

TAIWAN HOPAX CHEMS.MFG.CO.,LTD.
2022 Six Months Consolidated Financial Statements

Unit: NT\$ thousand

| Balance Sheet | | | |
|---|-----------|------------|-----------|
| Accounting Title | 2022/6/30 | 2021/12/31 | 2021/6/30 |
| Current assets | | | |
| Cash and cash equivalents | 387,587 | 376,207 | 333,127 |
| Current financial assets at fair value through profit or loss | 649 | 2,212 | 360 |
| Current financial assets at amortised cost | 151,734 | 143,011 | 75,723 |
| Notes receivable, net | 377,383 | 282,371 | 239,230 |
| Accounts receivable, net | 1,255,642 | 1,041,944 | 1,010,156 |
| Other receivables | 21,779 | 19,883 | 16,899 |
| Current tax assets | 0 | 0 | 7,609 |
| Current inventories | 1,368,259 | 1,263,905 | 1,020,448 |
| Prepayments | 99,969 | 54,563 | 51,520 |
| Other current assets | 43,620 | 28,816 | 34,338 |
| Total current assets | 3,706,622 | 3,212,912 | 2,789,410 |
| Non-current assets | | | |
| Non-current financial assets at fair value through other comprehensive income | 61,513 | 68,800 | 75,785 |
| Property, plant and equipment | 2,646,151 | 2,581,881 | 2,592,748 |
| Right-of-use assets | 107,692 | 107,782 | 110,238 |
| Investment property, net | 8,820 | 8,975 | 9,129 |
| Deferred tax assets | 149,976 | 164,197 | 164,082 |
| Other non-current assets | 115,485 | 110,165 | 86,669 |
| Total non-current assets | 3,089,637 | 3,041,800 | 3,038,651 |
| Total assets | 6,796,259 | 6,254,712 | 5,828,061 |
| Current liabilities | | | |
| Current borrowings | 790,220 | 636,663 | 704,089 |
| Short-term notes and bills payable | 84,985 | 39,978 | 99,956 |
| Current financial liabilities at fair value through profit or loss | 2,614 | 183 | 715 |
| Current contract liabilities | 44,255 | 59,424 | 52,472 |
| Notes payable | 341,941 | 211,671 | 164,655 |
| Accounts payable | 407,123 | 362,692 | 323,887 |
| Other payables | 518,779 | 353,353 | 435,884 |
| Current tax liabilities | 58,750 | 75,531 | 64,195 |
| Current lease liabilities | 2,031 | 2,020 | 2,844 |
| Other current liabilities | 141,648 | 162,156 | 212,789 |
| Total current liabilities | 2,392,346 | 1,903,671 | 2,061,486 |
| Non-current liabilities | | | |
| Bonds payable | 273,672 | 286,752 | 0 |
| Non-current portion of non-current borrowings | 698,423 | 712,594 | 639,804 |
| Non-current provisions | 5,812 | 5,794 | 8,291 |
| Deferred tax liabilities | 97,059 | 95,053 | 93,044 |
| Non-current lease liabilities | 3,260 | 4,278 | 5,292 |
| Other non-current liabilities | 90,764 | 103,655 | 91,477 |

