

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Balance Sheet (Reviewed)
Dated June 30, 2022, December 31 and June 30, 2021

Unit : NT\$ Thousands

Assets	J u n e 3 0 , 2 0 2 2		D e c e m b e r 3 1 , 2 0 2 1		J u n e 3 0 , 2 0 2 1		
	Amount	%	Amount	%	Amount	%	
Current assets							
1100	Cash and cash equivalents	\$ 286,819	7	\$ 195,250	5	\$ 199,661	5
1150	Notes receivable, net	318	-	480	-	378	-
1170	Accounts receivable, net	316,149	7	355,923	8	294,176	8
1180	Accounts receivable due from related parties, net	25,742	1	23,477	1	38,636	1
1200	Other receivables	58,749	1	16,127	-	48,723	1
130X	Current inventories	725,713	16	753,850	17	598,890	16
1410	Prepayments	12,395	-	11,971	-	7,922	-
1479	Other current assets	-	-	-	-	1,639	-
11XX	Total current assets	<u>1,425,885</u>	<u>32</u>	<u>1,357,078</u>	<u>31</u>	<u>1,190,025</u>	<u>31</u>
Non-current assets							
1510	Non-current financial assets at fair value through profit or loss	23,535	1	26,726	1	24,246	1
1550	Investments accounted for using equity method	937,671	21	1,032,860	24	801,298	21
1600	Property, plant and equipment	1,943,670	44	1,866,152	43	1,685,047	45
1755	Right-of-use assets	3,576	-	2,313	-	2,955	-
1760	Investment property, net	10,700	-	10,700	-	10,700	-
1780	Intangible assets	1,364	-	1,803	-	1,811	-
1840	Deferred tax assets	21,531	1	24,480	-	15,642	1
1900	Other non-current assets	33,583	1	58,649	1	51,426	1
15XX	Total non-current assets	<u>2,975,630</u>	<u>68</u>	<u>3,023,683</u>	<u>69</u>	<u>2,593,125</u>	<u>69</u>
1XXX	Total assets	<u>\$ 4,401,515</u>	<u>100</u>	<u>\$ 4,380,761</u>	<u>100</u>	<u>\$ 3,783,150</u>	<u>100</u>

(Continue)

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Balance Sheet (Reviewed)
Dated June 30, 2022, December 31 and June 30, 2021

Unit : NT\$ Thousands

Liabilities and equity	J u n e 3 0 , 2 0 2 2		D e c e m b e r 3 1 , 2 0 2 1		J u n e 3 0 , 2 0 2 1		
	Amount	%	Amount	%	Amount	%	
Current liabilities							
2100	Current borrowings	\$ -	-	\$ 150,000	3	\$ 150,000	4
2130	Current contract liabilities	7,473	-	73,988	2	6,083	-
2150	Notes payable	1,924	-	1,215	-	607	-
2170	Accounts payable	129,443	3	77,550	2	99,878	3
2200	Other payables	335,892	8	297,541	7	228,334	6
2230	Current tax liabilities	75,844	2	31,047	1	46,944	1
2280	Current lease liabilities	1,914	-	1,320	-	1,773	-
2399	Other current liabilities	3,004	-	2,509	-	2,589	-
21XX	Total current liabilities	<u>555,494</u>	<u>13</u>	<u>635,170</u>	<u>15</u>	<u>536,208</u>	<u>14</u>
Non-current liabilities							
2540	Non-current portion of non-current borrowings	600,000	13	600,000	13	200,000	5
2570	Deferred tax liabilities	254,179	6	250,299	6	245,027	7
2580	Non-current lease liabilities	1,678	-	1,018	-	1,226	-
25XX	Total non-current liabilities	<u>855,857</u>	<u>19</u>	<u>851,317</u>	<u>19</u>	<u>446,253</u>	<u>12</u>
2XXX	Total liabilities	<u>1,411,351</u>	<u>32</u>	<u>1,486,487</u>	<u>34</u>	<u>982,461</u>	<u>26</u>
Equity attributable to owners of parent							
Share capital							
3110	Ordinary share	775,600	18	775,600	18	775,600	20
Capital surplus							
3200	Capital surplus	334,323	8	334,323	8	334,323	9
Retained earnings							
3310	Legal reserve	273,613	6	226,015	5	171,229	5
3320	Special reserve	183,296	4	183,296	4	183,296	5
3350	Unappropriated retained earnings	1,463,442	33	1,335,088	30	1,291,178	34
Other equity interest							
3400	Other equity interest	(40,484)	(1)	39,762	1	44,644	1
31XX	Total equity attributable to owners of parent	<u>2,989,790</u>	<u>68</u>	<u>2,894,084</u>	<u>66</u>	<u>2,800,270</u>	<u>74</u>
36XX	Non-controlling interests	<u>374</u>	<u>-</u>	<u>190</u>	<u>-</u>	<u>419</u>	<u>-</u>
3XXX	Total equity	<u>2,990,164</u>	<u>68</u>	<u>2,894,274</u>	<u>66</u>	<u>2,800,689</u>	<u>74</u>
Significant contingent liabilities and unrecognized contractual commitments							
3X2X	Total liabilities and equity	<u>\$ 4,401,515</u>	<u>100</u>	<u>\$ 4,380,761</u>	<u>100</u>	<u>\$ 3,783,150</u>	<u>100</u>

