

TAIWAN HOPAX CHEMS.MFG.CO.,LTD.
2019 Nine Months Consolidated Financial Statements

Unit: NT\$ thousand

Balance Sheet			
Accounting Title	2019/9/30	2018/12/31	2018/9/30
Current assets			
Cash and cash equivalents	595,747	512,067	546,583
Current financial assets at fair value through profit or loss	410	0	416
Current financial assets at amortised cost	26,952	8,224	8,031
Notes receivable, net	240,864	54,263	57,713
Accounts receivable, net	872,514	784,007	823,007
Other receivables	9,717	10,281	8,831
Current tax assets	0	5,400	5,400
Current inventories	922,905	964,179	859,934
Prepayments	87,190	59,310	88,346
Other current assets	19,075	53,152	36,482
Total current assets	2,775,374	2,450,883	2,434,743
Non-current assets			
Non-current financial assets at fair value through other comprehensive income	51,128	55,541	1,326
Property, plant and equipment	2,419,691	2,276,005	2,254,351
Right-of-use assets	111,261	0	0
Investment property, net	9,670	9,903	9,980
Deferred tax assets	140,788	134,844	132,949
Other non-current assets	108,294	288,552	278,045
Total non-current assets	2,840,832	2,764,845	2,676,651
Total assets	5,616,206	5,215,728	5,111,394
Current liabilities			
Current borrowings	937,392	857,525	770,856
Short-term notes and bills payable	124,970	89,942	119,987
Current financial liabilities at fair value through profit or loss	0	13	0
Current contract liabilities	30,502	32,756	32,081
Notes payable	117,952	0	0
Accounts payable	253,746	242,508	252,381
Other payables	245,377	254,328	182,282
Current tax liabilities	21,198	12,941	34,804
Current lease liabilities	2,088	0	0
Other current liabilities	416,408	152,388	110,468
Total current liabilities	2,149,633	1,642,401	1,502,859
Non-current liabilities			
Non-current portion of non-current borrowings	510,730	644,306	735,308
Non-current provisions	6,888	6,554	6,099
Deferred tax liabilities	102,719	97,829	95,967
Non-current lease liabilities	1,143	0	0

Unit: NT\$ thousand

Balance Sheet			
Other non-current liabilities	103,160	100,235	89,881
Total non-current liabilities	724,640	848,924	927,255
Total liabilities	2,874,273	2,491,325	2,430,114
Equity attributable to owners of parent			
Share capital			
Ordinary share	1,761,331	1,761,331	1,761,331
Total share capital	1,761,331	1,761,331	1,761,331
Capital surplus			
Total capital surplus	587,435	587,435	587,435
Retained earnings			
Legal reserve	266,484	250,160	250,160
Special reserve	239,664	201,902	201,902
Unappropriated retained earnings (accumulated deficit)	162,739	163,239	138,056
Total retained earnings	668,887	615,301	590,118
Other equity interest			
Total other equity interest	-275,720	-239,664	-257,604
Total equity attributable to owners of parent	2,741,933	2,724,403	2,681,280
Total equity	2,741,933	2,724,403	2,681,280
Total liabilities and equity	5,616,206	5,215,728	5,111,394
Equivalent issue shares of advance receipts for ordinary share	0	0	0
Number of shares in entity held by entity and by its subsidiaries	0	0	0