Unit: NT\$ thousand

| Balance Sheet | | | |
|---|-----------|-----------|-----------|
| Total non-current liabilities | 1,168,990 | 1,208,126 | 837,908 |
| Total liabilities | 3,561,336 | 3,111,797 | 2,899,394 |
| Equity attributable to owners of parent | | | |
| Share capital | | | |
| Ordinary share | 1,734,903 | 1,732,041 | 1,732,041 |
| Total Share Capital | 1,734,903 | 1,732,041 | 1,732,041 |
| Capital surplus | | | |
| Total capital surplus | 627,972 | 615,528 | 574,956 |
| Retained earnings | | | |
| Legal reserve | 357,664 | 314,783 | 287,147 |
| Special reserve | 328,708 | 294,856 | 304,265 |
| Unappropriated retained earnings (accumulated deficit) | 491,159 | 514,415 | 357,869 |
| Total retained earnings | 1,177,531 | 1,124,054 | 949,281 |
| Other equity interest | | | |
| Total other equity interest | -305,483 | -328,708 | -327,611 |
| Total equity attributable to owners of parent | 3,234,923 | 3,142,915 | 2,928,667 |
| Total equity | 3,234,923 | 3,142,915 | 2,928,667 |
| Total liabilities and equity | 6,796,259 | 6,254,712 | 5,828,061 |
| 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 | 2022/2nd | 2021/2nd | 2022/01/01To2 022/06/30 | 2021/01/01To2 021/06/30 |
| Total operating revenue | 1,376,473 | 1,202,257 | 2,805,358 | 2,373,975 |
| Total operating costs | 998,326 | 853,726 | 2,083,099 | 1,685,532 |
| Gross profit (loss) from operations | 378,147 | 348,531 | 722,259 | 688,443 |
| Gross profit (loss) from operations | 378,147 | 348,531 | 722,259 | 688,443 |
| Operating expenses | | | | |
| Selling expenses | 107,289 | 93,250 | 201,486 | 159,965 |
| Administrative expenses | 56,014 | 56,899 | 107,395 | 108,544 |
| Research and development expenses | 37,831 | 40,291 | 77,432 | 73,825 |
| Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9 | -235 | 2,932 | -2,432 | 2,569 |
| Total operating expenses | 200,899 | 193,372 | 383,881 | 344,903 |
| Net operating income (loss) | 177,248 | 155,159 | 338,378 | 343,540 |
| Non-operating income and expenses | | | | |
| Total interest income | 543 | 1,060 | 1,026 | 2,027 |
| Total other income | 4,915 | 3,846 | 10,153 | 9,903 |
| Other gains and losses, net | 9,779 | -6,860 | 17,975 | -14,717 |
| Finance costs, net | 6,676 | 4,451 | 12,134 | 9,284 |
| Total non-operating income and expenses | 8,561 | -6,405 | 17,020 | -12,071 |
| Profit (loss) from continuing operations before tax | 185,809 | 148,754 | 355,398 | 331,469 |
| Total tax expense (income) | 37,262 | 27,855 | 82,965 | 76,759 |
| Profit (loss) from continuing operations | 148,547 | 120,899 | 272,433 | 254,710 |
| Profit (loss) | 148,547 | 120,899 | 272,433 | 254,710 |
| Other comprehensive income | | | | |
| Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income | -12,745 | -467 | -16,997 | -268 |
| Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | -552 | -3,304 | -1,088 | -3,265 |
| Components of other comprehensive income that will not be reclassified to profit or loss | -12,193 | 2,837 | -15,909 | 2,997 |
| Exchange differences on translation | -34,282 | -22,168 | 46,301 | -44,690 |
| Income tax related to components of other comprehensive income that will be reclassified to profit or loss | -6,857 | -4,434 | 9,260 | -8,938 |
| Components of other comprehensive income that will be reclassified to profit or loss | -27,425 | -17,734 | 37,041 | -35,752 |
| Other comprehensive income, net | -39,618 | -14,897 | 21,132 | -32,755 |
| Total comprehensive income | 108,929 | 106,002 | 293,565 | 221,955 |
| Profit (loss), attributable to: | | | | |
| Profit (loss), attributable to owners of parent | 148,547 | 120,899 | 272,433 | 254,710 |
| Comprehensive income, attributable to owners of parent | 108,929 | 106,002 | 293,565 | 221,955 |
| Basic earnings per share | | | | |
| Basic earnings (loss) per share from continuing operations | 0.86 | 0.70 | 1.57 | 1.47 |
| Total basic earnings per share | 0.86 | 0.70 | 1.57 | 1.47 |
| Diluted earnings per share | | | | |
| Diluted earnings (loss) per share from continuing operations | 0.84 | 0.70 | 1.54 | 1.47 |
| Total diluted earnings per share | 0.84 | 0.70 | 1.54 | 1.47 |

2022/06/30

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 | 1,732,041 | 1,732,041 | 615,528 | 314,783 | 294,856 | 514,415 | 1,124,054 | -302,951 | -25,757 | -328,708 | | 3,142,915 | | 3,142,915 |
| Legal reserve appropriated | 0 | 0 | 0 | 42,881 | 0 | -42,881 | 0 | 0 | 0 | 0 | | 0 | | 0 |
| Special reserve appropriated | 0 | 0 | 0 | 0 | 33,852 | -33,852 | 0 | 0 | 0 | 0 | | 0 | | 0 |
| Cash dividends of ordinary share | 0 | 0 | 0 | 0 | 0 | -216,863 | -216,863 | 0 | 0 | 0 | | -216,863 | | -216,863 |
| Profit (loss) | 0 | 0 | 0 | 0 | 0 | 272,433 | 272,433 | 0 | 0 | 0 | | 272,433 | | 272,433 |
| Other comprehensive income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 37,041 | -15,909 | 21,132 | | 21,132 | | 21,132 |
| Total comprehensive income | 0 | 0 | 0 | 0 | 0 | 272,433 | 272,433 | 37,041 | -15,909 | 21,132 | | 293,565 | | 293,565 |
| Conversion of convertible bonds | 2,862 | 2,862 | 12,444 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 15,306 | | 15,306 |
| Disposal of investments in equity instrum | 0 | 0 | 0 | 0 | 0 | -2,093 | -2,093 | 0 | 2,093 | 2,093 | | 0 | | 0 |
| Total increase (decrease) in equity | 2,862 | 2,862 | 12,444 | 42,881 | 33,852 | -23,256 | 53,477 | 37,041 | -13,816 | 23,225 | | 92,008 | | 92,008 |
| Equity at end of period | 1,734,903 | 1,734,903 | 627,972 | 357,664 | 328,708 | 491,159 | 1,177,531 | -265,910 | -39,573 | -305,483 | | 3,234,923 | | 3,234,923 |

