

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Condensed Balance Sheets(Reviewed, Not Audited)
Three Months Ended March 31, 2017 and 2016

Unit : NT\$ Thousands

<u>Assets</u>		<u>March 31, 2017</u>		<u>December 31, 2016</u>		<u>March 31, 2016</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Current Assets							
1100	Cash and Cash Equivalents	\$ 772,716	8	\$ 628,746	6	\$ 736,332	7
1147	Current Investments in Debt Instrument Without						
	Active Market	9,000	-	12,000	-	20,000	-
1150	Notes Receivable	320,924	3	391,559	4	392,939	4
1160	Notes Receivable – Related Parties	196,938	2	163,749	2	183,392	2
1170	Accounts Receivable	1,130,029	12	1,122,244	11	1,097,912	11
1180	Accounts Receivable – Related Parties	60,170	1	90,470	1	81,468	1
1200	Other Receivables	29,983	-	32,798	-	43,854	-
1210	Other Receivables –Related Parties	182,964	2	183,022	2	166,586	2
1220	Current Income Tax Assets	18,512	-	18,512	-	3,685	-
130X	Inventories	1,500,426	15	1,604,663	16	1,358,602	14
1410	Prepayments	69,278	1	61,452	1	65,994	1
1476	Other Financial Assets- Current	18,603	-	16,472	-	22,630	-
11XX	Total Current Assets	<u>4,309,543</u>	<u>44</u>	<u>4,325,687</u>	<u>43</u>	<u>4,173,394</u>	<u>42</u>
Non-Current assets							
1523	Available-for-sale Financial Assets- Noncurrent	280,927	3	252,205	3	278,278	3
1543	Financial Assets at Cost - Noncurrent	30,710	-	30,710	-	30,710	-
1550	Long-term Investments at Equity	822,992	8	811,821	8	817,437	8
1600	Property, Plant and Equipment	4,097,017	42	4,162,002	42	4,210,534	43
1780	Intangible Assets	32,427	-	34,493	-	8,928	-
1840	Deferred Tax Assets	134,025	1	145,637	2	156,388	2
1900	Other Non-current Assets	194,452	2	194,562	2	242,766	2
15XX	Total Non-Current Assets	<u>5,592,550</u>	<u>56</u>	<u>5,631,430</u>	<u>57</u>	<u>5,745,041</u>	<u>58</u>
1XXX	Total Assets	<u>\$ 9,902,093</u>	<u>100</u>	<u>\$ 9,957,117</u>	<u>100</u>	<u>\$ 9,918,435</u>	<u>100</u>

(Continue)

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Condensed Balance Sheets(Reviewed, Not Audited)
Three Months Ended March 31, 2017 and 2016

