

**China Chemical & Pharmaceutical Co., Ltd.**  
**Balance Sheets**  
**For the Year Ended December 31, 2016 and 2015**

Unit : NT\$ Thousands

<b>Assets</b>		<b>December 31, 2016</b>		<b>December 31, 2015</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Current Assets</b>					
1100	Cash and Cash Equivalents	\$ 75,486	1	\$ 102,487	1
1150	Notes Receivable	78,927	1	72,860	1
1160	Notes Receivable – Related Parties	163,749	2	167,119	2
1170	Accounts Receivable	171,567	2	160,533	2
1180	Accounts Receivable – Related Parties	842,154	10	753,084	9
1200	Other Receivables	26,896	-	27,235	-
1210	Other Receivables –Related Parties	199,758	2	169,697	2
1220	Current Income Tax Assets	18,482	-	3,685	-
130X	Inventories	761,334	9	707,076	8
1410	Prepayments	25,907	-	33,266	-
1470	Other Assets- Current	4,748	-	4,671	-
11XX	<b>Total Current Assets</b>	<b>2,369,008</b>	<b>27</b>	<b>2,201,713</b>	<b>25</b>
<b>Non-Current assets</b>					
1523	Available-for-sale Financial Assets- Noncurrent	252,205	3	277,470	3
1543	Financial Assets at Cost - Noncurrent	30,710	-	30,710	1
1550	Long-term Investments at Equity	2,508,853	29	2,553,590	29
1600	Property, Plant and Equipment	3,538,727	40	3,641,193	41
1780	Intangible Assets	14,197	-	-	-
1840	Deferred Tax Assets	87,966	1	111,383	1
1900	Other Non-current Assets	10,786	-	9,977	-
15XX	<b>Total Non-Current Assets</b>	<b>6,443,444</b>	<b>73</b>	<b>6,624,323</b>	<b>75</b>
1XXX	<b>Total Assets</b>	<b>\$ 8,812,452</b>	<b>100</b>	<b>\$ 8,826,036</b>	<b>100</b>

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**China Chemical & Pharmaceutical Co., Ltd.**  
**Balance Sheets**  
**For the Year Ended December 31, 2016 and 2015**

Unit : NT\$ Thousands

<b>Liabilities and Shareholders' Equity</b>		<b>December 31, 2016</b>		<b>December 31, 2015</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Current Liabilities</b>					
2100	Short-term Borrowings	\$ 950,614	11	\$ 965,406	11
2170	Accounts Payable	247,651	3	213,302	2
2180	Accounts Payable- Related Parties	12,199	-	6,458	-
2200	Other Payables	205,339	2	143,627	2
2230	Current Income Tax Liabilities	16,357	-	-	-
2250	Provisions— Current	20,000	-	20,000	-
2300	Other Current Liabilities	2,196	-	2,731	-
21XX	<b>Total Current Liabilities</b>	<b>1,454,356</b>	<b>16</b>	<b>1,351,524</b>	<b>15</b>
<b>Non-Current Liabilities</b>					
2540	Long-term Borrowings	1,640,000	19	1,599,000	18
2570	Deferred Income Tax Liabilities	100,415	1	107,115	1
2600	Other Non-Current Liabilities	165,288	2	327,404	4
25XX	<b>Total Non-Current Liabilities</b>	<b>1,905,703</b>	<b>22</b>	<b>2,033,519</b>	<b>23</b>
2XXX	<b>Total Liabilities</b>	<b>3,360,059</b>	<b>38</b>	<b>3,385,043</b>	<b>38</b>
<b>Equity Attributable to Owners of Paren</b>					
<b>Share Capital</b>					
3110	Ordinary Share	2,980,811	34	2,980,811	34
<b>Capital Surplus</b>					
3200	Capital Surplus	642,996	7	642,640	7
<b>Retained Earnings</b>					
3310	Legal Reserve	397,599	4	362,229	4
3320	Special Reserve	188,958	2	188,958	2
3350	Unappropriated Retained Earnings	1,216,639	14	1,161,478	13
<b>Other Equity Interest</b>					
3400	Other Interest	53,444	1	132,931	2
3500	Treasury Stock	(28,054)	-	(28,054)	-
3XXX	<b>Total Shareholders' Equity</b>	<b>5,452,393</b>	<b>62</b>	<b>5,440,993</b>	<b>62</b>
Significant Contingent Liability&Unrealized					
Contractual Arrangement					
Significant Subsequent Events					
3X2X	<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$ 8,812,452</b>	<b>100</b>	<b>\$ 8,826,036</b>	<b>100</b>

**China Chemical & Pharmaceutical Co., Ltd.**  
**Statements Of Comprehensive Income**  
**January 1 to December 31, 2016 and 2015**

