

China Chemical & Pharmaceutical Co., Ltd.
Balance Sheets
For the Year Ended December 31, 2017 and 2016

Unit : NT\$ Thousands

Assets		<u>December 31, 2017</u>		<u>December 31, 2016</u>	
		Amount	%	Amount	%
Current Assets					
1100	Cash and Cash Equivalents	\$ 73,804	1	\$ 75,486	1
1150	Notes Receivable	90,545	1	78,927	1
1160	Notes Receivable - Related Parties	158,535	2	163,749	2
1170	Accounts Receivable	216,074	2	171,567	2
1180	Accounts Receivable - Related Parties	853,643	10	842,154	10
1200	Other Receivables	26,255	-	26,896	-
1210	Other Receivables -Related Parties	182,678	2	199,758	2
1220	Current Income Tax Assets	-	-	18,482	-
130X	Inventories	794,545	9	761,334	9
1410	Prepayments	51,119	1	25,907	-
1470	Other Assets- Current	4,943	-	4,748	-
11XX	Total Current Assets	<u>2,452,141</u>	<u>28</u>	<u>2,369,008</u>	<u>27</u>
Non-Current assets					
1523	Available-for-sale Financial Assets- Noncurrent	282,836	3	252,205	3
1543	Financial Assets at Cost - Noncurrent	30,710	-	30,710	-
1550	Long-term Investments at Equity	2,528,494	29	2,508,853	29
1600	Property, Plant and Equipment	3,453,753	39	3,538,727	40
1780	Intangible Assets	12,949	-	14,197	-
1840	Deferred Tax Assets	78,772	1	87,966	1
1900	Other Non-current Assets	33,159	-	10,786	-
15XX	Total Non-Current Assets	<u>6,420,673</u>	<u>72</u>	<u>6,443,444</u>	<u>73</u>
1XXX	Total Assets	<u>\$ 8,872,814</u>	<u>100</u>	<u>\$ 8,812,452</u>	<u>100</u>

China Chemical & Pharmaceutical Co., Ltd.
Balance Sheets
For the Year Ended December 31, 2017 and 2016

Unit : NT\$ Thousands

Liabilities and Shareholders' Equity		<u>December 31, 2017</u>		<u>December 31, 2016</u>	
		Amount	%	Amount	%
Current Liabilities					
2100	Short-term Borrowings	\$ 960,428	11	\$ 950,614	11
2170	Accounts Payable	217,262	3	247,651	3
2180	Accounts Payable- Related Parties	18,331	-	12,199	-
2200	Other Payables	186,097	2	205,339	2
2230	Current Income Tax Liabilities	22,092	-	16,357	-
2250	Provisions – Current	-	-	20,000	-
2300	Other Current Liabilities	2,966	-	2,196	-
21XX	Total Current Liabilities	<u>1,407,176</u>	<u>16</u>	<u>1,454,356</u>	<u>16</u>
Non-Current Liabilities					
2540	Long-term Borrowings	1,679,000	19	1,640,000	19
2570	Deferred Income Tax Liabilities	93,020	1	100,415	1
2600	Other Non-Current Liabilities	130,475	1	165,288	2
25XX	Total Non-Current Liabilities	<u>1,902,495</u>	<u>21</u>	<u>1,905,703</u>	<u>22</u>
2XXX	Total Liabilities	<u>3,309,671</u>	<u>37</u>	<u>3,360,059</u>	<u>38</u>
Equity Attributable to Owners of Paren					
Share Capital					
3110	Ordinary Share	2,980,811	34	2,980,811	34
Capital Surplus					
3200	Capital Surplus	644,659	7	642,996	7
Retained Earnings					
3310	Legal Reserve	428,920	5	397,599	4
3320	Special Reserve	188,958	2	188,958	2
3350	Unappropriated Retained Earnings	1,319,885	15	1,216,639	14
Other Equity Interest					
3400	Other Interest	27,964	-	53,444	1
3500	Treasury Stock	(28,054)	-	(28,054)	-
3XXX	Total Shareholders' Equity	<u>5,563,143</u>	<u>63</u>	<u>5,452,393</u>	<u>62</u>
Significant Contingent Liability&Unrealized Contractual Arrangement					
Significant Subsequent Events					
3X2X	Total Liabilities & Shareholders' Equity	<u>\$ 8,872,814</u>	<u>100</u>	<u>\$ 8,812,452</u>	<u>100</u>

