

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

Consolidated Balance Sheet (Reviewed)

Dated September 30, 2022, December 31 and September 30, 2021

Unit : NT\$ Thousands

Assets	September 30, 2022		December 31, 2021		September 30, 2021		
	NT\$	%	NT\$	%	NT\$	%	
Current assets							
1100	Cash and cash equivalents	\$ 311,650	7	\$ 195,250	5	\$ 223,768	5
1150	Notes receivable, net	110	-	480	-	225	-
1170	Accounts receivable, net	288,744	7	355,923	8	337,599	8
1180	Accounts receivable due from related parties, net	23,976	1	23,477	1	34,905	1
1200	Other receivables	16,240	-	16,127	-	26,296	1
130X	Current inventories	765,348	17	753,850	17	710,346	17
1410	Prepayments	11,355	-	11,971	-	12,522	-
11XX	Total current assets	1,417,423	32	1,357,078	31	1,345,661	32
Non-current assets							
1510	Non-current financial assets at fair value through profit or loss	27,128	1	26,726	1	24,666	1
1550	Investments accounted for using equity method	942,532	21	1,032,860	24	1,005,827	24
1600	Property, plant and equipment	1,967,993	44	1,866,152	43	1,751,059	41
1755	Right-of-use assets	3,871	-	2,313	-	2,902	-
1760	Investment property, net	10,700	-	10,700	-	10,700	-
1780	Intangible assets	1,531	-	1,803	-	2,133	-
1840	Deferred tax assets	27,485	1	24,480	-	17,594	-
1900	Other non-current assets	29,803	1	58,649	1	75,314	2
15XX	Total non-current assets	3,011,043	68	3,023,683	69	2,890,195	68
1XXX	Total assets	\$ 4,428,466	100	\$ 4,380,761	100	\$ 4,235,856	100

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

Consolidated Balance Sheet (Reviewed)

Dated September 30, 2022, December 31 and September 30, 2021

Unit : NT\$ Thousands

Liabilities and Shareholders' Equity		September 30, 2022		December 31, 2021		September 30, 2021	
		NT\$	%	NT\$	%	NT\$	%
Current liabilities							
2100	Current borrowings	\$ 150,000	4	\$ 150,000	3	\$ 370,000	9
2110	Short-term notes and bills payable	49,943	1	-	-	-	-
2130	Current contract liabilities	55,537	1	73,988	2	36,898	1
2150	Notes payable	1,924	-	1,215	-	1,215	-
2170	Accounts payable	83,608	2	77,550	2	113,640	3
2200	Other payables	220,959	5	297,541	7	242,315	6
2230	Current tax liabilities	50,899	1	31,047	1	26,214	-
2280	Current lease liabilities	2,188	-	1,320	-	1,705	-
2399	Other current liabilities	2,758	-	2,509	-	2,570	-
21XX	Total current liabilities	<u>617,816</u>	<u>14</u>	<u>635,170</u>	<u>15</u>	<u>794,557</u>	<u>19</u>
Non-current liabilities							
2540	Non-current portion of non-current borrowings	450,000	10	600,000	13	400,000	9
2570	Deferred tax liabilities	257,596	6	250,299	6	244,978	6
2580	Non-current lease liabilities	1,705	-	1,018	-	1,230	-
25XX	Total non-current liabilities	<u>709,301</u>	<u>16</u>	<u>851,317</u>	<u>19</u>	<u>646,208</u>	<u>15</u>
2XXX	Total liabilities	<u>1,327,117</u>	<u>30</u>	<u>1,486,487</u>	<u>34</u>	<u>1,440,765</u>	<u>34</u>
Equity attributable to owners of parent							
Share capital							
3110	Ordinary share	775,600	17	775,600	18	775,600	18
Capital surplus							
3200	Capital surplus	334,323	8	334,323	8	334,323	8
Retained earnings							
3310	Legal reserve	273,613	6	226,015	5	226,015	6
3320	Special reserve	183,296	4	183,296	4	183,296	4
3350	Unappropriated retained earnings (accumulated deficit)	1,587,511	36	1,335,088	30	1,233,524	29
Other equity interest							
3400	Other equity interest	(53,425)	(1)	39,762	1	41,812	1
31XX	Total equity attributable to owners of parent	<u>3,100,918</u>	<u>70</u>	<u>2,894,084</u>	<u>66</u>	<u>2,794,570</u>	<u>66</u>
36XX	Non-controlling interests	<u>431</u>	<u>-</u>	<u>190</u>	<u>-</u>	<u>521</u>	<u>-</u>
3XXX	Total equity	<u>3,101,349</u>	<u>70</u>	<u>2,894,274</u>	<u>66</u>	<u>2,795,091</u>	<u>66</u>
Significant contingent liabilities and unrecognized contractual commitments							
Major subsequent events							
3X2X	Total liabilities and equity	<u>\$ 4,428,466</u>	<u>100</u>	<u>\$ 4,380,761</u>	<u>100</u>	<u>\$ 4,235,856</u>	<u>100</u>