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

	Item	December 31, 2016		December 31, 2015	
		Amount	%	Amount	%
4000	<b>Operating Revenue</b>	\$ 2,936,959	100	\$ 2,718,471	100
5000	<b>Operating Costs</b>	( 2,277,886)	( 77)	( 2,130,172)	( 78)
5900	<b>Gross Profit from Operations</b>	659,073	23	588,299	22
5910	Unrealized Sale Gain	( 110,005)	( 4)	( 112,393)	( 4)
5920	Realized Sale Gain	112,393	4	166,776	6
5950	<b>Net Gross Profit from Operations</b>	661,461	23	642,682	24
	<b>Operating Expenses</b>				
6100	Selling Expenses	( 80,820)	( 3)	( 81,685)	( 3)
6200	Administrative Expenses	( 125,118)	( 4)	( 127,491)	( 5)
6300	Research and Development Expenses	( 258,421)	( 9)	( 267,650)	( 10)
6000	<b>Total Operating Expenses</b>	( 464,359)	( 16)	( 476,826)	( 18)
6900	<b>Net Operating Income</b>	197,102	7	165,856	6
	<b>Non- Operating Income and Expenses</b>				
7010	Other Revenue	34,011	1	72,222	2
7020	Other Gains and Losses	4,304	-	25,876	1
7050	Finance Cost	( 34,194)	( 1)	( 35,570)	( 1)
7070	Share of Profit or Loss of Associates & Joint Ventures Accounted for Using Equity Method)	154,242	5	187,024	7
7000	<b>Total Non-operating Income and Expenses</b>	158,363	5	249,552	9
7900	<b>Income Before Income Tax</b>	355,465	12	415,408	15
7950	Income tax expense	( 42,256)	( 2)	( 61,712)	( 2)
8200	<b>Net Income</b>	\$ 313,209	10	\$ 353,696	13
	<b>Other Comprehensive Income that will be Reclassified to Profit or Loss</b>				
8311	Defined Benefit Plans be Remeasured	(\$ 24,108)	( 1)	(\$ 21,196)	( 1)
8330	Share of Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method	( 23,820)	-	( 3,491)	-
8349	Income Tax not Related to Components of Other Comprehensive Income	4,099	-	3,603	-
8310	<b>Total Components of Other Comprehensive Income That will be not Reclassified to Profit or Loss</b>	( 43,829)	( 1)	( 21,084)	( 1)
8361	Exchange Differences on Translation of Foreign Financial Statements	( 62,889)	( 2)	( 14,189)	-
8362	Unrealised Gains (Losses) on Valuation of Available-for-sale Financial Assets	( 25,265)	( 1)	( 158,312)	( 6)
8380	Share of Other Comprehensive Income (Loss) of Subsidiaries and Associates Accounted for Using Equity Method - Will be Reclassified to Profit	( 2,024)	-	( 575)	-
8399	Income Tax Relating to Components of Other Comprehensive Income	10,691	-	2,413	-
8360	<b>Total Components of Other Comprehensive Income that will be Reclassified to Profit or Loss</b>	( 79,487)	( 3)	( 170,663)	( 6)
8300	<b>Other Comprehensive Income(Loss) After Tax</b>	(\$ 123,316)	( 4)	(\$ 191,747)	( 7)
8500	<b>Total Comprehensive Income</b>	\$ 189,893	6	\$ 161,949	6
	<b>Earnings per Share</b>				
9750	<b>Diluted Earnings Per Share</b>	\$ 1.05		\$ 1.19	

**China Chemical & Pharmaceutical Co., Ltd.**  
**Statements Of Changes In Equity**  
**For the Year Ended December 31, 2016 and 2015**

Unit : NT\$ Thousands

	Capital		Surplus		Retained		Earnings	Other Equity	Interest	
	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	Treasury Stock	Total Equity
<b><u>January 1st to December 31, 2015</u></b>										
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
Net Income	-	-	-	-	-	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>
<b><u>January 1st to December 31, 2016</u></b>										
Equity at Beginning Of Period	\$2,980,811	\$ 578,416	\$ 64,224	\$ 362,229	\$ 188,958	\$1,161,478	\$ 51,707	\$ 81,224	( \$ 28,054 )	\$5,440,993
Appropriation and Distribution of Retained Earnings of 2015 :										
Legal Reserve	-	-	-	35,370	-	( 35,370 )	-	-	-	-
Cash Dividends	-	-	-	-	-	( 178,849 )	-	-	-	( 178,849 )
Subsidiaries Acquired Cash Dividend Payment of Parent Company	-	-	356	-	-	-	-	-	-	356
Net Income	-	-	-	-	-	313,209	-	-	-	313,209
Other Comprehensive Income	-	-	-	-	-	( 43,829 )	( 52,249 )	( 27,238 )	-	( 123,316 )
Balance, December 31, 2016	<u>\$2,980,811</u>	<u>\$ 578,416</u>	<u>\$ 64,580</u>	<u>\$ 397,599</u>	<u>\$ 188,958</u>	<u>\$1,216,639</u>	<u>( \$ 542 )</u>	<u>\$ 53,986</u>	<u>( \$ 28,054 )</u>	<u>\$5,452,393</u>