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Comprehensive Income (Reviewed)
January 1 to June 30, 2022 and 2021

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

Accounting Title	2 0 2 2 / 2 n d		2 0 2 1 / 2 n d		January 1 to June 30 2 0 2 2		January 1 to June 30, 2 0 2 1	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenue	\$ 579,402	100	\$ 499,832	100	\$ 1,108,934	100	\$ 921,442	100
5000 Operating costs	(311,927)	(54)	(248,657)	(50)	(578,836)	(52)	(456,743)	(50)
5900 Gross profit (loss) from operations	<u>267,475</u>	<u>46</u>	<u>251,175</u>	<u>50</u>	<u>530,098</u>	<u>48</u>	<u>464,699</u>	<u>50</u>
Operating expenses								
6100 Selling expenses	(40,390)	(7)	(30,903)	(6)	(87,815)	(8)	(61,416)	(6)
6200 Administrative expenses	(24,540)	(4)	(20,137)	(4)	(52,391)	(5)	(44,562)	(5)
6300 Research and development expenses	(57,110)	(10)	(50,783)	(10)	(115,986)	(11)	(99,802)	(11)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,345</u>	<u>2</u>	<u>-</u>	<u>-</u>
6000 Total operating expenses	(122,040)	(21)	(101,823)	(20)	(237,847)	(22)	(205,780)	(22)
6900 Net operating income (loss)	<u>145,435</u>	<u>25</u>	<u>149,352</u>	<u>30</u>	<u>292,251</u>	<u>26</u>	<u>258,919</u>	<u>28</u>
Non-operating income and expenses								
7100 Interest income	460	-	56	-	542	-	122	-
7010 Other income	6,228	1	6,285	1	6,772	1	6,809	1
7020 Other gains and losses	27,287	5	(7,964)	(2)	45,098	4	(10,193)	(1)
7050 Finance costs	(2,325)	-	(236)	-	(4,477)	-	(245)	-
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method, net	<u>18,986</u>	<u>3</u>	<u>8,074</u>	<u>2</u>	<u>22,645</u>	<u>2</u>	<u>17,684</u>	<u>2</u>
7000 Total non-operating income and expenses	<u>50,636</u>	<u>9</u>	<u>6,215</u>	<u>1</u>	<u>70,580</u>	<u>7</u>	<u>14,177</u>	<u>2</u>
7900 Profit (loss) from continuing operations before tax	<u>196,071</u>	<u>34</u>	<u>155,567</u>	<u>31</u>	<u>362,831</u>	<u>33</u>	<u>273,096</u>	<u>30</u>
7950 Tax expense (income)	(48,112)	(9)	(29,135)	(6)	(87,110)	(8)	(48,354)	(5)
8200 Profit (loss)	<u>\$ 147,959</u>	<u>25</u>	<u>\$ 126,432</u>	<u>25</u>	<u>\$ 275,721</u>	<u>25</u>	<u>\$ 224,742</u>	<u>25</u>

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CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Comprehensive Income (Reviewed)
January 1 to June 30, 2022 and 2021

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

Accounting Title	2 0 2 2 / 2 n d		2 0 2 1 / 2 n d		January 1 to June 30 2 0 2 2		January 1 to June 30, 2 0 2 1	
	Amount	%	Amount	%	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 not be reclassified to profit or loss	(\$ 30,514)	(5)	\$ 50,865	10	(\$ 83,448)	(7)	\$ 79,117	8
8310 Components of other comprehensive income that will not be reclassified to profit or loss	(30,514)	(5)	50,865	10	(83,448)	(7)	79,117	8
Components of other comprehensive income that will be reclassified to profit or loss								
8361 Exchange differences on translation	549	-	(422)	-	984	-	(376)	-
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	(1,101)	-	(1,874)	-	3,461	-	(1,457)	-
8360 Components of other comprehensive income that will be reclassified to profit or loss	(552)	-	(2,296)	-	4,445	-	(1,833)	-
8300 Other comprehensive income, net	(\$ 31,066)	(5)	\$ 48,569	10	(\$ 79,003)	(7)	\$ 77,284	8
8500 Total comprehensive income	<u>\$ 116,893</u>	<u>20</u>	<u>\$ 175,001</u>	<u>35</u>	<u>\$ 196,718</u>	<u>18</u>	<u>\$ 302,026</u>	<u>33</u>
Profit (loss), attributable to								
8610 Profit (loss), attributable to owners of parent	<u>\$ 147,894</u>	<u>25</u>	<u>\$ 126,329</u>	<u>25</u>	<u>\$ 275,556</u>	<u>25</u>	<u>\$ 224,576</u>	<u>25</u>
8620 Profit (loss), attributable to non-controlling interests	<u>\$ 65</u>	<u>-</u>	<u>\$ 103</u>	<u>-</u>	<u>\$ 165</u>	<u>-</u>	<u>\$ 166</u>	<u>-</u>
Comprehensive income attributable to:								
8710 Comprehensive income, attributable to owners of parent	<u>\$ 116,817</u>	<u>20</u>	<u>\$ 174,908</u>	<u>35</u>	<u>\$ 196,534</u>	<u>18</u>	<u>\$ 301,868</u>	<u>33</u>
8720 Comprehensive income, attributable to non-controlling interests	<u>\$ 76</u>	<u>-</u>	<u>\$ 93</u>	<u>-</u>	<u>\$ 184</u>	<u>-</u>	<u>\$ 158</u>	<u>-</u>
Earnings(loss) per share								
9750 Basic earnings per share	<u>\$ 1.91</u>		<u>\$ 1.63</u>		<u>\$ 3.55</u>		<u>\$ 2.90</u>	
9850 Diluted earnings per share	<u>\$ 1.90</u>		<u>\$ 1.62</u>		<u>\$ 3.52</u>		<u>\$ 2.88</u>	