China Chemical & Pharmaceutical Co., Ltd.
Statements Of Comprehensive Income
January 1 to December 31, 2017 and 2016

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

	Item	December 31, 2017		December 31, 2016	
		Amount	%	Amount	%
4000	Operating Revenue	\$ 2,895,813	100	\$ 2,936,959	100
5000	Operating Costs	(2,266,947)	(78)	(2,277,886)	(77)
5900	Gross Profit from Operations	628,866	22	659,073	23
5910	Unrealized Sale Gain	(72,688)	(3)	(110,005)	(4)
5920	Realized Sale Gain	110,005	4	112,393	4
5950	Net Gross Profit from Operations	666,183	23	661,461	23
	Operating Expenses				
6100	Selling Expenses	(89,384)	(3)	(80,820)	(3)
6200	Administrative Expenses	(119,575)	(4)	(125,118)	(4)
6300	Research and Development Expenses	(246,506)	(9)	(258,421)	(9)
6000	Total Operating Expenses	(455,465)	(16)	(464,359)	(16)
6900	Net Operating Income	210,718	7	197,102	7
	Non- Operating Income and Expenses				
7010	Other Revenue	37,433	1	34,011	1
7020	Other Gains and Losses	1,528	-	4,304	-
7050	Finance Cost	(33,280)	(1)	(34,194)	(1)
7070	Share of Profit or Loss of Associates & Joint Ventures Accounted for Using Equity Method)	130,192	5	154,242	5
7000	Total Non-operating Income and Expenses	135,873	5	158,363	5
7900	Income Before Income Tax	346,591	12	355,465	12
7950	Income tax expense	(35,852)	(1)	(42,256)	(2)
8200	Net Income	\$ 310,739	11	\$ 313,209	10
	Other Comprehensive Income that will be Reclassified to Profit or Loss				
8311	Defined Benefit Plans be Remeasured	(\$ 8,837)	-	(\$ 24,108)	(1)
8330	Share of Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method	10,012	-	(23,820)	-
8349	Defined Benefit Plans be Remeasured	1,502	-	4,099	-
8310	Total Components of Other Comprehensive Income That will be not Reclassified to Profit or Loss	2,677	-	(43,829)	(1)
	Exchange Differences on Translation of Foreign Financial Statements				
8361	Total Components of Other Comprehensive Income That will be not Reclassified to Profit or Loss	(67,858)	(2)	(62,889)	(2)
8362	Unrealised Gains (Losses) on Valuation of Available-for-sale Financial Assets	30,631	1	(25,265)	(1)
8380	Share of Other Comprehensive Income (Loss) of Subsidiaries and Associates Accounted for Using Equity Method - Will be Reclassified to Profit	211	-	(2,024)	-
8399	Income Tax Relating to Components of Other Comprehensive Income	11,536	-	10,691	-
8360	Total Components of Other Comprehensive Income that will be Reclassified to Profit or Loss	(25,480)	(1)	(79,487)	(3)
8300	Other Comprehensive Income(Loss) After Tax	(\$ 22,803)	(1)	(\$ 123,316)	(4)
8500	Total Comprehensive Income	\$ 287,936	10	\$ 189,893	6
	Earnings per Share				
9750	Diluted Earnings Per Share	\$	1.05	\$	1.05

China Chemical & Pharmaceutical Co., Ltd.
Statements Of Changes In Equity
For the Year Ended December 31, 2017 and 2016

