

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Condensed Balance Sheets(Reviewed, Not Audited)
Three Months Ended March 31, 2018 and 2017

Unit : NT\$ Thousands

<u>Assets</u>		<u>March 31, 2018</u>		<u>December 31, 2017</u>		<u>March 31, 2017</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Current Assets							
1100	Cash and Cash Equivalents	\$ 931,588	9	\$ 763,684	7	\$ 772,716	8
1136	Financial assets at amortized cost-Current	3,000	-	-	-	-	-
1147	Current Investments in Debt Instrument						
	Without Active Market	-	-	3,000	-	9,000	-
1150	Notes Receivable	344,474	3	421,245	4	320,924	3
1160	Notes Receivable – Related Parties	134,219	1	158,535	2	196,938	2
1170	Accounts Receivable	1,610,826	15	1,311,771	13	1,130,029	12
1180	Accounts Receivable – Related Parties	46,201	1	47,264	-	60,170	1
1200	Other Receivables	31,407	-	31,766	-	29,983	-
1210	Other Receivables –Related Parties	198,282	2	176,154	2	182,964	2
1220	Current Income Tax Assets	-	-	-	-	18,512	-
130X	Inventories	1,696,986	16	1,698,611	17	1,500,426	15
1410	Prepayments	111,521	1	83,486	1	69,278	1
1476	Other Financial Assets- Current	15,861	-	27,916	-	18,603	-
11XX	Total Current Assets	<u>5,124,365</u>	<u>48</u>	<u>4,723,432</u>	<u>46</u>	<u>4,309,543</u>	<u>44</u>
Non-Current assets							
1517	Financial assets measured at fair value through other comprehensive income – Noncurrent	357,162	3	-	-	-	-
1523	Available-for-sale Financial Assets- Noncurrent	-	-	282,836	3	280,927	3
1543	Financial Assets at Cost - Noncurrent	-	-	30,710	-	30,710	-
1550	Long-term Investments at Equity	821,241	8	815,036	8	822,992	8
1600	Property, Plant and Equipment	4,045,233	38	4,042,123	39	4,097,017	42
1780	Intangible Assets	30,481	-	32,369	-	32,427	-
1840	Deferred Tax Assets	159,588	1	150,288	2	134,025	1
1900	Other Non-current Assets	177,736	2	199,769	2	194,452	2
15XX	Total Non-Current Assets	<u>5,591,441</u>	<u>52</u>	<u>5,553,131</u>	<u>54</u>	<u>5,592,550</u>	<u>56</u>
1XXX	Total Assets	<u>\$ 10,715,806</u>	<u>100</u>	<u>\$ 10,276,563</u>	<u>100</u>	<u>\$ 9,902,093</u>	<u>100</u>

(Continue)

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Condensed Balance Sheets(Reviewed, Not Audited)
Three Months Ended March 31, 2018 and 2017

