

TAIWAN HOPAX CHEMS.MFG.CO.,LTD.  
2021 Nine Months Consolidated Financial Statements

Unit: NT\$ thousand

| <b>Balance Sheet</b>                                                          |                  |                   |                  |
|-------------------------------------------------------------------------------|------------------|-------------------|------------------|
| <b>Accounting Title</b>                                                       | <b>2021/9/30</b> | <b>2020/12/31</b> | <b>2020/9/30</b> |
| Current assets                                                                |                  |                   |                  |
| Cash and cash equivalents                                                     | 430,405          | 485,155           | 490,736          |
| Current financial assets at fair value through profit or loss                 | 772              | 608               | 0                |
| Current financial assets at amortised cost                                    | 114,110          | 71,791            | 27,959           |
| Notes receivable, net                                                         | 242,620          | 294,420           | 267,611          |
| Accounts receivable, net                                                      | 1,009,823        | 729,848           | 789,732          |
| Other receivables                                                             | 19,197           | 14,264            | 9,230            |
| Current tax assets                                                            | 7,609            | 7,609             | 7,609            |
| Current inventories                                                           | 1,123,607        | 998,451           | 906,529          |
| Prepayments                                                                   | 60,715           | 48,151            | 31,928           |
| Other current assets                                                          | 29,030           | 30,165            | 32,644           |
| Total current assets                                                          | 3,037,888        | 2,680,462         | 2,563,978        |
| Non-current assets                                                            |                  |                   |                  |
| Non-current financial assets at fair value through other comprehensive income | 54,813           | 76,053            | 39,570           |
| Property, plant and equipment                                                 | 2,583,533        | 2,595,514         | 2,574,231        |
| Right-of-use assets                                                           | 108,737          | 112,407           | 109,390          |
| Investment property, net                                                      | 9,052            | 9,284             | 9,361            |
| Deferred tax assets                                                           | 162,901          | 158,841           | 164,503          |
| Other non-current assets                                                      | 83,837           | 129,654           | 112,068          |
| Total non-current assets                                                      | 3,002,873        | 3,081,753         | 3,009,123        |
| Total assets                                                                  | 6,040,761        | 5,762,215         | 5,573,101        |
| Current liabilities                                                           |                  |                   |                  |
| Current borrowings                                                            | 971,647          | 913,334           | 915,242          |
| Short-term notes and bills payable                                            | 39,994           | 134,930           | 164,877          |
| Current financial liabilities at fair value through profit or loss            | 282              | 0                 | 156              |
| Current contract liabilities                                                  | 51,404           | 48,994            | 32,642           |
| Notes payable                                                                 | 205,503          | 139,758           | 172,012          |
| Accounts payable                                                              | 299,615          | 290,718           | 200,569          |
| Other payables                                                                | 275,441          | 314,160           | 261,434          |
| Current tax liabilities                                                       | 62,684           | 52,228            | 50,759           |
| Current lease liabilities                                                     | 2,433            | 3,191             | 2,913            |
| Other current liabilities                                                     | 196,110          | 285,922           | 290,228          |
| Total current liabilities                                                     | 2,105,113        | 2,183,235         | 2,090,832        |
| Non-current liabilities                                                       |                  |                   |                  |
| Non-current portion of non-current borrowings                                 | 719,897          | 481,096           | 495,660          |
| Non-current provisions                                                        | 8,301            | 8,270             | 7,464            |
| Deferred tax liabilities                                                      | 93,488           | 96,276            | 93,574           |
| Non-current lease liabilities                                                 | 4,786            | 4,358             | 3,458            |

