

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Balance Sheet (Reviewed)
Dated June 30, 2024, December 31 and June 30, 2023

Unit : NT\$ Thousands

Assets		J u n e 3 0 , 2 0 2 4		December 3 1 , 2 0 2 3		J u n e 3 0 , 2 0 2 3	
		Amount	%	Amount	%	Amount	%
Current assets							
1100	Cash and cash equivalents	\$ 213,074	5	\$ 269,569	5	\$ 304,386	6
1140	Current contract assets	574	-	275	-	28	-
1170	Accounts receivable, net	190,876	4	234,933	5	351,655	7
1180	Accounts receivable due from related parties, net	12,679	-	13,161	-	16,040	-
1200	Other receivables	1,571	-	8,697	-	939	-
1220	Current tax assets	184	-	307	-	-	-
130X	Current inventories	1,154,923	23	1,211,026	24	841,867	17
1410	Prepayments	59,373	1	49,815	1	25,338	1
11XX	Total current assets	<u>1,633,254</u>	<u>33</u>	<u>1,787,783</u>	<u>35</u>	<u>1,540,253</u>	<u>31</u>
Non-current assets							
1510	Non-current financial assets at fair value through profit or loss	28,893	1	32,856	1	30,284	1
1550	Investments accounted for using equity method	983,339	20	961,625	19	992,644	20
1600	Property, plant and equipment	2,241,394	45	2,284,333	44	2,251,958	46
1755	Right-of-use assets	8,104	-	7,781	-	2,205	-
1760	Investment property, net	10,700	-	10,700	-	10,700	-
1780	Intangible assets	4,704	-	5,559	-	6,138	-
1840	Deferred tax assets	25,497	-	20,440	-	18,598	-
1900	Other non-current assets	58,583	1	60,574	1	74,597	2
15XX	Total non-current assets	<u>3,361,214</u>	<u>67</u>	<u>3,383,868</u>	<u>65</u>	<u>3,387,124</u>	<u>69</u>
1XXX	Total assets	<u>\$ 4,994,468</u>	<u>100</u>	<u>\$ 5,171,651</u>	<u>100</u>	<u>\$ 4,927,377</u>	<u>100</u>

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Consolidated Balance Sheet (Reviewed)

Dated June 30, 2024, December 31, 2023 and June 30, 2023

Unit : NT\$ Thousands

Liabilities and equity		<u>J u n e 3 0 , 2 0 2 4</u>		<u>D e c e m b e r 3 1 , 2 0 2 3</u>		<u>J u n e 3 0 , 2 0 2 3</u>	
		Amount	%	Amount	%	Amount	%
Current liabilities							
2100	Current borrowings	\$ 300,000	6	\$ 500,000	10	\$ 120,000	2
2130	Current contract liabilities	100,196	2	15,908	-	23,509	1
2150	Notes payable	-	-	1,283	-	1,924	-
2170	Accounts payable	48,404	1	103,081	2	84,254	2
2200	Other payables	185,253	4	194,567	4	335,305	7
2230	Current tax liabilities	23,888	-	10,593	-	56,990	1
2280	Current lease liabilities	3,258	-	3,362	-	1,971	-
2399	Other current liabilities	2,917	-	2,618	-	3,127	-
21XX	Total current liabilities	<u>663,916</u>	<u>13</u>	<u>831,412</u>	<u>16</u>	<u>627,080</u>	<u>13</u>
Non-current liabilities							
2527	Non-current contract liabilities	18,759	1	26,995	-	25,098	1
2540	Non-current portion of non-current borrowings	700,000	14	700,000	14	700,000	14
2570	Deferred tax liabilities	259,187	5	258,541	5	259,843	5
2580	Non-current lease liabilities	5,224	-	4,468	-	266	-
25XX	Total non-current liabilities	<u>983,170</u>	<u>20</u>	<u>990,004</u>	<u>19</u>	<u>985,207</u>	<u>20</u>
2XXX	Total liabilities	<u>1,647,086</u>	<u>33</u>	<u>1,821,416</u>	<u>35</u>	<u>1,612,287</u>	<u>33</u>
Equity attributable to owners of parent							
Share capital							
3110	Ordinary share	775,600	15	775,600	15	775,600	16
Capital surplus							
3200	Capital surplus	334,526	7	334,526	7	334,526	7
Retained earnings							
3310	Legal reserve	348,897	7	322,152	6	322,152	6
3320	Special reserve	238,771	5	229,344	4	229,344	5
3350	Unappropriated retained earnings	1,709,146	34	1,744,089	34	1,688,618	34
Other equity interest							
3400	Other equity interest	(59,558)	(1)	(55,476)	(1)	(35,150)	(1)
31XX	Total equity attributable to owners of parent	<u>3,347,382</u>	<u>67</u>	<u>3,350,235</u>	<u>65</u>	<u>3,315,090</u>	<u>67</u>
3XXX	Total equity	<u>3,347,382</u>	<u>67</u>	<u>3,350,235</u>	<u>65</u>	<u>3,315,090</u>	<u>67</u>
Significant contingent liabilities and unrecognized contractual commitments							
3X2X	Total liabilities and equity	<u>\$ 4,994,468</u>	<u>100</u>	<u>\$ 5,171,651</u>	<u>100</u>	<u>\$ 4,927,377</u>	<u>100</u>

