

**CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES**  
**Consolidated Balance Sheet (Reviewed)**  
**Dated June 30, 2023, December 31 and June 30, 2022**

Unit : NT\$ Thousands

Assets	J u n e 3 0 , 2 0 2 3		December 3 1 , 2 0 2 2		J u n e 3 0 , 2 0 2 2		
	Amount	%	Amount	%	Amount	%	
<b>Current assets</b>							
1100	Cash and cash equivalents	\$ 304,386	6	\$ 300,614	7	\$ 286,819	7
1140	Current contract assets	28	-	88	-	-	-
1150	Notes receivable, net	-	-	132	-	318	-
1170	Accounts receivable, net	351,655	7	292,676	7	316,149	7
1180	Accounts receivable due from related parties, net	16,040	-	8,593	-	25,742	1
1200	Other receivables	939	-	10,037	-	58,749	1
1220	Current tax assets	-	-	818	-	-	-
130X	Current inventories	841,867	17	819,953	18	725,713	16
1410	Prepayments	25,338	1	16,080	-	12,395	-
11XX	<b>Total current assets</b>	<u>1,540,253</u>	<u>31</u>	<u>1,448,991</u>	<u>32</u>	<u>1,425,885</u>	<u>32</u>
<b>Non-current assets</b>							
1510	Non-current financial assets at fair value through profit or loss	30,284	1	33,317	1	23,535	1
1550	Investments accounted for using equity method	992,644	20	964,937	21	937,671	21
1600	Property, plant and equipment	2,251,958	46	1,960,581	43	1,943,670	44
1755	Right-of-use assets	2,205	-	3,234	-	3,576	-
1760	Investment property, net	10,700	-	10,700	-	10,700	-
1780	Intangible assets	6,138	-	7,533	-	1,364	-
1840	Deferred tax assets	18,598	-	20,135	-	21,531	1
1900	Other non-current assets	74,597	2	114,716	3	33,583	1
15XX	<b>Total non-current assets</b>	<u>3,387,124</u>	<u>69</u>	<u>3,115,153</u>	<u>68</u>	<u>2,975,630</u>	<u>68</u>
1XXX	<b>Total assets</b>	<u>\$ 4,927,377</u>	<u>100</u>	<u>\$ 4,564,144</u>	<u>100</u>	<u>\$ 4,401,515</u>	<u>100</u>

(Continue)

**CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES**  
**Consolidated Balance Sheet (Reviewed)**  
**Dated June 30, 2023, December 31 and June 30, 2022**

Unit : NT\$ Thousands

Liabilities and equity		J u n e 3 0 , 2 0 2 3		D e c e m b e r 3 1 , 2 0 2 2		J u n e 3 0 , 2 0 2 2	
		Amount	%	Amount	%	Amount	%
<b>Current liabilities</b>							
2100	Current borrowings	\$ 120,000	2	\$ 100,000	2	\$ -	-
2130	Current contract liabilities	23,509	1	53,948	1	7,473	-
2150	Notes payable	1,924	-	1,283	-	1,924	-
2170	Accounts payable	84,137	2	143,046	3	129,443	3
2180	Accounts payable to related parties	117	-	-	-	-	-
2200	Other payables	335,305	7	260,338	6	335,892	8
2230	Current tax liabilities	56,990	1	49,980	1	75,844	2
2280	Current lease liabilities	1,971	-	2,541	-	1,914	-
2399	Other current liabilities	3,127	-	3,047	-	3,004	-
21XX	<b>Total current liabilities</b>	<u>627,080</u>	<u>13</u>	<u>614,183</u>	<u>13</u>	<u>555,494</u>	<u>13</u>
<b>Non-current liabilities</b>							
2527	Non-current contract liabilities	25,098	1	-	-	-	-
2540	Non-current portion of non-current borrowings	700,000	14	500,000	11	600,000	13
2570	Deferred tax liabilities	259,843	5	256,221	6	254,179	6
2580	Non-current lease liabilities	266	-	721	-	1,678	-
25XX	<b>Total non-current liabilities</b>	<u>985,207</u>	<u>20</u>	<u>756,942</u>	<u>17</u>	<u>855,857</u>	<u>19</u>
2XXX	<b>Total liabilities</b>	<u>1,612,287</u>	<u>33</u>	<u>1,371,125</u>	<u>30</u>	<u>1,411,351</u>	<u>32</u>
<b>Equity attributable to owners of parent</b>							
Share capital							
3110	Ordinary share	775,600	16	775,600	17	775,600	18
Capital surplus							
3200	Capital surplus	334,526	7	334,323	7	334,323	8
Retained earnings							
3310	Legal reserve	322,152	6	273,613	6	273,613	6
3320	Special reserve	229,344	5	183,296	4	183,296	4
3350	Unappropriated retained earnings	1,688,618	34	1,672,050	37	1,463,442	33
Other equity interest							
3400	Other equity interest	( 35,150)	( 1)	( 46,049)	( 1)	( 40,484)	( 1)
31XX	<b>Total equity attributable to owners of parent</b>	<u>3,315,090</u>	<u>67</u>	<u>3,192,833</u>	<u>70</u>	<u>2,989,790</u>	<u>68</u>
36XX	<b>Non-controlling interests</b>	<u>-</u>	<u>-</u>	<u>186</u>	<u>-</u>	<u>374</u>	<u>-</u>
3XXX	<b>Total equity</b>	<u>3,315,090</u>	<u>67</u>	<u>3,193,019</u>	<u>70</u>	<u>2,990,164</u>	<u>68</u>
Significant contingent liabilities and unrecognized contractual commitments							
3X2X	<b>Total liabilities and equity</b>	<u>\$ 4,927,377</u>	<u>100</u>	<u>\$ 4,564,144</u>	<u>100</u>	<u>\$ 4,401,515</u>	<u>100</u>

**CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES**  
**Consolidated Statement of Comprehensive Income (Reviewed)**  
**January 1 to June 30, 2023 and 2022**

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

Accounting Title	2023 / 2022				January 1 to June 30, 2023				January 1 to June 30, 2022			
	2023		2022		2023		2023		2022		2022	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenue	\$ 526,441	100	\$ 579,402	100	\$ 1,291,890	100	\$ 1,291,890	100	\$ 1,108,934	100	\$ 1,108,934	100
5000 Operating costs	( 370,127)	( 70)	( 311,927)	( 54)	( 786,870)	( 61)	( 786,870)	( 61)	( 578,836)	( 52)	( 578,836)	( 52)
5900 Gross profit (loss) from operations	<u>156,314</u>	<u>30</u>	<u>267,475</u>	<u>46</u>	<u>505,020</u>	<u>39</u>	<u>505,020</u>	<u>39</u>	<u>530,098</u>	<u>48</u>	<u>530,098</u>	<u>48</u>
Operating expenses												
6100 Selling expenses	( 36,439)	( 7)	( 40,390)	( 7)	( 88,523)	( 7)	( 88,523)	( 7)	( 87,815)	( 8)	( 87,815)	( 8)
6200 Administrative expenses	( 27,724)	( 5)	( 24,540)	( 4)	( 57,794)	( 4)	( 57,794)	( 4)	( 52,391)	( 5)	( 52,391)	( 5)
6300 Research and development expenses	( 61,878)	( 12)	( 57,110)	( 10)	( 122,672)	( 10)	( 122,672)	( 10)	( 115,986)	( 11)	( 115,986)	( 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>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,345</u>	<u>2</u>	<u>18,345</u>	<u>2</u>
6000 Total operating expenses	<u>( 126,041)</u>	<u>( 24)</u>	<u>( 122,040)</u>	<u>( 21)</u>	<u>( 268,989)</u>	<u>( 21)</u>	<u>( 268,989)</u>	<u>( 21)</u>	<u>( 237,847)</u>	<u>( 22)</u>	<u>( 237,847)</u>	<u>( 22)</u>
6900 Net operating income	<u>30,273</u>	<u>6</u>	<u>145,435</u>	<u>25</u>	<u>236,031</u>	<u>18</u>	<u>236,031</u>	<u>18</u>	<u>292,251</u>	<u>26</u>	<u>292,251</u>	<u>26</u>
Non-operating income and expenses												
7100 Interest income	2,607	-	460	-	3,997	-	3,997	-	542	-	542	-
7010 Other income	2,651	1	6,228	1	7,226	1	7,226	1	6,772	1	6,772	1
7020 Other gains and losses, net	13,082	2	27,287	5	19,263	2	19,263	2	45,098	4	45,098	4
7050 Finance costs, net	( 4,702)	( 1)	( 2,325)	-	( 9,097)	( 1)	( 9,097)	( 1)	( 4,477)	-	( 4,477)	-
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method, net	<u>3,914</u>	<u>1</u>	<u>18,986</u>	<u>3</u>	<u>13,954</u>	<u>1</u>	<u>13,954</u>	<u>1</u>	<u>22,645</u>	<u>2</u>	<u>22,645</u>	<u>2</u>
7000 Total non-operating income and expenses	<u>17,552</u>	<u>3</u>	<u>50,636</u>	<u>9</u>	<u>35,343</u>	<u>3</u>	<u>35,343</u>	<u>3</u>	<u>70,580</u>	<u>7</u>	<u>70,580</u>	<u>7</u>
7900 Profit (loss) from continuing operations before tax	<u>47,825</u>	<u>9</u>	<u>196,071</u>	<u>34</u>	<u>271,374</u>	<u>21</u>	<u>271,374</u>	<u>21</u>	<u>362,831</u>	<u>33</u>	<u>362,831</u>	<u>33</u>
7950 Tax expense (income)	<u>( 18,221)</u>	<u>( 3)</u>	<u>( 48,112)</u>	<u>( 9)</u>	<u>( 62,527)</u>	<u>( 5)</u>	<u>( 62,527)</u>	<u>( 5)</u>	<u>( 87,110)</u>	<u>( 8)</u>	<u>( 87,110)</u>	<u>( 8)</u>
8200 Profit (loss)	<u>\$ 29,604</u>	<u>6</u>	<u>\$ 147,959</u>	<u>25</u>	<u>\$ 208,847</u>	<u>16</u>	<u>\$ 208,847</u>	<u>16</u>	<u>\$ 275,721</u>	<u>25</u>	<u>\$ 275,721</u>	<u>25</u>