Unit: NT\$ thousand

| <b>Balance Sheet</b>                                              |           |           |           |
|-------------------------------------------------------------------|-----------|-----------|-----------|
| Other non-current liabilities                                     | 92,790    | 109,064   | 109,494   |
| Total non-current liabilities                                     | 919,262   | 699,064   | 709,650   |
| Total liabilities                                                 | 3,024,375 | 2,882,299 | 2,800,482 |
| Equity attributable to owners of parent                           |           |           |           |
| Share capital                                                     |           |           |           |
| Ordinary share                                                    | 1,732,041 | 1,732,041 | 1,732,041 |
| Total Share Capital                                               | 1,732,041 | 1,732,041 | 1,732,041 |
| Capital surplus                                                   |           |           |           |
| Total capital surplus                                             | 574,956   | 574,956   | 574,956   |
| Retained earnings                                                 |           |           |           |
| Legal reserve                                                     | 314,783   | 287,147   | 287,147   |
| Special reserve                                                   | 294,856   | 304,265   | 304,265   |
| Unappropriated retained earnings (accumulated deficit)            | 438,159   | 276,363   | 219,495   |
| Total retained earnings                                           | 1,047,798 | 867,775   | 810,907   |
| Other equity interest                                             |           |           |           |
| Total other equity interest                                       | -338,409  | -294,856  | -345,285  |
| Treasury shares                                                   | 0         | 0         | 0         |
| Total equity attributable to owners of parent                     | 3,016,386 | 2,879,916 | 2,772,619 |
| Total equity                                                      | 3,016,386 | 2,879,916 | 2,772,619 |
| Total liabilities and equity                                      | 6,040,761 | 5,762,215 | 5,573,101 |
| 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                                                                                                           | 2021/3rd  | 2020/3rd | 2021/01/01<br>To2021/09/30 | 2020/01/01<br>To2020/09/30 |
| Total operating revenue                                                                                                    | 1,150,156 | 886,364  | 3,524,131                  | 2,678,249                  |
| Total operating costs                                                                                                      | 846,680   | 628,642  | 2,532,212                  | 1,917,879                  |
| Gross profit (loss) from operations                                                                                        | 303,476   | 257,722  | 991,919                    | 760,370                    |
| Gross profit (loss) from operations                                                                                        | 303,476   | 257,722  | 991,919                    | 760,370                    |
| Operating expenses                                                                                                         |           |          |                            |                            |
| Selling expenses                                                                                                           | 90,674    | 71,106   | 250,639                    | 209,672                    |
| Administrative expenses                                                                                                    | 58,416    | 48,815   | 166,960                    | 138,704                    |
| Research and development expenses                                                                                          | 37,057    | 31,875   | 110,882                    | 91,887                     |
| Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9                     | 1,315     | -44      | 3,884                      | 1,303                      |
| Total operating expenses                                                                                                   | 187,462   | 151,752  | 532,365                    | 441,566                    |
| Net operating income (loss)                                                                                                | 116,014   | 105,970  | 459,554                    | 318,804                    |
| Non-operating income and expenses                                                                                          |           |          |                            |                            |
| Total interest income                                                                                                      | 32        | 2,393    | 2,059                      | 7,073                      |
| Total other income                                                                                                         | 13,526    | 3,485    | 23,429                     | 10,561                     |
| Other gains and losses, net                                                                                                | -813      | -3,821   | -15,530                    | -5,475                     |
| Finance costs, net                                                                                                         | 4,492     | 5,590    | 13,776                     | 17,134                     |
| Total non-operating income and expenses                                                                                    | 8,253     | -3,533   | -3,818                     | -4,975                     |
| Profit (loss) from continuing operations before tax                                                                        | 124,267   | 102,437  | 455,736                    | 313,829                    |
| Total tax expense (income)                                                                                                 | 35,392    | 32,941   | 112,151                    | 84,714                     |
| Profit (loss) from continuing operations                                                                                   | 88,875    | 69,496   | 343,585                    | 229,115                    |
| Profit (loss)                                                                                                              | 88,875    | 69,496   | 343,585                    | 229,115                    |
| Other comprehensive income                                                                                                 |           |          |                            |                            |
| Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income | -4,155    | -2,463   | -4,423                     | -4,004                     |
| Income tax related to components of other comprehensive income that will not be reclassified to profit or loss             | -425      | -493     | -3,690                     | -801                       |
| Components of other comprehensive income that will not be reclassified to profit or loss                                   | -3,730    | -1,970   | -733                       | -3,203                     |
| Exchange differences on translation                                                                                        | 3,217     | 19,253   | -41,473                    | -47,270                    |
| Income tax related to components of other comprehensive income that will be reclassified to profit or loss                 | 643       | 3,851    | -8,295                     | -9,454                     |
| Components of other comprehensive income that will be reclassified to profit or loss                                       | 2,574     | 15,402   | -33,178                    | -37,816                    |
| Other comprehensive income, net                                                                                            | -1,156    | 13,432   | -33,911                    | -41,019                    |
| Total comprehensive income                                                                                                 | 87,719    | 82,928   | 309,674                    | 188,096                    |
| Profit (loss), attributable to:                                                                                            |           |          |                            |                            |
| Profit (loss), attributable to owners of parent                                                                            | 88,875    | 69,496   | 343,585                    | 229,115                    |
| Comprehensive income, attributable to owners of parent                                                                     | 87,719    | 82,928   | 309,674                    | 188,096                    |
| Basic earnings per share                                                                                                   |           |          |                            |                            |
| Basic earnings (loss) per share from continuing operations                                                                 | 0.51      | 0.4      | 1.98                       | 1.31                       |
| Total basic earnings per share                                                                                             | 0.51      | 0.4      | 1.98                       | 1.31                       |
| Diluted earnings per share                                                                                                 |           |          |                            |                            |
| Diluted earnings (loss) per share from continuing operations                                                               | 0.51      | 0.4      | 1.98                       | 1.31                       |
| Total diluted earnings per share                                                                                           | 0.51      | 0.4      | 1.98                       | 1.31                       |