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

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

Accounting Title	J u l y 1 t o September 30,2022		J u l y 1 t o September 30,2021		J a n u a r y 1 t o September 30,2022		J a n u a r y 1 t o September 30,2021	
	NT\$	%	NT\$	%	NT\$	%	NT\$	%
4000 Operating revenue	\$ 465,734	100	\$ 505,592	100	\$ 1,574,668	100	\$ 1,427,034	100
5000 Operating costs	(263,270)	(56)	(272,708)	(54)	(842,106)	(54)	(729,451)	(51)
5900 Gross profit (loss) from operations	<u>202,464</u>	<u>44</u>	<u>232,884</u>	<u>46</u>	<u>732,562</u>	<u>46</u>	<u>697,583</u>	<u>49</u>
Operating expenses								
6100 Selling expenses	(34,930)	(8)	(40,700)	(8)	(122,745)	(8)	(102,116)	(7)
6200 Administrative expenses	(21,524)	(5)	(24,827)	(5)	(73,915)	(4)	(69,389)	(5)
6300 Research and development expenses	(57,788)	(12)	(64,887)	(13)	(173,774)	(11)	(164,689)	(12)
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>1</u>	<u>-</u>	<u>-</u>
6000 Total operating expenses	<u>(114,242)</u>	<u>(25)</u>	<u>(130,414)</u>	<u>(26)</u>	<u>(352,089)</u>	<u>(22)</u>	<u>(336,194)</u>	<u>(24)</u>
6900 Net operating income (loss)	<u>88,222</u>	<u>19</u>	<u>102,470</u>	<u>20</u>	<u>380,473</u>	<u>24</u>	<u>361,389</u>	<u>25</u>
Non-operating income and expenses								
7100 Interest income	1,413	-	33	-	1,955	-	155	-
7010 Other income	632	-	8,985	2	7,404	1	15,794	1
7020 Other gains and losses, net	39,185	9	2,157	-	84,283	5	(8,036)	-
7050 Finance costs, net	(2,363)	-	(1,391)	-	(6,840)	-	(1,636)	-
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method, net	<u>15,649</u>	<u>3</u>	<u>12,336</u>	<u>3</u>	<u>38,294</u>	<u>2</u>	<u>30,020</u>	<u>2</u>
7000 Total non-operating income and expenses	<u>54,516</u>	<u>12</u>	<u>22,120</u>	<u>5</u>	<u>125,096</u>	<u>8</u>	<u>36,297</u>	<u>3</u>
7900 Profit from continuing operations before tax	<u>142,738</u>	<u>31</u>	<u>124,590</u>	<u>25</u>	<u>505,569</u>	<u>32</u>	<u>397,686</u>	<u>28</u>
7950 Tax expense	<u>(22,004)</u>	<u>(5)</u>	<u>(39,561)</u>	<u>(8)</u>	<u>(109,114)</u>	<u>(7)</u>	<u>(87,915)</u>	<u>(6)</u>
8200 Profit	<u>\$ 120,734</u>	<u>26</u>	<u>\$ 85,029</u>	<u>17</u>	<u>\$ 396,455</u>	<u>25</u>	<u>\$ 309,771</u>	<u>22</u>

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

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

Accounting Title	J u l y 1 t o		J u l y 1 t o		J a n u a r y 1 t o		J a n u a r y 1 t o	
	S e p t e m b e r	3 0, 2 0 2 2	S e p t e m b e r	3 0, 2 0 2 1	S e p t e m b e r	3 0, 2 0 2 2	S e p t e m b e r	3 0, 2 0 2 1
	N T \$	%	N T \$	%	N T \$	%	N T \$	%
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							
	(\$ 12,099)	(3)	\$ 26,018	5	(\$ 95,547)	(6)	\$ 105,135	7
8310	Components of other comprehensive income that will not be reclassified to profit or loss							
	(12,099)	(3)	26,018	5	(95,547)	(6)	105,135	7
Components of other comprehensive income								
that will be reclassified to profit or loss								
8361	Exchange differences on translation							
	1,238	-	(16)	-	2,222	-	(392)	-
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							
	1,312	1	(289)	-	4,773	1	(1,746)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss							
	2,550	1	(305)	-	6,995	1	(2,138)	-
8300	Other comprehensive income, net							
	(\$ 9,549)	(2)	\$ 25,713	5	(\$ 88,552)	(5)	\$ 102,997	7
8500	Total comprehensive income							
	\$ 111,185	24	\$ 110,742	22	\$ 307,903	20	\$ 412,768	29
Profit (loss), attributable to:								
8610	Profit (loss), attributable to owners of parent							
	\$ 120,702	26	\$ 84,927	17	\$ 396,258	25	\$ 309,503	22
8620	Profit (loss), attributable to non-controlling interests							
	\$ 32	-	\$ 102	-	\$ 197	-	\$ 268	-
Comprehensive income attributable to:								
8710	Comprehensive income, attributable to owners of parent							
	\$ 111,128	24	\$ 110,640	22	\$ 307,662	20	\$ 412,508	29
8720	Comprehensive income, attributable to non-controlling interests							
	\$ 57	-	\$ 102	-	\$ 241	-	\$ 260	-
Earnings per share								
9750	Basic earnings per share							
	\$ 1.56		\$ 1.09		\$ 5.11		\$ 3.99	
9850	Diluted earnings per share							
	\$ 1.54		\$ 1.09		\$ 5.05		\$ 3.96	