Unit : NT\$ Thousands

Liabilities and Shareholders' Equity		<u>March 31, 2018</u>		<u>December 31, 2017</u>		<u>March 31, 2017</u>	
		Amount	%	Amount	%	Amount	%
Current Liabilities							
2100	Short-term Borrowings	\$ 1,157,139	11	\$ 1,080,428	10	\$ 1,264,503	13
2110	Short-Term Notes and Bills Payable	97,300	1	92,671	1	47,992	-
2130	Contractual Liability – Current	61,445	-	-	-	-	-
2150	Notes Payable	79,304	1	127,891	1	92,409	1
2170	Accounts Payable	820,564	8	708,721	7	611,455	6
2200	Other Payables	508,026	5	444,592	4	263,583	3
2230	Current Income Tax Liabilities	53,994	-	47,069	-	34,836	-
2250	Short-term Provisions	29,000	-	64,235	1	72,391	1
2365	Refund Liability – Current	104,832	1	-	-	-	-
2399	Other Current Liabilities	17,445	-	71,430	1	14,846	-
21XX	Total Non-Current Liabilities	<u>2,929,049</u>	<u>27</u>	<u>2,637,037</u>	<u>25</u>	<u>2,402,015</u>	<u>24</u>
Non-Current Liabilities							
2540	Long-term Borrowings	1,662,000	16	1,679,000	16	1,600,000	16
2570	Deferred Income Tax Liabilities	126,838	1	114,957	1	112,906	1
2600	Other Non-Current Liabilities	213,258	2	241,874	3	226,808	3
25XX	Total Non-Current Liabilities	<u>2,002,096</u>	<u>19</u>	<u>2,035,831</u>	<u>20</u>	<u>1,939,714</u>	<u>20</u>
2XXX	Total Liabilities	<u>4,931,145</u>	<u>46</u>	<u>4,672,868</u>	<u>45</u>	<u>4,341,729</u>	<u>44</u>
Equity Attributable to Owners of Parent							
Share Capital							
3110	Ordinary Share	2,980,811	28	2,980,811	29	2,980,811	30
Capital Surplus							
3200	Capital Surplus	644,659	6	644,659	6	642,996	7
Retained Earnings							
3310	Legal Reserve	428,920	4	428,920	4	397,599	4
3320	Special Reserve	188,958	2	188,958	2	188,958	2
3350	Unappropriated Retained Earnings	1,424,551	13	1,319,885	13	1,312,071	13
Other Equity Interest							
3400	Other Interest	103,762	1	27,964	-	20,377	-
3500	Treasury Stock	(28,054)	-	(28,054)	-	(28,054)	-
31XX	Total Equity Attributable to Shareholders of the Parent	<u>5,743,607</u>	<u>54</u>	<u>5,563,143</u>	<u>54</u>	<u>5,514,758</u>	<u>56</u>
36XX	Noncontrolling Interests	<u>41,054</u>	<u>-</u>	<u>40,552</u>	<u>1</u>	<u>45,606</u>	<u>-</u>
3XXX	Total Shareholders' Equity	<u>5,784,661</u>	<u>54</u>	<u>5,603,695</u>	<u>55</u>	<u>5,560,364</u>	<u>56</u>
Significant Contingent Liability&Unrealized Contractual Arrangement							
Total Liabilities & Shareholders' Equity							
3X2X	Noncontrolling Interests	<u>\$ 10,715,806</u>	<u>100</u>	<u>\$ 10,276,563</u>	<u>100</u>	<u>\$ 9,902,093</u>	<u>100</u>

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statements Of Comprehensive Income (Reviewed, Not Audited)
Three months Ended March 31, 2018 and 2017

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

Item	For the Three Months Ended M a r c h 3 1 , 2 0 1 8		For the Three Months Ended M a r c h 3 1 , 2 0 1 7	
	Amount	%	Amount	%
4000 Operating Revenue	\$ 2,013,901	100	\$ 1,544,706	100
5000 Operating Costs	(1,238,573)	(62)	(1,068,969)	(69)
5950 Gross Profit from Operations	<u>775,328</u>	<u>38</u>	<u>475,737</u>	<u>31</u>
Operating Expenses				
6100 Selling Expenses	(505,544)	(25)	(238,274)	(16)
6200 Administrative Expenses	(54,155)	(3)	(52,334)	(3)
6300 Research and Development Expenses	(82,658)	(4)	(80,186)	(5)
6450 Expected Credit Losses	(639)	-	-	-
6000 Total Operating Expenses	<u>(642,996)</u>	<u>(32)</u>	<u>(370,794)</u>	<u>(24)</u>
6900 Net Operating Income	<u>132,332</u>	<u>6</u>	<u>104,943</u>	<u>7</u>
Non- Operating Income and Expenses				
7010 Other Revenue	5,416	-	6,750	1
7020 Other Gains and Losses	(425)	-	4,771	-
7050 Finance Cost	(8,876)	-	(9,537)	(1)
7060 Share of Profit or Loss of Associates & Joint Ventures Accounted for Using Equity Method)	<u>5,358</u>	<u>-</u>	<u>10,471</u>	<u>1</u>
7000 Total Non-Operating Income and Expenses	<u>1,473</u>	<u>-</u>	<u>12,455</u>	<u>1</u>
7900 Income Before Income Tax	133,805	6	117,398	8
7950 Income Tax Expense	(23,816)	(1)	(22,292)	(2)
8200 Net Income	<u>\$ 109,989</u>	<u>5</u>	<u>\$ 95,106</u>	<u>6</u>

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China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statements Of Comprehensive Income (Reviewed, Not Audited)
Three months Ended March 31, 2018 and 2017