2021/06/30 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 | 1,732,041 | 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 |
| 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 | 254,710 | 254,710 | 0 | 0 | 0 | | 254,710 | | 254,710 |
| Other comprehensive income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -35,752 | 2,997 | -32,755 | | -32,755 | | -32,755 |
| Total comprehensive income | 0 | 0 | 0 | 0 | 0 | 254,710 | 254,710 | -35,752 | 2,997 | -32,755 | | 221,955 | | 221,955 |
| Total increase (decrease) in equity | 0 | 0 | 0 | 0 | 0 | 81,506 | 81,506 | -35,752 | 2,997 | -32,755 | | 48,751 | | 48,751 |
| Equity at end of period | 1,732,041 | 1,732,041 | 574,956 | 287,147 | 304,265 | 357,869 | 949,281 | -320,264 | -7,347 | -327,611 | | 2,928,667 | | 2,928,667 |

Unit: NT\$ thousand

| Statements of Cash Flows | | |
|--|------------------------------------|------------------------------------|
| Accounting Title | 2022/01/01 To2022/06/30 | 2021/01/01 To2021/06/30 |
| Cash flows from (used in) operating activities, indirect method | | |
| Profit (loss) from continuing operations before tax | 355,398 | 331,469 |
| Profit (loss) before tax | 355,398 | 331,469 |
| Depreciation expense | 130,839 | 129,314 |
| Amortization expense | 5,396 | 11,625 |
| Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense | -2,432 | 2,569 |
| Net loss (gain) on financial assets or liabilities at fair value through profit or loss | 8,292 | -229 |
| Interest expense | 12,134 | 9,284 |
| Interest income | -1,026 | -2,027 |
| Loss (gain) on disposal of property, plan and equipment | 2,575 | 5,732 |
| Impairment loss on non-financial assets | -6,535 | 4,777 |
| Other adjustments to reconcile profit (loss) | 18 | 21 |
| Total adjustments to reconcile profit (loss) | 149,261 | 161,066 |
| Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value | 3,476 | 3,212 |
| Decrease (increase) in notes receivable | -95,012 | 55,190 |
| Decrease (increase) in accounts receivable | -211,173 | -282,762 |
| Decrease (increase) in other receivable | -1,896 | -2,635 |
| Decrease (increase) in inventories | -98,033 | -26,441 |
| Decrease (increase) in prepayments | -45,406 | -3,369 |
| Decrease (increase) in other current assets | -14,804 | -4,173 |
| Total changes in operating assets | -462,848 | -260,978 |
| Increase (decrease) in financial liabilities held for trading | -7,803 | -2,020 |
| Increase (decrease) in contract liabilities | -15,169 | 3,478 |
| Increase (decrease) in notes payable | 125,901 | 26,219 |
| Increase (decrease) in accounts payable | 44,431 | 33,169 |
| Increase (decrease) in other payable | -46,021 | -37,672 |
| Increase (decrease) in other current liabilities | 3,843 | 4,025 |
| Increase (decrease) in net defined benefit liability | -13,208 | -17,578 |
| Total changes in operating liabilities | 91,974 | 9,621 |
| Total changes in operating assets and liabilities | -370,874 | -251,357 |
| Total adjustments | -221,613 | -90,291 |
| Cash inflow (outflow) generated from operations | 133,785 | 241,178 |
| Interest received | 1,026 | 2,053 |
| Interest paid | -10,018 | -9,751 |
| Income taxes refund (paid) | -91,477 | -61,608 |
| Net cash flows from (used in) operating activities | 33,316 | 171,872 |
| Cash flows from (used in) investing activities | | |
| Acquisition of financial assets at fair value through other comprehensive income | -17,039 | 0 |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | 7,329 | 0 |
| Acquisition of financial assets at amortised cost | -8,723 | -3,932 |
| Acquisition of property, plant and equipment | -176,674 | -136,211 |
| Proceeds from disposal of property, plant and equipment | 322 | 1,665 |
| Increase in refundable deposits | -781 | -27 |
| Acquisition of use-of-right assets | -676 | -829 |
| Increase in other non-current assets | -2,476 | 3,193 |

Unit: NT\$ thousand

| Statements of Cash Flows | | |
|---|----------|----------|
| Net cash flows from (used in) investing activities | -198,718 | -136,141 |
| Cash flows from (used in) financing activities | | |
| Increase in short-term loans | 153,557 | 0 |
| Decrease in short-term loans | 0 | -209,245 |
| Increase in short-term notes and bills payable | 45,000 | 0 |
| Decrease in short-term notes and bills payable | 0 | -35,000 |
| Proceeds from long-term debt | 279,369 | 599,162 |
| Repayments of long-term debt | -330,141 | -514,725 |
| Increase in guarantee deposits received | 0 | -9 |
| Decrease in guarantee deposits received | 317 | 0 |
| Payments of lease liabilities | -1,007 | -1,825 |
| Net cash flows from (used in) financing activities | 147,095 | -161,642 |
| Effect of exchange rate changes on cash and cash equivalents | 29,687 | -26,117 |
| Net increase (decrease) in cash and cash equivalents | 11,380 | -152,028 |
| Cash and cash equivalents at beginning of period | 376,207 | 485,155 |
| Cash and cash equivalents at end of period | 387,587 | 333,127 |
| Cash and cash equivalents reported in the statement of financial position | 387,587 | 333,127 |