Unit : NT\$ Thousands

	March 31, 2017		December 31, 2015		March 31, 2016		
	Amount	%	Amount	%	Amount	%	
Liabilities and Shareholders' Equity							
Current Liabilities							
2100	Short-term Borrowings	\$ 1,264,503	13	\$ 1,060,620	11	\$ 1,155,421	12
2110	Short-Term Notes and Bills Payable	47,992	-	115,994	1	73,994	1
2150	Notes Payable	92,409	1	82,352	1	113,137	1
2170	Accounts Payable	611,455	6	638,345	6	584,861	6
2200	Other Payables	263,583	3	371,642	4	262,745	3
2230	Current Income Tax Liabilities	34,836	-	27,376	-	19,898	-
2250	Short-term Provisions	72,391	1	68,115	1	59,296	-
2300	Other Current Liabilities	14,846	-	64,411	1	222,291	2
21XX	Total Non-Current Liabilities	<u>2,402,015</u>	<u>24</u>	<u>2,428,855</u>	<u>25</u>	<u>2,491,643</u>	<u>25</u>
Non-Current Liabilities							
2540	Long-term Borrowings	1,600,000	16	1,640,000	16	1,485,000	15
2570	Deferred Income Tax Liabilities	112,906	1	122,281	1	128,489	1
2600	Other Non-Current Liabilities	226,808	3	267,656	3	229,319	3
25XX	Total Non-Current Liabilities	<u>1,939,714</u>	<u>20</u>	<u>2,029,937</u>	<u>20</u>	<u>1,842,808</u>	<u>19</u>
2XXX	Total Liabilities	<u>4,341,729</u>	<u>44</u>	<u>4,458,792</u>	<u>45</u>	<u>4,334,451</u>	<u>44</u>
Equity Attributable to Owners of Parent							
Share Capital							
3110	Ordinary Share	2,980,811	30	2,980,811	30	2,980,811	30
Capital Surplus							
3200	Capital Surplus	642,996	7	642,996	7	642,640	6
Retained Earnings							
3310	Legal Reserve	397,599	4	397,599	4	362,229	4
3320	Special Reserve	188,958	2	188,958	2	188,958	2
3350	Unappropriated Retained Earnings	1,312,071	13	1,216,639	12	1,264,780	13
Other Equity Interest							
3400	Other Interest	20,377	-	53,444	-	120,098	1
3500	Treasury Stock	(28,054)	-	(28,054)	-	(28,054)	-
31XX	Total Equity Attributable to Shareholders of the Parent	<u>5,514,758</u>	<u>56</u>	<u>5,452,393</u>	<u>55</u>	<u>5,531,462</u>	<u>56</u>
36XX	Noncontrolling Interests	<u>45,606</u>	<u>-</u>	<u>45,932</u>	<u>-</u>	<u>52,522</u>	<u>-</u>
3XXX	Total Shareholders' Equity	<u>5,560,364</u>	<u>56</u>	<u>5,498,325</u>	<u>55</u>	<u>5,583,984</u>	<u>56</u>
Significant Contingent Liability&Unrealized Contractual Arrangement							
3X2X	Total Liabilities & Shareholders' Equity	<u>\$ 9,902,093</u>	<u>100</u>	<u>\$ 9,957,117</u>	<u>100</u>	<u>\$ 9,918,435</u>	<u>100</u>

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statements Of Comprehensive Income (Reviewed, Not Audited)
Three months Ended March 31, 2017 and 2016

