434	-
25XX	Total non-current liabilities	<u>705,950</u>	<u>15</u>	<u>851,317</u>	<u>19</u>	<u>245,929</u>	<u>7</u>
2XXX	Total liabilities	<u>1,604,125</u>	<u>35</u>	<u>1,486,487</u>	<u>34</u>	<u>694,750</u>	<u>21</u>
Equity attributable to owners of parent							
Share capital							
3110	Ordinary share	775,600	17	775,600	18	775,600	23
Capital surplus							
3200	Capital surplus	334,323	7	334,323	8	334,323	10
Retained earnings							
3310	Legal reserve	226,015	5	226,015	5	171,229	5
3320	Special reserve	183,296	4	183,296	4	183,296	6
3350	Unappropriated retained earnings	1,463,151	32	1,335,088	30	1,135,712	34
Other equity interest							
3400	Other equity interest	(8,584)	-	39,762	1	25,202	1
31XX	Total equity attributable to owners of parent	<u>2,973,801</u>	<u>65</u>	<u>2,894,084</u>	<u>66</u>	<u>2,625,362</u>	<u>79</u>
36XX	Non-controlling interests	<u>298</u>	<u>-</u>	<u>190</u>	<u>-</u>	<u>326</u>	<u>-</u>
3XXX	Total equity	<u>2,974,099</u>	<u>65</u>	<u>2,894,274</u>	<u>66</u>	<u>2,625,688</u>	<u>79</u>
Significant contingent liabilities and unrecognized contractual commitments							
3X2X	Total liabilities and equity	<u>\$ 4,578,224</u>	<u>100</u>	<u>\$ 4,380,761</u>	<u>100</u>	<u>\$ 3,320,438</u>	<u>100</u>

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Comprehensive Income (Reviewed)
January 1 to March 31, 2022 and 2021

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

Accounting Title	January 1 to March 31, 2022		January 1 to March 31, 2021	
	Amount	%	Amount	%
4000 Operating revenue	\$ 529,532	100	\$ 421,610	100
5000 Operating costs	(266,909)	(50)	(208,086)	(49)
5900 Gross profit (loss) from operations	<u>262,623</u>	<u>50</u>	<u>213,524</u>	<u>51</u>
Operating expenses				
6100 Selling expenses	(47,425)	(9)	(30,513)	(7)
6200 Administrative expenses	(27,851)	(5)	(24,425)	(6)
6300 Research and development expenses	(58,876)	(11)	(49,019)	(12)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	<u>18,345</u>	<u>3</u>	<u>-</u>	<u>-</u>
6000 Total operating expenses	(115,807)	(22)	(103,957)	(25)
6900 Net operating income	<u>146,816</u>	<u>28</u>	<u>109,567</u>	<u>26</u>
Non-operating income and expenses				
7100 Interest income	82	-	66	-
7010 Other income	544	-	524	-
7020 Other gains and losses	17,811	3	(2,229)	-
7050 Finance costs, net	(2,152)	-	(9)	-
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method, net	<u>3,659</u>	<u>1</u>	<u>9,610</u>	<u>2</u>
7000 Total non-operating income and expenses	<u>19,944</u>	<u>4</u>	<u>7,962</u>	<u>2</u>
7900 Profit (loss) from continuing operations before tax	166,760	32	117,529	28
7950 Tax expense	(38,998)	(7)	(19,219)	(5)
8200 Profit	<u>\$ 127,762</u>	<u>25</u>	<u>\$ 98,310</u>	<u>23</u>

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CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Comprehensive Income (Reviewed)
January 1 to March 31, 2022 and 2021

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

Accounting Title	January 1 to March 31, 2022		January 1 to March 31, 2021	
	Amount	%	Amount	%
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 be reclassified to profit or loss	(\$ 52,934)	(10)	\$ 28,252	7
8310 Components of other comprehensive income that will be reclassified to profit or loss	(52,934)	(10)	28,252	7
Components of other comprehensive income that will be reclassified to profit or loss				
8361 Exchange differences on translation	435	-	46	-
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	4,562	1	417	-
8360 Components of other comprehensive income that will be reclassified to profit or loss	4,997	1	463	-
8300 Other comprehensive income, net	(\$ 47,937)	(9)	\$ 28,715	7
8500 Total comprehensive income	\$ 79,825	16	\$ 127,025	30
Profit (loss), attributable to:				
8610 Profit (loss), attributable to owners of parent	\$ 127,662	25	\$ 98,247	23
8620 Profit (loss), attributable to non-controlling interests	\$ 100	-	\$ 63	-
Comprehensive income attributable to:				
8710 Comprehensive income, attributable to owners of parent	\$ 79,717	16	\$ 126,960	30
8720 Comprehensive income, attributable to non-controlling interests	\$ 108	-	\$ 65	-
Earnings per share				
9750 Basic earnings per share	\$ 1.65		\$ 1.27	
9850 Diluted earnings per share	\$ 1.63		\$ 1.26	

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Changes in Equity (Reviewed)
January 1 to March 31, 2022 and 2021