Unit : NT\$ Thousands

	C a p i t a l		S u r p l u s R e t a i n e d				E a r n i n g s	Other Equity	Interest	Treasury Stock	Total Equity
	Ordinary Share	Addition al Paid-In Capital	Treasury Stock Transactions	change in ownership of a subsidiary	Legal Reserve	Special Reserve	Unappropri ated Retained Earnings	Exchange Differences on Translation	Unrealized Gains (Losses) on Available or-sale Financial Assets		
January 1st to December 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
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>\$ -</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>
January 1st to December 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
Appropriation and Distribution of Retained Earnings of 2016 :											
Legal Reserve	-	-	-	-	31,321	-	(31,321)	-	-	-	-
Cash Dividends	-	-	-	-	-	-	(178,849)	-	-	-	(178,849)
Subsidiaries Acquired Cash Dividend Payment of Parent Company	-	-	355	-	-	-	-	-	-	-	355
change in ownership of a subsidiary	-	-	-	1,308	-	-	-	-	-	-	1,308
Net Income	-	-	-	-	-	-	310,739	-	-	-	310,739
Other Comprehensive Income (Loss)	-	-	-	-	-	-	2,677	(56,601)	31,121	-	(22,803)
Balance, December 31, 2017	<u>\$2,980,811</u>	<u>\$ 578,416</u>	<u>\$ 64,935</u>	<u>\$ 1,308</u>	<u>\$ 428,920</u>	<u>\$ 188,958</u>	<u>\$1,319,885</u>	<u>(\$ 57,143)</u>	<u>\$ 85,107</u>	<u>(\$ 28,054)</u>	<u>\$5,563,143</u>

China Chemical & Pharmaceutical Co., Ltd.
Statements Of Cash Flows
For the Year Ended December 31, 2017 and 2016

Unit : NT\$ Thousands

	December 31, 2017	December 31, 2016
<u>Cash Flows From (Used in) Operating Activities</u>		
Profit (Loss) Before Tax	\$ 346,591	\$ 355,465
Adjustments		
Unrealized Sale Gain	72,689	110,005
Realized Sale Gain	(110,005)	(112,393)
Depreciation expense	171,335	174,524
Amortized Expense	2,890	-
Bad Debts Recognized Revenue	(949)	1,536
Interest Expense	33,280	34,194
Interest Revenue	(4,564)	(4,213)
Dividend Revenue	(10,390)	(9,091)
Share of Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method	(130,192)	(154,242)
Gain on Disposal of Property, Plant and Equipment	(103)	(981)
Notes Receivable (Include Related Parties)	(7,588)	(3,458)
Accounts Receivable (Include Related Parties)	(53,863)	(100,878)
Inventories	(33,211)	(54,258)
Other Receivable	119	(293)
Other Receivable - Related Parties	15,842	(7,035)
Prepayments	(25,407)	7,282
Accounts Payable (Include Related Parties)	(24,256)	40,090
Other Payable(Include Related Parties)	6,941	26,684
Provision – Current	(20,000)	-
Other Current Liabilities	769	(535)
Decrease(Increase) in Net Defined Benefit Liability	(43,264)	(178,904)
Cash Inflow (Outflow) Generated from Operations	186,664	123,499
Interest Received	4,234	4,496
Receive Cash Dividends	121,658	122,710
Interest Paid	(33,724)	(34,504)
Income Taxes Paid	-	(9,190)
Income Taxes Refund	3,202	-
Net Cash Flows from (used in) Operating Activities	282,034	207,011

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China Chemical & Pharmaceutical Co., Ltd.
Statements Of Cash Flows
For the Year Ended December 31, 2017 and 2016

Unit : NT\$ Thousands

	December 31, 2017	December 31, 2016
<u>Cash Flows From (Used in) Investing Activities</u>		
Decrease(Increase) in Financing Receivable	\$ 2,090	(\$ 22,676)
Purchase of Property, Plant and Equipment	(115,585)	(54,874)
Purchase of Intangible Aassets	(15,745)	-
Disposal of Property, Plant and Equipment	304	2,043
Decrease(Increase) in Refundable Deposits	(705)	(999)
Decrease(Increase) in Investment on Equity-Method	(20,000)	-
Decrease(Increase) in Other Non-current Assets	(4,281)	3,083
Net Cash Flows From (Used in) Investing Activities	(153,922)	(73,423)
<u>Cash flows from (used in) Financing Activities</u>		
Decrease(Increase) In Short-term Borrowings	9,814	(14,793)
Proceeds from Long-term Borrowings	555,000	261,000
Repayment of Long-term Borrowings	(516,000)	(220,000)
Decrease(Increase) in Guarantee Deposits Received	241	(7,947)
Assigned Cash Dividends	(178,849)	(178,849)
Net cash FlowsFrom (Used in) Financing Activities	(129,794)	(160,589)
Net Increase (Decrease) In Cash and Cash Equivalents	(1,682)	(27,001)
Cash and Cash Equivalents at Beginning of Period	75,486	102,487
Cash and Cash Equivalents at End of Period	\$ 73,804	\$ 75,486