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

Item	M a r c h 3 1 , 2 0 1 7		M a r c h 3 1 , 2 0 1 6	
	Amount	%	Amount	%
4000 Operating Revenue	\$ 1,544,706	100	\$ 1,504,568	100
5000 Operating Costs	(1,068,969)	(69)	(1,057,144)	(70)
5950 Gross Profit from Operations	<u>475,737</u>	<u>31</u>	<u>447,424</u>	<u>30</u>
Operating Expenses				
6100 Selling Expenses	(238,274)	(16)	(221,214)	(15)
6200 Administrative Expenses	(52,334)	(3)	(44,153)	(3)
6300 Research and Development Expenses	(80,186)	(5)	(81,032)	(5)
6000 Total Operating Expenses	<u>(370,794)</u>	<u>(24)</u>	<u>(346,399)</u>	<u>(23)</u>
6900 Net Operating Income	<u>104,943</u>	<u>7</u>	<u>101,025</u>	<u>7</u>
Non- Operating Income and Expenses				
7010 Other Revenue	6,750	1	7,737	1
7020 Other Gains and Losses	4,771	-	3,052	-
7050 Finance Cost	(9,537)	(1)	(8,773)	(1)
7060 Share of Profit or Loss of Associates & Joint Ventures Accounted for Using Equity Method)	<u>10,471</u>	<u>1</u>	<u>24,852</u>	<u>2</u>
7000 Total Non-Operating Income and Expenses	<u>12,455</u>	<u>1</u>	<u>26,868</u>	<u>2</u>
7900 Income Before Income Tax	<u>117,398</u>	<u>8</u>	<u>127,893</u>	<u>9</u>
7950 Income Tax Expense	(22,292)	(2)	(20,533)	(1)
8200 Net Income	<u>\$ 95,106</u>	<u>6</u>	<u>\$ 107,360</u>	<u>8</u>
Other Comprehensive Income that will be Reclassified to Profit or Loss				
8361 Exchange Differences on Translation of Foreign Financial Statements	(\$ 75,289)	(5)	(\$ 15,833)	(1)
8362 Unrealised Gains (Losses) on Valuation of Available-for-sale Financial Assets	28,722	2	808	-
8370 Share of Other Comprehensive Income (Loss) of Subsidiaries and Associates Accounted for Using Equity Method - Will be Reclassified to Profit	702	-	(500)	-
8399 Income Tax Relating to Components of Other Comprehensive Income	<u>12,798</u>	<u>1</u>	<u>2,692</u>	<u>-</u>
8360 Total Components of Other Comprehensive Income That Will be Reclassified to Profit or Loss After Tax	<u>(33,067)</u>	<u>(2)</u>	<u>(12,833)</u>	<u>(1)</u>
8300 Total Other Comprehensive Income and Loss	<u>(\$ 33,067)</u>	<u>(2)</u>	<u>(\$ 12,833)</u>	<u>(1)</u>
8500 Total Comprehensive Income	<u>\$ 62,039</u>	<u>4</u>	<u>\$ 94,527</u>	<u>7</u>
Net Income (Losses) Attributable to:				
8610 Shareholders of the Parent	<u>\$ 95,432</u>	<u>6</u>	<u>\$ 103,302</u>	<u>8</u>
8620 Non-controlling Interests	<u>(\$ 326)</u>	<u>-</u>	<u>\$ 4,058</u>	<u>-</u>
Comprehensive Income Attributable to:				
8710 Shareholders of the Parent	<u>\$ 62,365</u>	<u>4</u>	<u>\$ 90,469</u>	<u>7</u>
8720 Non-controlling Interests	<u>(\$ 326)</u>	<u>-</u>	<u>\$ 4,058</u>	<u>-</u>
Earnings per Share				
9750 Diluted Earnings Per Share	<u>\$</u>	<u>0.32</u>	<u>\$</u>	<u>0.35</u>

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statement of Changes in Equity (Reviewed, Not Audited)
Three months Ended March 31, 2017 and 2016

Unit : NT\$ Thousands

	Total Capital		Equity Surplus		Attributable Retained Earnings		to Owners Other		of Equity		Parent	Total	Non-controlling Interests	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	Treasury Stock					
January 1st to March 31, 2016														
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	\$ 48,464	\$5,489,457		
Consolidated Profit for The Year Ended March 31, 2016	-	-	-	-	-	103,302	-	-	-	103,302	4,058	107,360		
Other Comprehensive Income	-	-	-	-	-	-	(13,190)	357	-	(12,833)	-	(12,833)		
Balance, March 31, 2016	<u>\$2,980,811</u>	<u>\$ 578,416</u>	<u>\$ 64,224</u>	<u>\$ 362,229</u>	<u>\$ 188,958</u>	<u>\$1,264,780</u>	<u>\$ 38,517</u>	<u>\$ 81,581</u>	<u>(\$ 28,054)</u>	<u>\$5,531,462</u>	<u>\$ 52,522</u>	<u>\$5,583,984</u>		
January 1st to March 31, 2017														
Equity at Beginning Of Period	\$2,980,811	\$ 578,416	\$ 64,580	\$ 397,599	\$ 188,958	\$1,216,639	(\$ 542)	\$ 53,986	(\$ 28,054)	\$5,452,393	\$ 45,932	\$5,498,325		
Consolidated Profit for The Year Ended March 31, 2017	-	-	-	-	-	95,432	-	-	-	95,432	(326)	95,106		
Other Comprehensive Income	-	-	-	-	-	-	(62,689)	29,622	-	(33,067)	-	(33,067)		
Balance, March 31, 2017	<u>\$2,980,811</u>	<u>\$ 578,416</u>	<u>\$ 64,580</u>	<u>\$ 397,599</u>	<u>\$ 188,958</u>	<u>\$1,312,071</u>	<u>(\$ 63,231)</u>	<u>\$ 83,608</u>	<u>(\$ 28,054)</u>	<u>\$5,514,758</u>	<u>\$ 45,606</u>	<u>\$5,560,364</u>		