**2021/09/30 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                                          | 1,732,041      | 1,732,041                          | 574,956             | 287,147         | 304,265       | 276,363         | 867,775                                                | -284,512                | -10,344                                                             | -294,856                    |                 | 2,879,916                                     |                           | 2,879,916    |
| Legal reserve appropriated                                             | 0              | 0                                  | 0                   | 27,636          | 0             | -27,636         | 0                                                      | 0                       | 0                                                                   | 0                           |                 | 0                                             |                           | 0            |
| Special reserve appropriated                                           | 0              | 0                                  | 0                   | 0               | -9,409        | 9,409           | 0                                                      | 0                       | 0                                                                   | 0                           |                 | 0                                             |                           | 0            |
| Cash dividends of ordinary share                                       | 0              | 0                                  | 0                   | 0               | 0             | -173,204        | -173,204                                               | 0                       | 0                                                                   | 0                           |                 | -173,204                                      |                           | -173,204     |
| Profit (loss)                                                          | 0              | 0                                  | 0                   | 0               | 0             | 343,585         | 343,585                                                | 0                       | 0                                                                   | 0                           |                 | 343,585                                       |                           | 343,585      |
| Other comprehensive income                                             | 0              | 0                                  | 0                   | 0               | 0             | 0               | 0                                                      | -33,178                 | -733                                                                | -33,911                     |                 | -33,911                                       |                           | -33,911      |
| Total comprehensive income                                             | 0              | 0                                  | 0                   | 0               | 0             | 343,585         | 343,585                                                | -33,178                 | -733                                                                | -33,911                     |                 | 309,674                                       |                           | 309,674      |
| Disposal of investments in equity instruments designated at fair value | 0              | 0                                  | 0                   | 0               | 0             | 9,642           | 9,642                                                  | 0                       | -9,642                                                              | -9,642                      |                 | 0                                             |                           | 0            |
| Others                                                                 | 0              | 0                                  | 0                   | 0               | 0             | 0               | 0                                                      | 0                       | 0                                                                   | 0                           |                 | 0                                             |                           | 0            |
| Total increase (decrease) in equity                                    | 0              | 0                                  | 0                   | 27,636          | -9,409        | 161,796         | 180,023                                                | -33,178                 | -10,375                                                             | -43,553                     |                 | 136,470                                       |                           | 136,470      |
| Equity at end of period                                                | 1,732,041      | 1,732,041                          | 574,956             | 314,783         | 294,856       | 438,159         | 1,047,798                                              | -317,690                | -20,719                                                             | -338,409                    |                 | 3,016,386                                     |                           | 3,016,386    |

