

China Chemical & Pharmaceutical Co., Ltd.
Balance Sheets
For the Year Ended December 31, 2015 and 2014

Unit : NT\$ Thousands

Assets		December 31, 2015		December 31, 2014	
		Amount	%	Amount	%
Current Assets					
1100	Cash and Cash Equivalents	\$ 102,487	1	\$ 111,300	1
1150	Notes Receivable	72,860	1	73,898	1
1160	Notes Receivable - Related Parties	167,119	2	160,072	2
1170	Accounts Receivable	160,533	2	163,875	2
1180	Accounts Receivable - Related Parties	753,084	9	873,762	10
1200	Other Receivables	27,236	-	28,740	-
1210	Other Receivables -Related Parties	169,697	2	158,841	2
1220	Current Income Tax Assets	3,685	-	-	-
130X	Inventories	707,076	8	766,112	8
1410	Prepayments	37,936	-	26,093	-
1460	Non-current classified as held for sale	-	-	202,746	2
11XX	Total Current Assets	<u>2,201,713</u>	<u>25</u>	<u>2,565,439</u>	<u>28</u>
Non-Current assets					
1523	Available-for-sale Financial Assets- Noncurrent	277,472	3	435,782	5
1543	Financial Assets at Cost - Noncurrent	30,710	1	15,710	-
1550	Long-term Investments at Equity	2,553,590	29	2,365,633	26
1600	Property, Plant and Equipment	3,641,193	41	3,614,742	39
1760	Intangible Assets	-	-	27,856	-
1840	Deferred Tax Assets	111,383	1	116,209	1
1900	Other Non-current Assets	9,975	-	71,515	1
15XX	Total Non-Current Assets	<u>6,624,323</u>	<u>75</u>	<u>6,647,447</u>	<u>72</u>
1XXX	Total Assets	<u>\$ 8,826,036</u>	<u>100</u>	<u>\$ 9,212,886</u>	<u>100</u>

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China Chemical & Pharmaceutical Co., Ltd.
Balance Sheets
For the Year Ended December 31, 2015 and 2014

Unit : NT\$ Thousands

Liabilities and Shareholders' Equity		December 31, 2015		December 31, 2014	
		Amount	%	Amount	%
Current Liabilities					
2100	Short-term Borrowings	\$ 965,406	11	\$ 1,072,418	12
2110	Short-Term Notes and Bills Payable	-	-	100,000	1
2170	Accounts Payable	213,302	2	268,446	3
2180	Accounts Payable- Related Parties	6,458	-	12,015	-
2200	Other Payables	143,627	2	170,233	2
2230	Current Income Tax Liabilities	-	-	44,137	1
2250	Short-term Provisions	20,000	-	40,614	-
2300	Other Current Liabilities	2,731	-	3,669	-
21XX	Total Current Liabilities	<u>1,351,524</u>	<u>15</u>	<u>1,711,532</u>	<u>19</u>
Non-Current Liabilities					
2540	Long-term Borrowings	1,599,000	18	1,625,000	18
2570	Deferred Income Tax Liabilities	107,115	1	109,407	1
2600	Other Non-Current Liabilities	327,404	4	309,410	3
25XX	Total Non-Current Liabilities	<u>2,033,519</u>	<u>23</u>	<u>2,043,817</u>	<u>22</u>
2XXX	Total Liabilities	<u>3,385,043</u>	<u>38</u>	<u>3,755,349</u>	<u>41</u>
Equity Attributable to Owners of Paren					
Share Capital					
3110	Ordinary Share	2,980,811	34	2,980,811	32
Capital Surplus					
3200	Capital Surplus	642,640	7	642,284	7
Retained Earnings					
3310	Legal Reserve	362,229	4	327,457	3
3320	Special Reserve	188,958	2	188,958	2
3350	Unappropriated Retained Earnings	1,161,478	13	1,042,487	11
Other Equity Interest					
3400	Other Interest	132,931	2	303,594	4
3500	Treasury Stock	(28,054)	-	(28,054)	-
3XXX	Total Shareholders' Equity	<u>5,440,993</u>	<u>62</u>	<u>5,457,537</u>	<u>59</u>
Significant Contingent Liability&Unrealized					
Contractual Arrangement					
Significant Subsequent Events					
3X2X	Total Liabilities & Shareholders' Equity	<u>\$ 8,826,036</u>	<u>100</u>	<u>\$ 9,212,886</u>	<u>100</u>

China Chemical & Pharmaceutical Co., Ltd.
Statements Of Comprehensive Income
January 1 to December 31, 2015 and 2014