Unit: NT\$ thousand

Income Statement				
Accounting Title	2019/3rd	2018/3rd	2019/01/01 To2019/09/30	2018/01/01 To2018/09/30
Total operating revenue	998,523	918,189	2,809,338	2,590,497
Total operating costs	751,700	705,096	2,127,441	2,023,002
Gross profit (loss) from operations	246,823	213,093	681,897	567,495
Gross profit (loss) from operations	246,823	213,093	681,897	567,495
Operating expenses				
Selling expenses	84,608	63,443	227,916	191,207
Administrative expenses	51,025	48,065	146,636	140,313
Research and development expenses	29,024	21,128	80,908	65,257
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	730	1,275	-650	3,823
Total operating expenses	165,387	133,911	454,810	400,600
Net operating income (loss)	81,436	79,182	227,087	166,895
Non-operating income and expenses				
Total other income	8,266	3,424	17,167	17,153
Other gains and losses, net	-3,078	4,336	-80	13,911
Finance costs, net	6,861	5,949	22,909	19,054
Total non-operating income and expenses	-1,673	1,811	-5,822	12,010
Profit (loss) from continuing operations before tax	79,763	80,993	221,265	178,905
Total tax expense (income)	25,617	24,039	61,999	46,668
Profit (loss) from continuing operations	54,146	56,954	159,266	132,237
Profit (loss)	54,146	56,954	159,266	132,237
Other comprehensive income				
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	-5,879	0	-4,413	0
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-1,176	0	-883	-3,488
Components of other comprehensive income that will not be reclassified to profit or loss	-4,703	0	-3,530	3,488
Exchange differences on translation	-75,940	-72,843	-40,657	-78,729
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-15,187	-14,569	-8,131	-25,102
Components of other comprehensive income that will be reclassified to profit or loss	-60,753	-58,274	-32,526	-53,627
Other comprehensive income, net	-65,456	-58,274	-36,056	-50,139
Total comprehensive income	-11,310	-1,320	123,210	82,098
Profit (loss), attributable to:				
Profit (loss), attributable to owners of parent	54,146	56,954	159,266	132,237
Comprehensive income, attributable to owners of parent	-11,310	-1,320	123,210	82,098
Basic earnings per share				
Basic earnings (loss) per share from continuing operations	0.31	0.32	0.9	0.75
Total basic earnings per share	0.31	0.32	0.9	0.75
Diluted earnings per share				
Diluted earnings (loss) per share from continuing operations	0.31	0.32	0.9	0.75
Total diluted earnings per share	0.31	0.32	0.9	0.75

2019/09/30 Statement of Stockholders' Equity

Unit: NT\$ thousand

Accounting Title	Ordinary share	Advance receipts for share capital	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Equity at beginning of period	1,761,331	1,761,331	654,365	245,656	165,424	45,036	456,116	-201,902	0	-201,902		2,669,910		2,669,910
Effects of retrospective application and retrospective restatement	0	0	0	0	0	1,800	1,800	0	-2,075	-2,075		-275		-275
Equity at beginning of period after adjustments	1,761,331	1,761,331	654,365	245,656	165,424	46,836	457,916	-201,902	-2,075	-203,977		2,669,635		2,669,635
Legal reserve appropriated	0	0	0	4,504	0	-4,504	0	0	0	0		0		0
Special reserve appropriated	0	0	0	0	36,478	-36,478	0	0	0	0		0		0
Cash dividends of ordinary share	0	0	0	0	0	-3,523	-3,523	0	0	0		-3,523		-3,523
Cash dividends from capital surplus	0	0	-66,930	0	0	0	0	0	0	0		-66,930		-66,930
Profit (loss)	0	0	0	0	0	132,237	132,237	0	0	0		132,237		132,237
Other comprehensive income	0	0	0	0	0	3,488	3,488	-53,627	0	-53,627		-50,139		-50,139
Total comprehensive income	0	0	0	0	0	135,725	135,725	-53,627	0	-53,627		82,098		82,098
Total increase (decrease) in equity	0	0	-66,930	4,504	36,478	91,220	132,202	-53,627	0	-53,627		11,645		11,645
Equity at end of period	1,761,331	1,761,331	587,435	250,160	201,902	138,056	590,118	-255,529	-2,075	-257,604		2,681,280		2,681,280