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Changes in Equity (Reviewed)
January 1 to June 30, 2022 and 2021

Unit : NT\$ Thousands

	Capital surplus			Retained earnings			Other equity in		Total equity attributable to owners of parent	Non-controlling 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			
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
January 1 to June 30, 2022											
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)	-	-	-	-	-	275,556	-	-	275,556	165	275,721
Other comprehensive income	-	-	-	-	-	-	4,426	(83,448)	(79,022)	19	(79,003)
Total comprehensive income	-	-	-	-	-	275,556	4,426	(83,448)	196,534	184	196,718
Appropriation and distribution of retained earnings of 2021											
Legal reserve appropriated	-	-	-	47,598	-	(47,598)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(100,828)	-	-	(100,828)	-	(100,828)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	1,224	-	(1,224)	-	-	-
Equity at end of period	\$ 775,600	\$ 333,746	\$ 577	\$ 273,613	\$ 183,296	\$ 1,463,442	\$ 394	(\$ 40,878)	\$ 2,989,790	\$ 374	\$ 2,990,164

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

Consolidated Statement of Cash Flows (Reviewed)

Six months Ended June 30, 2022 and 2021

Unit : NT\$ Thousands

	<u>January 1 to June 30</u>		<u>January 1 to June 30,</u>	
	<u>2 0 2 2</u>		<u>2 0 2 1</u>	
<u>Cash flows from (used in) operating activities</u>				
Profit (loss) before tax	\$	362,831	\$	273,096
Adjustments				
Adjustments to reconcile profit (loss)				
Depreciation expense		80,802		63,827
Amortization expense		769		761
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		191	(	790)
Interest income	(	542 )	(	122)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(	22,645 )	(	17,684)
Interest expense		4,477		245
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		3,000		9,000
Decrease (increase) in contract assets		-		21
Decrease (increase) in notes receivable		162	(	34)
Decrease (increase) in accounts receivable		58,119		21,434
Decrease (increase) in accounts receivable due from related parties	(	2,265)		3,316
Decrease (increase) in other receivable	(	4,774 )	(	4,019)
Decrease (increase) in inventories		28,137	(	117,646)
Decrease (increase) in prepayments	(	424 )	(	3,790)
Decrease (increase) in other current assets		-	(	1,639)
Decrease (increase) in other operating assets		352		432
Changes in operating liabilities				
Increase (decrease) in contract liabilities	(	66,515)		2,426
Increase (decrease) in notes payable		709	(	608)
Increase (decrease) in accounts payable		51,893		3,383
Increase (decrease) in other payable		10,217		2,641
Increase (decrease) in other current liabilities		495		279
Cash inflow (outflow) generated from operations		486,644		234,529
Interest received		542		127
Interest paid	(	4,501 )	(	197)
Income taxes refund (paid)	(	35,211 )	(	109,273)
Net cash flows from (used in) operating activities		<u>447,474</u>		<u>125,186</u>

(Continue)

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

Consolidated Statement of Cash Flows (Reviewed)

Six months Ended June 30, 2022 and 2021

Unit : NT\$ Thousands

	<u>January 1 to June 30</u>	<u>January 1 to June 30,</u>
	<u>2 0 2 2</u>	<u>2 0 2 1</u>
<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	(205,193)	(204,668)
Acquisition of intangible assets	(330)	(1,279)
Decrease(Increase) in refundable deposits	(5)	1,804
Net cash flows from (used in) investing activities	<u>(205,528)</u>	<u>(422,453)</u>
<u>Cash flows from (used in) financing activities</u>		
Increase(Decrease) in short-term loans	(150,000)	150,000
Proceeds from long-term debt	-	200,000
Payments of lease liabilities	(1,080)	(1,396)
Net cash flows from (used in) financing activities	<u>(151,080)</u>	<u>348,604</u>
Effect of exchange rate changes on cash and cash equivalents	<u>703</u>	<u>(301)</u>
Net increase (decrease) in cash and cash equivalents	91,569	51,036
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>\$ 286,819</u>	<u>\$ 199,661</u>