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

Item	December 31, 2015		December 31, 2014	
	Amount	%	Amount	%
4000 Operating Revenue	\$ 2,718,471	100	\$ 2,979,529	100
5000 Operating Costs	(2,130,172)	(78)	(2,267,745)	(76)
5900 Gross Profit from Operations	588,299	22	711,784	24
5910 Unrealized Sale Gain	(112,393)	(4)	(166,776)	(6)
5920 Realized Sale Gain	166,776	6	112,579	4
5950 Net Gross Profit from Operations	642,682	24	657,587	22
Operating Expenses				
6100 Selling Expenses	(81,685)	(3)	(80,188)	(3)
6200 Administrative Expenses	(127,491)	(5)	(109,128)	(4)
6300 Research and Development Expenses	(267,650)	(10)	(304,779)	(10)
6000 Total Operating Expenses	(476,826)	(18)	(494,095)	(17)
6900 Net Operating Income	165,856	6	163,492	5
Non- Operating Income and Expenses				
7010 Other Revenue	72,222	2	36,023	1
7020 Other Gains and Losses	25,876	1	89,848	3
7050 Finance Cost	(35,570)	(1)	(38,353)	(1)
7070 Share of Profit or Loss of Associates & Joint Ventures Accounted for Using Equity Method)	187,024	7	141,837	5
7000 Total Non-operating Income and Expenses	249,552	9	229,355	8
7900 Income Before Income Tax	415,408	15	392,847	13
7950 Income tax expense	(61,712)	(2)	(45,124)	(1)
8200 Net Income	\$ 353,696	13	\$ 347,723	12
Other Comprehensive Income that will be Reclassified to Profit or Loss				
8311 Defined Benefit Plans be Remeasured	(\$ 21,196)	(1)	\$ 4,528	-
8330 Share of Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method	(3,491)	-	(6,599)	-
8349 Income Tax not Related to Components of Other Comprehensive Income	3,603	-	(770)	-
8310 Total Components of Other Comprehensive Income That will be not Reclassified to Profit or Loss	(21,084)	(1)	(2,841)	-
Components of Other Comprehensive Income Item That will be Reclassified to Profit or Loss				
8361 Exchange Differences on Translation of Foreign Financial Statements	(14,189)	-	52,519	2
8362 Unrealised Gains (Losses) on Valuation of Available-for-sale Financial Assets	(158,312)	(6)	157,034	5
8380 Share of Other Comprehensive Income (Loss) of Subsidiaries and Associates Accounted for Using Equity Method - Will be Reclassified to Profit	(575)	-	(3,463)	-
8399 Income Tax Relating to Components of Other Comprehensive Income	2,413	-	(8,928)	(1)
8360 Total Components of Other Comprehensive Income that will be Reclassified to Profit or Loss	(170,663)	(6)	197,162	6
8300 Other Comprehensive Income(Loss) After Tax	(\$ 191,747)	(7)	\$ 194,321	6
8500 Total Comprehensive Income	\$ 161,949	6	\$ 542,044	18
Earnings per Share				
9750 Diluted Earnings Per Share	\$	1.19	\$	1.17

China Chemical & Pharmaceutical Co., Ltd.
Statements Of Changes In Equity
For the Year Ended December 31, 2015 and 2014

Unit : NT\$ Thousands

	Capital		Surplus	Retained Earnings			Other Equity Interest		Treasury Stock	Total Equity
	Ordinary Share	Additional Paid-In Capital	Treasury Stock Transactions	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation	Unrealized Gains (Losses) on Available-for-sale Financial Assets		
January 1st to December 31, 2014										
Equity at Beginning Of Period	\$ 2,980,811	\$ 578,416	\$ 63,571	\$ 303,422	\$ 188,958	\$ 870,681	\$ 19,597	\$ 86,835	(\$ 28,054)	\$ 5,064,237
Appropriation and Distribution of Retained Earnings of 2013 :										
Legal Reserve	-	-	-	24,035	-	(24,035)	-	-	-	-
Cash Dividends	-	-	-	-	-	(149,041)	-	-	-	(149,041)
Subsidiaries Acquired Cash Dividend Payment of Parent Company	-	-	297	-	-	-	-	-	-	297
Profit for The Year Ended December 31, 2014	-	-	-	-	-	347,723	-	-	-	347,723
Other Comprehensive Income	-	-	-	-	-	(2,841)	43,748	153,414	-	194,321
Balance, December 31, 2014	<u>\$ 2,980,811</u>	<u>\$ 578,416</u>	<u>\$ 63,868</u>	<u>\$ 327,457</u>	<u>\$ 188,958</u>	<u>\$ 1,042,487</u>	<u>\$ 63,345</u>	<u>\$ 240,249</u>	<u>(\$ 28,054)</u>	<u>\$ 5,457,537</u>
January 1st to December 31, 2015										
Equity at Beginning Of Period	\$ 2,980,811	\$ 578,416	\$ 63,868	\$ 327,457	\$ 188,958	\$ 1,042,487	\$ 63,345	\$ 240,249	(\$ 28,054)	\$ 5,457,537
Appropriation and distribution of retained earnings of 2014:										
Legal Reserve	-	-	-	34,772	-	(34,772)	-	-	-	-
Cash Dividends	-	-	-	-	-	(178,849)	-	-	-	(178,849)
Subsidiaries Acquired Cash Dividend Payment of Parent Company	-	-	356	-	-	-	-	-	-	356
Profit for The Year Ended December 31, 2015	-	-	-	-	-	353,696	-	-	-	353,696
Other Comprehensive Income	-	-	-	-	-	(21,084)	(11,638)	(159,025)	-	(191,747)
Balance, December 31, 2015	<u>\$ 2,980,811</u>	<u>\$ 578,416</u>	<u>\$ 64,224</u>	<u>\$ 362,229</u>	<u>\$ 188,958</u>	<u>\$ 1,161,478</u>	<u>\$ 51,707</u>	<u>\$ 81,224</u>	<u>(\$ 28,054)</u>	<u>\$ 5,440,993</u>