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

Unit : NT\$ Thousands

	Equity attributable to owners of parent										
	Capital surplus			Retained earnings			Other equity		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 September 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	-	-	-	-	-	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
January 1 to September 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	-	-	-	-	-	396,258	-	-	396,258	197	396,455
Other comprehensive income	-	-	-	-	-	-	6,951	(95,547)	(88,596)	44	(88,552)
Total comprehensive income	-	-	-	-	-	396,258	6,951	(95,547)	307,662	241	307,903
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	-	-	-	-	-	4,591	-	(4,591)	-	-	-
Equity at end of period	\$ 775,600	\$ 333,746	\$ 577	\$ 273,613	\$ 183,296	\$ 1,587,511	\$ 2,919	(\$ 56,344)	\$ 3,100,918	\$ 431	\$ 3,101,349

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Cash Flows (Reviewed)
January1 to September 30, 2022 and 2021

Unit : NT\$ Thousands

	<u>January1 to</u> <u>September 30, 2022</u>	<u>January1 to</u> <u>September 30, 2021</u>
<u>Cash flows from (used in) operating activities</u>		
Profit (loss) before tax	\$ 505,569	\$ 397,686
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	122,398	95,079
Amortization expense	1,196	1,171
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	(3,402)	(1,210)
Interest income	(1,955)	(155)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(38,294)	(30,020)
Interest expense	6,840	1,636
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	370	119
Decrease (increase) in accounts receivable	85,524	(21,989)
Decrease (increase) in accounts receivable due from related parties	(499)	7,047
Decrease (increase) in other receivable	(505)	(16,645)
Decrease (increase) in inventories	(11,498)	(229,102)
Decrease (increase) in prepayments	616	(8,390)
Decrease (increase) in other operating assets	528	745
Changes in operating liabilities		
Increase (decrease) in contract liabilities	(18,451)	33,241
Increase (decrease) in notes payable	709	-
Increase (decrease) in accounts payable	6,058	17,145
Increase (decrease) in other payable	(21,158)	(19,434)
Increase (decrease) in other current liabilities	249	259
Cash inflow (outflow) generated from operations	<u>618,950</u>	<u>236,204</u>
Interest received	2,347	157
Dividends received	37,848	38,977
Interest paid	(6,739)	(1,451)
Income taxes refund (paid)	(84,688)	(171,570)
Net cash flows from (used in) operating activities	<u>567,718</u>	<u>102,317</u>

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CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Cash Flows (Reviewed)
January1 to September 30, 2022 and 2021

Unit : NT\$ Thousands

	<u>January1 to September 30, 2022</u>	<u>January1 to September 30, 2021</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	(249,790)	(278,245)
Acquisition of intangible assets	(924)	(2,011)
Decrease(Increase) in refundable deposits	(12)	1,804
Net cash flows from (used in) investing activities	<u>(250,726)</u>	<u>(678,413)</u>
<u>Cash flows from (used in) financing activities</u>		
Increase in short-term loans	-	370,000
Increase in short-term notes and bills payable	49,943	-
Proceeds from long-term debt	1,300,000	600,000
Repayments of long-term debt	(1,450,000)	(200,000)
Payments of lease liabilities	(1,637)	(2,110)
Cash dividends paid	(100,828)	(116,340)
Net cash flows from (used in) financing activities	<u>(202,522)</u>	<u>651,550</u>
Effect of exchange rate changes on cash and cash equivalents	<u>1,930</u>	<u>(311)</u>
Net increase (decrease) in cash and cash equivalent	116,400	75,143
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>\$ 311,650</u>	<u>\$ 223,768</u>