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statements Of Cash Flows(Reviewed, Not Audited)
Three months Ended March 31, 2017 and 2016

Unit : NT\$ Thousands

For the Three Months Ended March 31

March 31, 2017 March 31, 2016

Cash Flows From (Used in) Operating Activities

Consolidated Profit (Loss) Before Tax	\$ 117,398	\$ 127,893
Adjustments		
Depreciation expense	62,135	62,681
Amortized Expense	1,683	495
Bad Debts Recognized Revenue	666	2,794
Decrease in Allowance for Sales Returns and Allowances	2,499	351
Interest Expense	9,537	8,773
Interest Revenue	(2,288)	(1,697)
Share of gain (loss) of Associates and Joint Ventures Accounted for Using Equity Method	(10,471)	(24,852)
Gain on Disposal of Property, Plant and Equipment	(961)	(142)
Notes Receivable (Include Related Parties)	47,133	(73,990)
Accounts Receivable (Include Related Parties)	(3,873)	(51,915)
Other Receivable (Include Related Parties)	1,900	(19,729)
Inventories	88,952	121,001
Prepayments	(8,827)	(12,231)
Notes Payable	14,365	(42,032)
Accounts Payable	(10,785)	15,998
Other Payable	(83,977)	(33,514)
Short-term Provision	4,276	6,138
Other Current Liabilities	(48,087)	(30,476)
Other Non-Current Liabilities	(39,834)	(191,175)
Cash Inflow (Outflow) Generated from Operations	141,441	(135,629)
Interest Received	2,262	1,995
Interest Paid	(9,901)	(8,752)
Interest Paid	(1,258)	(1,815)
Net Cash Flows from (used in) Operating Activities	132,544	(144,201)

(Continue)

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statements Of Cash Flows(Reviewed, Not Audited)
Three months Ended March 31, 2017 and 2016

Unit : NT\$ Thousands

	<u>For the Three Months Ended March 31</u>	
	<u>March 31, 2017</u>	<u>March 31, 2016</u>
<u>Cash Flows From (Used in) Investing Activities</u>		
Decrease(Increase) in Debt Instrument Without Active Market	\$ 3,000	\$ -
Decrease(Increase) in Financing Receivable	674	2,067
Decrease(Increase) in Pledged Deposit	(2,131)	8,870
Purchase of Property, Plant and Equipment	(40,634)	(25,886)
Purchase of Intangible Assets	(18,098)	-
Disposal of Property, Plant and Equipment	1,311	1,197
Decrease(Increase) in Refundable Deposits	(999)	137
Decrease(Increase) in Other Non-current Assets	(3,612)	5,383
Net Cash Flows From (Used in) Investing Activities	(60,489)	(8,232)
<u>Cash flows from (used in) Financing Activities</u>		
Decrease(Increase) In Short-term Borrowings	203,881	110,014
Decrease(Increase) in Short-term Notes and Bills Payable	(68,000)	-
Proceeds from Long-term Borrowings	295,000	121,000
Repayment of Long-term Borrowings	(335,000)	(35,000)
Decrease(Increase) in Guarantee Deposits Received	(240)	(2,296)
Net cash FlowsFrom (Used in) Financing Activities	<u>95,641</u>	<u>193,718</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(23,726)	(6,750)
Net Increase (Decrease) In Cash and Cash Equivalents	143,970	34,535
Cash and Cash Equivalents at Beginning of Period	<u>628,746</u>	<u>701,797</u>
Cash and Cash Equivalents at End of Period	<u>\$ 772,716</u>	<u>\$ 736,332</u>