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Comprehensive Income (Reviewed)
January 1 to June 30, 2024 and 2023

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

Accounting Title	January 1 to June 2024 / 2023				January 1 to June 2023 / 2022			
	2024 / 2023		2023 / 2022		2023 / 2022		2022 / 2021	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenue	\$ 461,158	100	\$ 526,441	100	\$ 712,870	100	\$ 1,291,890	100
5000 Operating costs	(343,457)	(75)	(370,127)	(70)	(477,873)	(67)	(786,870)	(61)
5900 Gross profit (loss) from operations	117,701	25	156,314	30	234,997	33	505,020	39
Operating expenses								
6100 Selling expenses	(24,109)	(5)	(36,439)	(7)	(48,396)	(7)	(88,523)	(7)
6200 Administrative expenses	(22,718)	(5)	(27,724)	(5)	(49,570)	(7)	(57,794)	(4)
6300 Research and development expenses	(47,430)	(10)	(61,878)	(12)	(99,257)	(14)	(122,672)	(10)
6000 Total operating expenses	(94,257)	(20)	(126,041)	(24)	(197,223)	(28)	(268,989)	(21)
6900 Net operating income	23,444	5	30,273	6	37,774	5	236,031	18
Non-operating income and expenses								
7100 Interest income	1,388	-	2,607	-	2,672	-	3,997	-
7010 Other income	2,260	-	2,651	1	4,285	1	7,226	1
7020 Other gains and losses, net	(2,057)	-	13,082	2	18,091	3	19,263	2
7050 Finance costs, net	(5,926)	(1)	(4,702)	(1)	(11,633)	(2)	(9,097)	(1)
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method, net	10,924	2	3,914	1	24,808	3	13,954	1
7000 Total non-operating income and expenses	6,589	1	17,552	3	38,223	5	35,343	3
7900 Profit (loss) from continuing operations before tax	30,033	6	47,825	9	75,997	10	271,374	21
7950 Tax expense (income)	(8,956)	(2)	(18,221)	(3)	(14,365)	(2)	(62,527)	(5)
8200 Profit (loss)	\$ 21,077	4	\$ 29,604	6	\$ 61,632	8	\$ 208,847	16

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CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Comprehensive Income (Reviewed)
January 1 to June 30, 2024 and 2023

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

Accounting Title	2 0 2 4 / 2 n d		2 0 2 3 / 2 n d		January 1 to June 3 0 2 0 2 4		January 1 to June 3 0 , 2 0 2 3	
	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	\$ 7,226	2	(\$ 15,136)	(3)	(\$ 6,552)	(1)	\$ 19,574	1
8310 Components of other comprehensive income that will not be reclassified to profit or loss	7,226	2	(15,136)	(3)	(6,552)	(1)	19,574	1
Components of other comprehensive income that will be reclassified to profit or loss								
8361 Exchange differences on translation	237	-	365	-	657	-	297	-
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	901	-	(4,700)	(1)	3,458	1	(5,819)	-
8360 Components of other comprehensive income that will be reclassified to profit or loss	1,138	-	(4,335)	(1)	4,115	1	(5,522)	-
8300 Other comprehensive income, net	\$ 8,364	2	(\$ 19,471)	(4)	(\$ 2,437)	-	(\$ 14,052)	1
8500 Total comprehensive income	\$ 29,441	6	\$ 10,133	2	\$ 59,195	8	\$ 222,899	17
Profit (loss), attributable to:								
8610 Profit (loss), attributable to owners of parent	\$ 21,077	4	\$ 29,604	6	\$ 61,632	8	\$ 208,847	16
Comprehensive income attributable to:								
8710 Comprehensive income, attributable to owners of parent	\$ 29,441	6	\$ 10,133	2	\$ 59,195	8	\$ 222,899	17
Earnings per share								
9750 Basic earnings per share	\$ 0.27		\$ 0.38		\$ 0.79		\$ 2.69	
9850 Diluted earnings per share	\$ 0.27		\$ 0.38		\$ 0.79		\$ 2.68	

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Changes in Equity (Reviewed)
January 1 to June 30, 2024 and 2023