(Continue)

**CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES**  
**Consolidated Statement of Comprehensive Income (Reviewed)**  
**January 1 to June 30, 2023 and 2022**

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

Accounting Title	2 0 2 3 / 2 n d		2 0 2 2 / 2 n d		January 1 to June 3 0 2 0 2 3		January 1 to June 3 0 , 2 0 2 2	
	Amount	%	Amount	%	Amount	%	Amount	%
<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							
	(\$ 15,136)	( 3)	(\$ 30,514)	( 5)	\$ 19,574	1	(\$ 83,448)	( 7)
8310	Components of other comprehensive income that will not be reclassified to profit or loss							
	( 15,136)	( 3)	( 30,514)	( 5)	19,574	1	( 83,448)	( 7)
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>								
8361	Exchange differences on translation							
		365	-	549	-	297	-	984
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							
	( 4,700)	( 1)	( 1,101)	-	( 5,819)	-	3,461	-
8360	Components of other comprehensive income that will be reclassified to profit or loss							
	( 4,335)	( 1)	( 552)	-	( 5,522)	-	4,445	-
8300	<b>Other comprehensive income, net</b>							
	(\$ 19,471)	( 4)	(\$ 31,066)	( 5)	\$ 14,052	1	(\$ 79,003)	( 7)
8500	<b>Total comprehensive income</b>							
	\$ 10,133	2	\$ 116,893	20	\$ 222,899	17	\$ 196,718	18
Profit (loss), attributable to:								
8610	Profit (loss), attributable to owners of parent							
	\$ 29,604	6	\$ 147,894	25	\$ 208,847	16	\$ 275,556	25
8620	Profit (loss), attributable to non-controlling interests							
	\$ -	-	\$ 65	-	\$ -	-	\$ 165	-
Comprehensive income attributable to:								
8710	Comprehensive income, attributable to owners of parent							
	\$ 10,133	2	\$ 116,817	20	\$ 222,899	17	\$ 196,534	18
8720	Comprehensive income, attributable to non-controlling interests							
	\$ -	-	\$ 76	-	\$ -	-	\$ 184	-
Earnings per share								
9750	Basic earnings per share							
	\$	0.38	\$	1.91	\$	2.69	\$	3.55
9850	Diluted earnings per share							
	\$	0.38	\$	1.90	\$	2.68	\$	3.52

**CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES**  
**Consolidated Statement of Changes in Equity (Reviewed)**  
**January 1 to June 30, 2023 and 2022**