China Chemical & Pharmaceutical Co., Ltd.
Statements Of Cash Flows
For the Year Ended December 31, 2015 and 2014

Unit : NT\$ Thousands

	December 31, 2015	December 31, 2014
<u>Cash Flows From (Used in) Operating Activities</u>		
Profit (Loss) Before Tax	\$ 415,408	\$ 392,847
Adjustments		
Unrealized Sale Gain	112,393	166,776
Realized Sale Gain	(166,776)	(112,579)
Depreciation expense	173,182	164,348
Bad Debts Recognized Revenue	(3,473)	(3,741)
Interest Expense	35,570	38,353
Interest Revenue	(4,078)	(4,067)
Dividend Revenue	(11,013)	(6,351)
Share of Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method	(187,024)	(141,837)
Gain on Disposal of Investment	-	(98,199)
Gain on Disposal of Property, Plant and Equipment	(36,292)	(1,625)
Notes Receivable (Include Related Parties)	(2,407)	96,968
Accounts Receivable (Include Related Parties)	123,891	(127,106)
Inventories	59,036	(11,269)
Other Receivable	8,919	1,519
Other Receivable - Related Parties	(15,138)	2,808
Prepayments	(11,843)	7,735
Accounts Payable (Include Related Parties)	(60,701)	1,230
Other Payable	(3,889)	877
Short-term Provision	(20,614)	-
Other Current Liabilities	(938)	(24,070)
Decrease(Increase) in Net Defined Benefit Liability	(4,669)	(4,144)
Cash Inflow (Outflow) Generated from Operations	399,544	338,473
Interest Received	3,794	4,014
Receive Cash Dividends	103,735	87,369
Interest Paid	(35,630)	(37,770)
Income Taxes Refund (Paid)	(100,952)	(26,886)
Net Cash Flows from (used in) Operating Activities	<u>370,491</u>	<u>365,200</u>

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Statements Of Cash Flows
For the Year Ended December 31, 2015 and 2014

Unit : NT\$ Thousands

	December 31, 2015	December 31, 2014
<u>Cash Flows From (Used in) Investing Activities</u>		
Decrease(Increase) in Financing receivable	\$ 4,282	(\$ 56,525)
Disposal of Financial Assets in Available-for-sale	-	168,085
Acquired Financial Assets at Cost - Noncurrent	(15,000)	(15,000)
Investment Income on Equity-Method Investees	(35,000)	-
Purchase of Property, Plant and Equipment	(167,803)	(133,858)
Disposal of Property, Plant and Equipment	241,880	5,939
Purchase of Investment Property	-	(1,202)
Decrease(Increase) in Refundable Deposits	(337)	1,065
Decrease(Increase) in Prepaid Investment	-	(30,000)
Decrease(Increase) in Other Non-current Assets	3,068	1,656
Net Cash Flows From (Used in) Investing Activities	31,090	(59,840)
<u>Cash flows from (used in) Financing Activities</u>		
Decrease(Increase) In Short-term Borrowings	(107,012)	(299,563)
Decrease(Increase) in Short-term Notes and Bills Payable	(100,000)	100,000
Proceeds from Long-term Borrowings	695,000	920,000
Repayment of Long-term Borrowings	(721,000)	(850,000)
Decrease(Increase) in Guarantee Deposits Received	1,467	2,780
Assigned Cash Dividends	(178,849)	(149,041)
Net cash Flows From (Used in) Financing Activities	(410,394)	(275,824)
Net Increase (Decrease) In Cash and Cash Equivalents	(8,813)	29,536
Cash and Cash Equivalents at Beginning of Period	111,300	81,764
Cash and Cash Equivalents at End of Period	\$ 102,487	\$ 111,300