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										Total Equity
	Capital surplus	Retained earnings	Other equity in	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign financial statements	Unappropriated retained earnings	Legal reserve	Special reserve	Other	Additional paid-in capital	
	Ordinary share	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unappropriated retained earnings	Legal reserve	Special reserve	Other	Additional paid-in capital	Ordinary share
January 1 to June 30, 2023											
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
January 1 to June 30, 2024											
Equity at beginning of period	\$ 775,600	\$ 333,746	\$ 780	\$ 322,152	\$ 229,344	\$ 1,744,089	(\$ 5,929)	(\$ 49,547)	\$ 3,350,235	\$ -	\$ 3,350,235
Profit (loss)	-	-	-	-	-	61,632	-	-	61,632	-	61,632
Other comprehensive income	-	-	-	-	-	-	4,115	(6,552)	(2,347)	-	(2,437)
Total comprehensive income for the period	-	-	-	-	-	61,632	4,115	(6,552)	59,195	-	59,195
The 2023 appropriation and distribution of earnings:											
Legal earnings reserve	-	-	-	26,745	-	(26,745)	-	-	-	-	-
Special earnings reserve	-	-	-	-	9,427	(9,427)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(62,048)	-	-	(62,048)	-	(62,048)
The reinvested company(ies) disposed of equity instruments measured at the fair value through other comprehensive profits and losses	-	-	-	-	-	1,645	-	(1,645)	-	-	-
Equity at end of period	\$ 775,600	\$ 333,746	\$ 780	\$ 348,897	\$ 238,771	\$ 1,709,146	(\$ 1,814)	(\$ 57,744)	\$ 3,347,382	\$ -	\$ 3,347,382

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

Consolidated Statement of Cash Flows (Reviewed)

Six months Ended June 30, 2024 and 2023

Unit : NT\$ Thousands

	January 1 to June 3 0 2 0 2 4	January 1 to June 3 0 , 2 0 2 3
<u>Cash flows from (used in) operating activities</u>		
Profit (loss) before tax	\$ 75,997	\$ 271,374
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	98,434	95,159
Amortization expense	1,690	1,755
Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	3,963 (	8,196)
Dividend income	- (	978)
Interest income	(2,672 ) (	3,997)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(24,808 ) (	13,954)
Interest expense	11,633	9,097
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
Decrease (increase) in contract assets	(299)	60
Decrease (increase) in notes receivable	-	132
Decrease (increase) in accounts receivable	44,057 (	58,979)
Decrease (increase) in accounts receivable due from related parties	482 (	7,447)
Decrease (increase) in other receivable	7,126	9,098
Decrease (increase) in inventories	56,103 (	21,914)
Decrease (increase) in prepayments	(9,558 ) (	9,258)
Decrease (increase) in other operating assets	(5)	140
Changes in operating liabilities		
Increase (decrease) in contract liabilities	76,052 (	5,341)
Increase (decrease) in notes payable	(1,283)	641
Increase (decrease) in accounts payable	(54,677 ) (	58,792)
Increase (decrease) in other payable	(55,305 ) (	7,713)
Increase (decrease) in other current liabilities	<u>299</u>	<u>80</u>
Cash inflow (outflow) generated from operations	227,229	202,196
Interest received	2,659	3,997
Dividend received	-	978
Interest paid	(11,866 ) (	8,853)
Income taxes refund (paid)	(5,341) (49,548)
Net cash flows from (used in) operating activities	<u>212,681</u>	<u>148,770</u>

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

Consolidated Statement of Cash Flows (Reviewed)

Six months Ended June 30, 2024 and 2023

Unit : NT\$ Thousands

	January 1 to June <u>3 0 2 0 2 4</u>	January 1 to June <u>3 0 , 2 0 2 3</u>
<u>Cash flows from (used in) investing activities</u>		
Acquisition of property, plant and equipment	(\$ 66,931)	(\$ 359,906)
Acquisition of intangible assets	(835)	(360)
Increase in refundable deposits	<u>-</u>	<u>(4,000)</u>
Net cash flows from (used in) investing activities	<u>(67,766)</u>	<u>(364,266)</u>
<u>Cash flows from (used in) financing activities</u>		
Increase(decrease) in short-term loans	(200,000)	20,000
Proceeds from long-term debt	-	400,000
Repayments of long-term debt	-	(200,000)
Payments of lease liabilities	<u>(2,052)</u>	<u>(1,037)</u>
Net cash flows from (used in) financing activities	<u>(202,052)</u>	<u>218,963</u>
Effect of exchange rate changes on cash and cash equivalents	<u>642</u>	<u>305</u>
Net increase (decrease) in cash and cash equivalents	(56,495)	3,772
Cash and cash equivalents at beginning of period	<u>269,569</u>	<u>300,614</u>
Cash and cash equivalents at end of period	<u>\$ 213,074</u>	<u>\$ 304,386</u>