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 n		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			
<b>January 1 to June 30, 2022</b>											
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
<b>January 1 to June 30, 2023</b>											
Equity at beginning of period	\$ 775,600	\$ 333,746	\$ 577	\$ 273,613	\$ 183,296	\$ 1,672,050	( \$ 1,493 )	( \$ 44,556 )	\$ 3,192,833	\$ 186	\$ 3,193,019
Profit (loss)	-	-	-	-	-	208,847	-	-	208,847	-	208,847
Other comprehensive income	-	-	-	-	-	-	( 5,522 )	19,574	14,052	-	14,052
Total comprehensive income	-	-	-	-	-	208,847	( 5,522 )	19,574	222,899	-	222,899
Appropriation and distribution of retained earnings of 2022											
Legal reserve appropriated	-	-	-	48,539	-	( 48,539 )	-	-	-	-	-
Special reserve appropriated	-	-	-	-	46,048	( 46,048 )	-	-	-	-	-
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	-	-	-	-	-	3,136	-	( 3,136 )	-	-	-
Generated from a donation	-	-	203	-	-	-	( 17 )	-	186	( 186 )	-
Equity at end of period	\$ 775,600	\$ 333,746	\$ 780	\$ 322,152	\$ 229,344	\$ 1,688,618	( \$ 7,032 )	( \$ 28,118 )	\$ 3,315,090	\$ -	\$ 3,315,090

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

Consolidated Statement of Cash Flows (Reviewed)

Six months Ended June 30, 2023 and 2022

Unit : NT\$ Thousands

	<u>January 1 to June</u>	<u>January 1 to June</u>
	<u>3 0 2 0 2 3</u>	<u>3 0 , 2 0 2 2</u>
<u>Cash flows from (used in) operating activities</u>		
Profit (loss) before tax	\$ 271,374	\$ 362,831
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	95,159	80,802
Amortization expense	1,755	769
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	( 8,196 )	191
Interest income	( 3,997 )	( 542 )
Share of loss (profit) of associates and joint ventures accounted for using equity method	( 13,954 )	( 22,645 )
Interest expense	9,097	4,477
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	11,229	3,000
Decrease (increase) in contract assets	60	-
Decrease (increase) in notes receivable	132	162
Decrease (increase) in accounts receivable	( 58,979 )	58,119
Decrease (increase) in accounts receivable due from related parties	( 7,447 )	( 2,265 )
Decrease (increase) in other receivable	9,098	( 4,774 )
Decrease (increase) in inventories	( 21,914 )	28,137
Decrease (increase) in prepayments	( 9,258 )	( 424 )
Decrease (increase) in other operating assets	140	352
Changes in operating liabilities		
Increase (decrease) in contract liabilities	( 5,341 )	( 66,515 )
Increase (decrease) in notes payable	641	709
Increase (decrease) in accounts payable	( 58,909 )	51,893
Increase (decrease) in accounts payable to related parties	117	-
Increase (decrease) in other payable	( 7,713 )	10,217
Increase (decrease) in other current liabilities	80	495
Cash inflow (outflow) generated from operations	203,174	486,644
Interest received	3,997	542
Interest paid	( 8,853 )	( 4,501 )
Income taxes refund (paid)	( 49,548 )	( 35,211 )
Net cash flows from (used in) operating activities	<u>148,770</u>	<u>447,474</u>

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CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES  
Consolidated Statement of Cash Flows (Reviewed)  
Six months Ended June 30, 2023 and 2022

Unit : NT\$ Thousands

	<u>January 1 to June</u> <u>3 0 2 0 2 3</u>	<u>January 1 to June</u> <u>3 0 , 2 0 2 2</u>
<u>Cash flows from (used in) investing activities</u>		
Acquisition of property, plant and equipment	(\$ 359,906 )	(\$ 205,193 )
Acquisition of intangible assets	( 360 )	( 330 )
Increase in refundable deposits	( 4,000 )	( 5 )
Net cash flows from (used in) investing activities	<u>( 364,266 )</u>	<u>( 205,528 )</u>
<u>Cash flows from (used in) financing activities</u>		
Increase(decrease) in short-term loans	20,000	( 150,000 )
Proceeds from long-term debt	400,000	-
Repayments of long-term debt	( 200,000 )	-
Payments of lease liabilities	( 1,037 )	( 1,080 )
Net cash flows from (used in) financing activities	<u>218,963</u>	<u>( 151,080 )</u>
Effect of exchange rate changes on cash and cash equivalents	<u>305</u>	<u>703</u>
Net increase (decrease) in cash and cash equivalents	3,772	91,569
Cash and cash equivalents at beginning of period	<u>300,614</u>	<u>195,250</u>
Cash and cash equivalents at end of period	<u>\$ 304,386</u>	<u>\$ 286,819</u>