2018/09/30 Statement of Stockholders' Equity

Unit: NT\$ thousand

Accounting Title	Ordinary share	Advance receipts for share capital	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Equity at beginning of period	1,761,331	1,761,331	654,365	245,656	165,424	45,036	456,116	-201,902	0	-201,902		2,669,910		2,669,910
Effects of retrospective application and retrospective restatement	0	0	0	0	0	1,800	1,800	0	-2,075	-2,075		-275		-275
Equity at beginning of period after adjustments	1,761,331	1,761,331	654,365	245,656	165,424	46,836	457,916	-201,902	-2,075	-203,977		2,669,635		2,669,635
Legal reserve appropriated	0	0	0	4,504	0	-4,504	0	0	0	0		0		0
Special reserve appropriated	0	0	0	0	36,478	-36,478	0	0	0	0		0		0
Cash dividends of ordinary share	0	0	0	0	0	-3,523	-3,523	0	0	0		-3,523		-3,523
Cash dividends from capital surplus	0	0	-66,930	0	0	0	0	0	0	0		-66,930		-66,930
Profit (loss)	0	0	0	0	0	132,237	132,237	0	0	0		132,237		132,237
Other comprehensive income	0	0	0	0	0	3,488	3,488	-53,627	0	-53,627		-50,139		-50,139
Total comprehensive income	0	0	0	0	0	135,725	135,725	-53,627	0	-53,627		82,098		82,098
Total increase (decrease) in equity	0	0	-66,930	4,504	36,478	91,220	132,202	-53,627	0	-53,627		11,645		11,645
Equity at end of period	1,761,331	1,761,331	587,435	250,160	201,902	138,056	590,118	-255,529	-2,075	-257,604		2,681,280		2,681,280

Unit: NT\$ thousand

Statements of Cash Flows		
Accounting Title	2019/01/01 To2019/09/30	2018/01/01 To2018/09/30
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	221,265	178,905
Profit (loss) before tax	221,265	178,905
Depreciation expense	163,119	165,596
Amortization expense	4,337	5,375
Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	-650	3,823
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	-852	1,397
Interest expense	22,909	19,054
Interest income	-5,919	-5,114
Loss (gain) on disposal of property, plan and equipment	2,355	1,368
Impairment loss on non-financial assets	10,859	-2,970
Other adjustments to reconcile profit (loss)	334	2,485
Total adjustments to reconcile profit (loss)	196,492	191,014
Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair val	-410	-389
Decrease (increase) in notes receivable	-186,601	72,072
Decrease (increase) in accounts receivable	-88,281	-117,356
Decrease (increase) in other receivable	-82	-4,611
Decrease (increase) in inventories	30,769	-58,913
Decrease (increase) in prepayments	-31,483	16,452
Decrease (increase) in other current assets	34,077	1,669
Total changes in operating assets	-242,011	-91,076
Increase (decrease) in financial liabilities held for trading	839	-1,905
Increase (decrease) in contract liabilities	-2,254	11,955
Increase (decrease) in notes payable	99,607	0
Increase (decrease) in accounts payable	11,238	29,015
Increase (decrease) in other payable	3,715	2,994
Increase (decrease) in other current liabilities	699	-3,662
Increase (decrease) in net defined benefit liability	2,951	-22,292
Total changes in operating liabilities	116,795	16,105
Total changes in operating assets and liabilities	-125,216	-74,971
Total adjustments	71,276	116,043
Cash inflow (outflow) generated from operations	292,541	294,948
Interest received	5,919	5,114
Interest paid	-28,407	-18,414
Income taxes refund (paid)	-41,031	-25,927
Net cash flows from (used in) operating activities	229,022	255,721
Cash flows from (used in) investing activities		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	646	295
Proceeds from disposal of financial assets at amortised cost	-18,728	579
Increase in prepayments for investments	0	-54,940
Acquisition of property, plant and equipment	-248,051	-181,327
Proceeds from disposal of property, plant and equipment	1,690	250
Increase in refundable deposits	0	-1,047
Decrease in refundable deposits	63	0
Acquisition of use-of-right assets	-1,014	0

Unit: NT\$ thousand

Statements of Cash Flows		
Increase in other non-current assets	-9,628	-11,960
Net cash flows from (used in) investing activities	-275,022	-248,150
Cash flows from (used in) financing activities		
Increase in short-term loans	79,867	0
Decrease in short-term loans	0	-26,498
Increase in short-term notes and bills payable	35,000	0
Decrease in short-term notes and bills payable	0	-70,000
Proceeds from long-term debt	553,693	419,876
Repayments of long-term debt	-423,948	-250,000
Decrease in guarantee deposits received	-26	-345
Payments of lease liabilities	-2,780	0
Cash dividends paid	-105,680	-70,453
Net cash flows from (used in) financing activities	136,126	2,580
Effect of exchange rate changes on cash and cash equivalents	-6,446	-51,165
Net increase (decrease) in cash and cash equivalents	83,680	-41,014
Cash and cash equivalents at beginning of period	512,067	587,597
Cash and cash equivalents at end of period	595,747	546,583
Cash and cash equivalents reported in the statement of financial position	595,747	546,583