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

Item	For the Three Months Ended M a r c h 3 1 , 2 0 1 8		For the Three Months Ended M a r c h 3 1 , 2 0 1 7	
	Amount	%	Amount	%
Other Comprehensive Income that will be Reclassified to Profit or Loss				
8316 Unrealised Gains (Losses) on Financial assets measured at fair value through other comprehensive income	\$ 70,450	4	\$ -	-
8320 Share of Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method	956	-	-	-
8349 Income Tax not Related to Components of Other Comprehensive Income	2,200	-	-	-
8310 Total Components of Other Comprehensive Income That Will be not Reclassified to Profit or Loss				
Components of Other Comprehensive Income That Will be Reclassified to Profit or Loss	73,606	4	-	-
8361 Exchange Differences on Translation of Foreign Financial Statements	22,336	1	(75,289)	(5)
8362 Unrealised Gains (Losses) on Valuation of Available-for-sale Financial Assets	-	-	28,722	2
8370 Share of Other Comprehensive Income (Loss) of Subsidiaries and Associates Accounted for Using Equity Method - Will be Reclassified to Profit	(94)	-	702	-
8399 Income Tax Relating to Components of Other Comprehensive Income	(3,800)	-	12,798	1
8360 Total Components of Other Comprehensive Income That Will be Reclassified to Profit or Loss	18,442	1	(33,067)	(2)
8300 Total Net Comprehensive Profit(Loss) After Tax	\$ 92,048	5	(\$ 33,067)	(2)
8500 Total Comprehensive Income	\$ 202,037	10	\$ 62,039	4
Net Income (Losses) Attributable to:				
8610 Shareholders of the Parent	\$ 110,957	5	\$ 95,432	6
8620 Noncontrolling Interests	(\$ 968)	-	(\$ 326)	-
Comprehensive Income Attributable to:				
8710 Shareholders of the Parent	\$ 203,005	10	\$ 62,365	4
8720 Noncontrolling Interests	(\$ 968)	-	(\$ 326)	-
Earnings per Share				
9750 Diluted Earnings Per Share	\$	0.37	\$	0.32

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statement of Changes in Equity
For the Year Ended March 31, 2018 and 2017

Unit : NT\$ Thousands

	T o t a l E q u i t y A t t r i b u t a b l e t o O w n e r s o f P a r e n t														
	Ordinary Share	Capital		Surplus	Retained Earnings		Other Equity	Interest		Unrealized Gains (Losses) on Financial assets measured at fair value through other comprehensive income	Unrealized Gains (Losses) on Available-for-sale Financial Assets	Treasury Stock	Total	Non-controlling Interests	Total Equity
		Additonal Paid-In Capital	Treasury Stock Transactions		change in ownership of a subsidiary	Legal Reserve		Special Reserve	Unappropriated Retained Earnings						
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)	
Total Consolidated Profit for The Year Ended March 31, 2017	-	-	-	-	-	-	95,432	(62,689)	-	29,622	-	62,365	(326)	62,039	
Balance, March 31, 2017	<u>\$2,980,811</u>	<u>\$578,416</u>	<u>\$ 64,580</u>	<u>\$ -</u>	<u>\$397,599</u>	<u>\$188,958</u>	<u>\$ 1,312,071</u>	<u>(\$63,231)</u>	<u>\$ -</u>	<u>\$83,608</u>	<u>(\$28,054)</u>	<u>\$5,514,758</u>	<u>\$ 45,606</u>	<u>\$5,560,364</u>	
January 1st to March 31, 2018															
Equity at Beginning Of Period	\$2,980,811	\$578,416	\$ 64,935	\$ 1,308	\$428,920	\$188,958	\$ 1,319,885	(\$ 57,143)	\$ -	\$85,107	(\$28,054)	\$5,563,143	\$ 40,552	\$5,603,695	
Modified retroactive application effect	-	-	-	-	-	-	(23,173)	-	85,739	(85,107)	-	(22,541)	-	(22,541)	
Rebalance after January 1	2,980,811	578,416	64,935	1,308	428,920	188,958	1,296,712	(57,143)	85,739	-	(28,054)	5,540,602	40,552	5,581,154	
Consolidated Profit for The Year Ended March 31, 2018	-	-	-	-	-	-	110,957	-	-	-	-	110,957	(968)	109,989	
Other Comprehensive Income	-	-	-	-	-	-	2,144	18,442	71,462	-	-	92,048	-	92,048	
Total Consolidated Profit for The Year Ended March 31, 2018	-	-	-	-	-	-	113,101	18,442	71,462	-	-	203,005	(968)	202,037	
Changes in Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	-	-	1,470	1,470	
Disposal of Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	14,738	-	(14,738)	-	-	-	-	-	
Balance, March 31, 2018	<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>\$ 1,424,551</u>	<u>(\$38,701)</u>	<u>\$142,463</u>	<u>\$ -</u>	<u>(\$28,054)</u>	<u>\$5,743,607</u>	<u>\$ 41,054</u>	<u>\$5,784,661</u>	