**China Chemical & Pharmaceutical Co., Ltd.**  
**Statements Of Cash Flows**  
**For the Year Ended December 31, 2016 and 2015**

Unit : NT\$ Thousands

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
<b><u>Cash Flows From (Used in) Operating Activities</u></b>		
Profit (Loss) Before Tax	\$ 355,465	\$ 415,408
Adjustments		
Unrealized Sale Gain	110,005	112,393
Realized Sale Gain	( 112,393 )	( 166,776 )
Depreciation expense	174,524	173,182
Bad Debts Recognized Revenue	1,536	( 3,473 )
Interest Expense	34,194	35,570
Interest Revenue	( 4,213 )	( 4,078 )
Dividend Revenue	( 9,091 )	( 11,013 )
Share of Other Comprehensive Income of Associates and		
Joint Ventures Accounted for Using Equity Method	( 154,242 )	( 187,024 )
Gain on Disposal of Property, Plant and Equipment	( 981 )	( 36,292 )
Notes Receivable (Include Related Parties)	( 3,458 )	( 2,407 )
Accounts Receivable (Include Related Parties)	( 100,878 )	123,891
Inventories	( 54,258 )	59,036
Other Receivable	( 293 )	8,919
Other Receivable - Related Parties	( 7,035 )	( 15,138 )
Prepayments	7,282	( 11,843 )
Accounts Payable (Include Related Parties)	40,090	( 60,701 )
Other Payable(Include Related Parties)	26,684	( 3,889 )
Provision— Current	-	( 20,614 )
Other Current Liabilities	( 535 )	( 938 )
Decrease(Increase) in Net Defined Benefit Liability	( 178,904 )	( 4,669 )
<b>Cash Inflow (Outflow) Generated from Operations</b>	<b>123,499</b>	<b>399,544</b>
Interest Received	4,496	3,794
Receive Cash Dividends	122,710	103,735
Interest Paid	( 34,504 )	( 35,630 )
Income Taxes Refund (Paid)	( 9,190 )	( 100,952 )
<b>Net Cash Flows from (used in) Operating Activities</b>	<b>207,011</b>	<b>370,491</b>

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**China Chemical & Pharmaceutical Co., Ltd.**  
**Statements Of Cash Flows**  
**For the Year Ended December 31, 2016 and 2015**

Unit : NT\$ Thousands

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
<b><u>Cash Flows From (Used in) Investing Activities</u></b>		
Decrease(Increase) in <b>Financing</b> receivable	( \$ 22,676 )	\$ 4,282
Acquired Financial Assets at Cost - Noncurrent	-	( 15,000 )
Investment Income on Equity-Method -Subsidiary	-	( 35,000 )
Purchase of Property, Plant and Equipment	( 54,874 )	( 167,803 )
Disposal of Property, Plant and Equipment	2,043	241,880
Decrease(Increase) in Refundable Deposits	( 999 )	( 337 )
Decrease(Increase) in Other Non-current Assets	<u>3,083</u>	<u>3,068</u>
<b>Net Cash Flows From (Used in) Investing Activities</b>	<u>( 73,423 )</u>	<u>31,090</u>
<b><u>Cash flows from (used in) Financing Activities</u></b>		
Decrease(Increase) In Short-term Borrowings	( 14,793 )	( 107,012 )
Decrease(Increase) in Short-term Notes and Bills Payable	-	( 100,000 )
Proceeds from Long-term Borrowings	261,000	695,000
Repayment of Long-term Borrowings	( 220,000 )	( 721,000 )
Decrease(Increase) in Guarantee Deposits Received	( 7,947 )	1,467
Assigned Cash Dividends	<u>( 178,849 )</u>	<u>( 178,849 )</u>
<b>Net cash FlowsFrom (Used in) Financing Activities</b>	<u>( 160,589 )</u>	<u>( 410,394 )</u>
Net Increase (Decrease) In Cash and Cash Equivalents	( 27,001 )	( 8,813 )
Cash and Cash Equivalents at Beginning of Period	<u>102,487</u>	<u>111,300</u>
Cash and Cash Equivalents at End of Period	<u>\$ 75,486</u>	<u>\$ 102,487</u>