**2020/09/30 Statement of Stockholders' Equity**

Unit: NT\$ thousand

| Accounting Title                    | Ordinary share | 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 | Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income | 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           | 587,435         | 266,484       | 239,664         | 206,628                                                | 712,776                 | -292,722                                                            | -11,544                                                                                                 | -304,266                    | 0               | 2,757,276                                     |                           | 2,757,276    |
| Legal reserve appropriated          | 0              | 0                   | 0               | 20,663        | 0               | -20,663                                                | 0                       | 0                                                                   | 0                                                                                                       | 0                           | 0               | 0                                             |                           | 0            |
| Special reserve appropriated        | 0              | 0                   | 0               | 0             | 64,601          | -64,601                                                | 0                       | 0                                                                   | 0                                                                                                       | 0                           | 0               | 0                                             |                           | 0            |
| Cash dividends of ordinary share    | 0              | 0                   | 0               | 0             | 0               | -119,771                                               | -119,771                | 0                                                                   | 0                                                                                                       | 0                           | 0               | -119,771                                      |                           | -119,771     |
| Cash dividends from capital surplus | 0              | 0                   | -3,523          | 0             | 0               | 0                                                      | 0                       | 0                                                                   | 0                                                                                                       | 0                           | 0               | -3,523                                        |                           | -3,523       |
| Profit (loss)                       | 0              | 0                   | 0               | 0             | 0               | 229,115                                                | 229,115                 | 0                                                                   | 0                                                                                                       | 0                           | 0               | 229,115                                       |                           | 229,115      |
| Other comprehensive income          | 0              | 0                   | 0               | 0             | 0               | 0                                                      | 0                       | -37,816                                                             | -3,203                                                                                                  | -41,019                     | 0               | -41,019                                       |                           | -41,019      |
| Total comprehensive income          | 0              | 0                   | 0               | 0             | 0               | 229,115                                                | 229,115                 | -37,816                                                             | -3,203                                                                                                  | -41,019                     | 0               | 188,096                                       |                           | 188,096      |
| Purchase of treasury shares         | 0              | 0                   | 0               | 0             | 0               | 0                                                      | 0                       | 0                                                                   | 0                                                                                                       | 0                           | -49,459         | -49,459                                       |                           | -49,459      |
| Retirement of treasury share        | -29,290        | -29,290             | -8,956          | 0             | 0               | -11,213                                                | -11,213                 | 0                                                                   | 0                                                                                                       | 0                           | 49,459          | 0                                             |                           | 0            |
| Total increase (decrease) in equity | -29,290        | -29,290             | -12,479         | 20,663        | 64,601          | 12,867                                                 | 98,131                  | -37,816                                                             | -3,203                                                                                                  | -41,019                     | 0               | 15,343                                        |                           | 15,343       |
| Equity at end of period             | 1,732,041      | 1,732,041           | 574,956         | 287,147       | 304,265         | 219,495                                                | 810,907                 | -330,538                                                            | -14,747                                                                                                 | -345,285                    | 0               | 2,772,619                                     |                           | 2,772,619    |