Unit : NTS 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 interest</u>		<u>Unrealised gains (losses) on financial assets</u>		<u>Exchange measured at fair differences on value through translation of other comprehensive income</u>		<u>Non-controlling interests</u>		<u>Total Equity</u>
	<u>Ordinary share</u>	<u>Additional paid-in capital</u>	<u>O t h e r</u>	<u>Legal reserve</u>	<u>Special reserve</u>	<u>Unappropriated retained earnings</u>	<u>foreign financial statements</u>	<u>income</u>	<u>T o t a l</u>	<u>Interests</u>	<u>Total Equity</u>
<u>January 1 to March 31, 2021</u>											
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)	-	-	-	-	-	98,247	-	-	98,247	63	98,310
Other comprehensive income	-	-	-	-	-	-	461	28,252	28,713	2	28,715
Total comprehensive income	-	-	-	-	-	98,247	461	28,252	126,960	65	127,025
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	7,230	-	(7,230)	-	-	-
Equity at end of period	<u>\$ 775,600</u>	<u>\$ 333,746</u>	<u>\$ 577</u>	<u>\$ 171,229</u>	<u>\$ 183,296</u>	<u>\$ 1,135,712</u>	<u>(\$ 2,206)</u>	<u>\$ 27,408</u>	<u>\$ 2,625,362</u>	<u>\$ 326</u>	<u>\$ 2,625,688</u>
<u>January 1 to March 31, 2022</u>											
Equity at beginning of period	\$ 775,600	\$ 333,746	\$ 577	\$ 226,015	\$ 183,296	\$ 1,335,088	(\$ 4,032)	\$ 43,794	\$ 2,894,084	\$ 190	\$ 2,894,274
Profit (loss)	-	-	-	-	-	127,662	-	-	127,662	100	127,762
Other comprehensive income	-	-	-	-	-	-	4,989	(52,934)	(47,945)	8	(47,937)
Total comprehensive income	-	-	-	-	-	127,662	4,989	(52,934)	79,717	108	79,825
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	401	-	(401)	-	-	-
Equity at end of period	<u>\$ 775,600</u>	<u>\$ 333,746</u>	<u>\$ 577</u>	<u>\$ 226,015</u>	<u>\$ 183,296</u>	<u>\$ 1,463,151</u>	<u>\$ 957</u>	<u>(\$ 9,541)</u>	<u>\$ 2,973,801</u>	<u>\$ 298</u>	<u>\$ 2,974,099</u>

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Cash Flows (Reviewed)
January 1 to March 31, 2022 and 2021

Unit : NT\$ Thousands

	<u>January 1 to March 31,</u>		<u>January 1 to March 31,</u>	
	<u>2</u>	<u>0</u>	<u>2</u>	<u>1</u>
<u>Cash flows from (used in) operating activities</u>				
Profit (loss) before tax	\$		166,760	\$ 117,529
Adjustments				
Adjustments to reconcile profit (loss)				
Depreciation expense			40,390	32,574
Amortization expense			390	333
Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	(		18,345)	-
Net loss (gain) on financial assets or liabilities at fair value through profit or loss			752	(750)
Interest income	(		82)	(66)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(		3,659)	(9,610)
Interest expense			2,152	9
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
Decrease (increase) in notes receivable			342	43
Decrease (increase) in accounts receivable			39,511	93,190
Decrease (increase) in accounts receivable due from related parties			7,817	11,868
Decrease (increase) in other receivable	(		755)	(5,303)
Decrease (increase) in inventories	(		13,401)	(20,693)
Decrease (increase) in prepayments	(		38,532)	(5,441)
Net defined benefit assets			176	119
Decrease (increase) in other current assets			-	(22,202)
Changes in operating liabilities				
Increase (decrease) in contract liabilities	(		994)	775
Increase (decrease) in notes payable	(		607)	(607)
Increase (decrease) in accounts payable			20,249	(32,949)
Increase (decrease) in other payable	(		21,846)	(30,917)
Increase (decrease) in other operating liabilities			1,111	(14)
Cash inflow (outflow) generated from operations			181,429	136,909
Interest received			20	59
Interest paid	(		2,105)	(9)
Income taxes refund (paid)	(4,995)	(3)
Net cash flows from (used in) operating activities			<u>174,349</u>	<u>136,956</u>

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Unit : NT\$ Thousands

	<u>January 1 to March 31,</u> <u>2 0 2 2</u>	<u>January 1 to March 31,</u> <u>2 0 2 1</u>
<u>Cash flows from (used in) investing activities</u>		
Acquisition of investments accounted for using equity method	\$ -	(\$ 46,964)
Acquisition of property, plant and equipment	(111,456)	(38,286)
Acquisition of intangible assets	(109)	(631)
Decrease in refundable deposits	-	1,802
Net cash flows from (used in) investing activities	<u>(111,565)</u>	<u>(84,079)</u>
<u>Cash flows from (used in) financing activities</u>		
Increase in short-term loans	70,000	-
Increase in short-term notes and bills payable	219,770	-
Proceeds from long-term debt	450,000	-
Repayments of long-term debt	(600,000)	-
Payments of lease liabilities	(538)	(700)
Net cash flows from (used in) financing activities	<u>139,232</u>	<u>(700)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>2,047</u>	<u>149</u>
Net increase (decrease) in cash and cash equivalents	204,063	52,326
Cash and cash equivalents at beginning of period	<u>195,250</u>	<u>148,625</u>
Cash and cash equivalents at end of period	<u>\$ 399,313</u>	<u>\$ 200,951</u>