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statements Of Cash Flows(Reviewed, Not Audited)
Three months Ended March 31, 2018 and 2017

Unit : NT\$ Thousands

	<u>For the Three Months Ended March 31, 2018</u>	<u>For the Three Months Ended March 31, 2017</u>
<u>Cash Flows From (Used in) Operating Activities</u>		
Consolidated Profit (Loss) Before Tax	\$ 133,805	\$ 117,398
Adjustments	2,009	1,683
Depreciation expense	62,484	62,135
Expected Credit Losses	639	666
Decrease in Allowance for Sales Returns and Allowances	-	2,499
Interest Expense	8,876	9,537
Interest Revenue	(3,115)	(2,288)
Share of gain (loss) of Associates and Joint Ventures Accounted for Using Equity Method	(5,358)	(10,471)
Gain on Disposal of Property, Plant and Equipment	28	(961)
Notes Receivable (Include Related Parties)	81,492	47,133
Accounts Receivable (Include Related Parties)	(234,472)	(3,873)
Other Receivable (Include Related Parties)	1,062	1,900
Inventories	9,341	88,952
Prepayments	(11,132)	(8,827)
Contractual Liability – Current	6,836	-
Notes Payable	(51,135)	14,365
Accounts Payable	103,984	(10,785)
Other Payable	60,384	(83,977)
Short-term Provisions	-	4,276
Refund Liability – Current	(2,162)	-
Other Current Liabilities	624	(48,087)
Other Non-Current Liabilities	(28,837)	(39,834)
Cash Inflow (Outflow) Generated from Operations	<u>135,353</u>	<u>141,441</u>
Interest Received	3,400	2,262
Interest Paid	(8,870)	(9,901)
Income Taxes Refund (Paid)	(10,525)	(1,258)
Net Cash Flows from (used in) Operating Activities	<u>119,358</u>	<u>132,544</u>

(Continue)

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statements Of Cash Flows(Reviewed, Not Audited)
Three months Ended March 31, 2018 and 2017

Unit : NT\$ Thousands

	<u>For the Three Months Ended March 31, 2018</u>	<u>For the Three Months Ended March 31, 2017</u>
<u>Cash Flows From (Used in) Investing Activities</u>		
Decrease(Increase) in Financing Receivable	(\$ 26,448)	\$ 674
Decrease(Increase) in Debt Instrument Without Active Market	-	3,000
Decrease(Increase) in Pledged Deposit	12,055	(2,131)
Disposal of Financial assets measured at fair value through other comprehensive income	27,466	-
Purchase of Property, Plant and Equipment	(45,737)	(40,634)
Disposal of Property, Plant and Equipment	2	1,311
Purchase of Intangible Assets	-	(18,098)
Decrease(Increase) in Refundable Deposits	5,449	(999)
Decrease(Increase) in Other Non-current Assets	(2,840)	(3,612)
Net Cash Flows From (Used in) Investing Activities	<u>(30,053)</u>	<u>(60,489)</u>
<u>Cash flows from (used in) Financing Activities</u>		
Decrease(Increase) In Short-term Borrowings	76,711	203,881
Decrease(Increase) in Short-term Notes and Bills Payable	4,629	(68,000)
Proceeds from Long-term Borrowings	139,000	295,000
Repayment of Long-term Borrowings	(156,000)	(335,000)
Decrease(Increase) in Guarantee Deposits Received	(1,921)	(240)
Non-controlling Interests change	1,470	-
Net cash FlowsFrom (Used in) Financing Activities	<u>63,889</u>	<u>95,641</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	14,710	(23,726)
Net Increase (Decrease) In Cash and Cash Equivalents	167,904	143,970
Cash and Cash Equivalents at Beginning of Period	763,684	628,746
Cash and Cash Equivalents at End of Period	<u>\$ 931,588</u>	<u>\$ 772,716</u>