Unit: NT\$ thousand

| <b>Statements of Cash Flows</b>                                                                                  |                                    |                                    |
|------------------------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------|
| <b>Accounting Title</b>                                                                                          | <b>2021/01/01<br/>To2021/09/30</b> | <b>2020/01/01<br/>To2020/09/30</b> |
| Cash flows from (used in) operating activities, indirect method                                                  |                                    |                                    |
| Profit (loss) from continuing operations before tax                                                              | 455,736                            | 313,829                            |
| Profit (loss) before tax                                                                                         | 455,736                            | 313,829                            |
| Depreciation expense                                                                                             | 194,508                            | 171,877                            |
| Amortization expense                                                                                             | 17,609                             | 6,993                              |
| Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense                             | 3,884                              | 1,303                              |
| Net loss (gain) on financial assets or liabilities at fair value through profit or loss                          | -2,549                             | -80                                |
| Interest expense                                                                                                 | 13,776                             | 17,134                             |
| Interest income                                                                                                  | -2,059                             | -7,073                             |
| Dividend income                                                                                                  | -737                               | 0                                  |
| Loss (gain) on disposal of property, plan and equipment                                                          | 6,887                              | 2,040                              |
| Impairment loss on non-financial assets                                                                          | 9,879                              | 6,990                              |
| Other adjustments to reconcile profit (loss)                                                                     | 31                                 | 42                                 |
| Total adjustments to reconcile profit (loss)                                                                     | 241,229                            | 199,226                            |
| Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value | 5,328                              | 513                                |
| Decrease (increase) in notes receivable                                                                          | 51,800                             | 17,080                             |
| Decrease (increase) in accounts receivable                                                                       | -283,632                           | 16,792                             |
| Decrease (increase) in other receivable                                                                          | -4,933                             | 133                                |
| Decrease (increase) in inventories                                                                               | -134,709                           | 15,751                             |
| Decrease (increase) in prepayments                                                                               | -12,564                            | 22,786                             |
| Decrease (increase) in other current assets                                                                      | 1,135                              | 9,697                              |
| Total changes in operating assets                                                                                | -377,575                           | 82,752                             |
| Increase (decrease) in financial liabilities held for trading                                                    | -2,661                             | 236                                |
| Increase (decrease) in contract liabilities                                                                      | 2,410                              | 1,752                              |
| Increase (decrease) in notes payable                                                                             | 67,545                             | 7,228                              |
| Increase (decrease) in accounts payable                                                                          | 8,897                              | -103,171                           |
| Increase (decrease) in other payable                                                                             | -17,175                            | -24,895                            |
| Increase (decrease) in other current liabilities                                                                 | 2,128                              | 10,780                             |
| Increase (decrease) in net defined benefit liability                                                             | -16,307                            | -6,582                             |
| Total changes in operating liabilities                                                                           | 44,837                             | -114,652                           |
| Total changes in operating assets and liabilities                                                                | -332,738                           | -31,900                            |
| Total adjustments                                                                                                | -91,509                            | 167,326                            |
| Cash inflow (outflow) generated from operations                                                                  | 364,227                            | 481,155                            |
| Interest received                                                                                                | 2,059                              | 7,073                              |
| Interest paid                                                                                                    | -14,208                            | -19,395                            |
| Income taxes refund (paid)                                                                                       | -96,906                            | -44,761                            |
| Net cash flows from (used in) operating activities                                                               | 255,172                            | 424,072                            |
| Cash flows from (used in) investing activities                                                                   |                                    |                                    |
| Acquisition of financial assets at fair value through other comprehensive income                                 | -6,667                             | 0                                  |
| Proceeds from disposal of financial assets at fair value through other comprehensive income                      | 23,484                             | 0                                  |
| Proceeds from capital reduction of financial assets at fair value through other comprehensive income             | 0                                  | 218                                |
| Acquisition of financial assets at amortised cost                                                                | -42,319                            | 79,344                             |
| Acquisition of property, plant and equipment                                                                     | -190,994                           | -294,793                           |
| Proceeds from disposal of property, plant and equipment                                                          | 1,790                              | 439                                |
| Increase in refundable deposits                                                                                  | 0                                  | -78                                |

Unit: NT\$ thousand

| <b>Statements of Cash Flows</b>                                           |          |          |
|---------------------------------------------------------------------------|----------|----------|
| Decrease in refundable deposits                                           | 2        | 0        |
| Acquisition of use-of-right assets                                        | -1,281   | -887     |
| Increase in other non-current assets                                      | -7,986   | -10,798  |
| Dividends received                                                        | 737      | 0        |
| Net cash flows from (used in) investing activities                        | -223,234 | -226,555 |
| Cash flows from (used in) financing activities                            |          |          |
| Increase in short-term loans                                              | 58,313   | 0        |
| Decrease in short-term loans                                              | 0        | -143,545 |
| Increase in short-term notes and bills payable                            | -95,000  | 40,000   |
| Proceeds from long-term debt                                              | 799,860  | 412,105  |
| Repayments of long-term debt                                              | -650,486 | -396,228 |
| Increase in guarantee deposits received                                   | 33       | 135      |
| Payments of lease liabilities                                             | -2,742   | -2,902   |
| Cash dividends paid                                                       | -173,204 | -123,294 |
| Payments to acquire treasury shares                                       | 0        | -49,459  |
| Net cash flows from (used in) financing activities                        | -63,226  | -263,188 |
| Effect of exchange rate changes on cash and cash equivalents              | -23,462  | -38,427  |
| Net increase (decrease) in cash and cash equivalents                      | -54,750  | -104,098 |
| Cash and cash equivalents at beginning of period                          | 485,155  | 594,834  |
| Cash and cash equivalents at end of period                                | 430,405  | 490,736  |
| Cash and cash equivalents reported in the statement of financial position | 430,405  | 490,736  |