

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Condensed Balance Sheets(Reviewed, Not Audited)
Three Months Ended March 31, 2019 and 2018

Unit : NT\$ Thousands

| Assets | <u>March 31, 2019</u> | | <u>December 31, 2018</u> | | <u>March 31, 2018</u> | |
|--|-----------------------|------------|--------------------------|------------|-----------------------|------------|
| | A m o u n t | % | A m o u n t | % | A m o u n t | % |
| Current Assets | | | | | | |
| 1100 Cash and Cash Equivalents | \$ 665,825 | 6 | \$ 594,627 | 5 | \$ 931,588 | 9 |
| 1136 Financial assets at amortized cost-Current | - | - | - | - | 3,000 | - |
| 1150 Notes Receivable | 448,035 | 4 | 413,317 | 4 | 344,474 | 3 |
| 1160 Notes Receivable - Related Parties | 145,980 | 1 | 131,447 | 1 | 134,219 | 1 |
| 1170 Accounts Receivable | 1,568,702 | 14 | 1,523,865 | 14 | 1,540,205 | 15 |
| 1180 Accounts Receivable - Related Parties | 33,735 | - | 56,725 | 1 | 46,201 | - |
| 1200 Other Receivables | 31,389 | - | 32,463 | - | 31,407 | - |
| 1210 Other Receivables -Related Parties | 183,108 | 2 | 183,939 | 2 | 198,282 | 2 |
| 1220 Current Income Tax Assets | - | - | 1,141 | - | - | - |
| 130X Inventories | 2,179,643 | 20 | 2,135,081 | 20 | 1,696,986 | 16 |
| 1476 Prepayments | 15,643 | - | 28,632 | - | 15,861 | - |
| 1479 Other Financial Assets- Current | 104,318 | 1 | 74,538 | 1 | 111,521 | 1 |
| 11XX Total Current Assets | <u>5,376,378</u> | <u>48</u> | <u>5,175,775</u> | <u>48</u> | <u>5,053,744</u> | <u>47</u> |
| Non-Current assets | | | | | | |
| 1517 Financial assets measured at fair value through other comprehensive income— Noncurrent | 320,876 | 3 | 275,623 | 3 | 357,162 | 3 |
| 1550 Long-term Investments at Equity | 932,057 | 8 | 912,366 | 8 | 821,241 | 8 |
| 1600 Property, Plant and Equipment | 3,985,154 | 36 | 3,948,268 | 37 | 4,045,233 | 38 |
| 1755 Assets Appropriative Right | 89,465 | 1 | - | - | - | - |
| 1780 Intangible Assets | 29,471 | - | 31,899 | - | 30,481 | - |
| 1840 Deferred Tax Assets | 189,196 | 2 | 190,871 | 2 | 159,588 | 2 |
| 1900 Other Non-current Assets | 206,666 | 2 | 231,500 | 2 | 177,736 | 2 |
| 15XX Total Non-Current Assets | <u>5,752,885</u> | <u>52</u> | <u>5,590,527</u> | <u>52</u> | <u>5,591,441</u> | <u>53</u> |
| 1XXX Total Assets | <u>\$ 11,129,263</u> | <u>100</u> | <u>\$ 10,766,302</u> | <u>100</u> | <u>\$ 10,645,185</u> | <u>100</u> |

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China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Condensed Balance Sheets(Reviewed, Not Audited)
Three Months Ended March 31, 2019 and 2018

Unit : NT\$ Thousands

| Liabilities and Shareholders' Equity | | <u>March 31, 2019</u> | | <u>December 31, 2018</u> | | <u>March 31, 2018</u> | |
|---|--|-----------------------|-----------|--------------------------|------------|-----------------------|------------|
| | | A m o u n t | % | A m o u n t | % | A m o u n t | % |
| Current Liabilities | | | | | | | |
| 2100 | Short-term Borrowings | \$ 1,280,144 | 12 | \$ 1,021,001 | 10 | \$ 1,157,139 | 11 |
| 2110 | Short-Term Notes and Bills Payable | 89,977 | 1 | 109,977 | 1 | 97,300 | 1 |
| 2130 | Contractual Liability – Current | 33,469 | - | 54,390 | 1 | 61,445 | 1 |
| 2150 | Notes Payable | 107,002 | 1 | 143,158 | 1 | 79,304 | 1 |
| 2170 | Accounts Payable | 916,670 | 8 | 882,390 | 8 | 820,564 | 8 |
| 2200 | Other Payables | 470,148 | 4 | 515,268 | 5 | 508,026 | 5 |
| 2230 | Current Income Tax Liabilities | 86,066 | 1 | 74,511 | 1 | 53,994 | - |
| 2250 | Short-term Provisions | - | - | - | - | 29,000 | - |
| 2280 | Lease Liabilities – Current | 7,493 | - | - | - | - | - |
| 2365 | Refund Liability – Current | 53,328 | 1 | 47,585 | - | 34,211 | - |
| 2399 | Other Current Liabilities | 29,507 | - | 19,630 | - | 17,445 | - |
| 21XX | Total Non-Current Liabilities | <u>3,073,804</u> | <u>28</u> | <u>2,867,910</u> | <u>27</u> | <u>2,858,428</u> | <u>27</u> |
| Non-Current Liabilities | | | | | | | |
| 2540 | Long-term Borrowings | 1,778,000 | 16 | 1,828,000 | 17 | 1,662,000 | 16 |
| 2570 | Deferred Income Tax Liabilities | 126,488 | 1 | 127,993 | 1 | 126,838 | 1 |
| 2580 | Lease Liabilities – Uncurrent | 62,328 | - | - | - | - | - |
| 2600 | Other Non-Current Liabilities | 192,027 | 2 | 241,242 | 2 | 213,258 | 2 |
| 25XX | Total Non-Current Liabilities | <u>2,158,843</u> | <u>19</u> | <u>2,197,235</u> | <u>20</u> | <u>2,002,096</u> | <u>19</u> |
| 2XXX | Total Liabilities | <u>5,232,647</u> | <u>47</u> | <u>5,065,145</u> | <u>47</u> | <u>4,860,524</u> | <u>46</u> |
| Equity Attributable to Owners of Parent | | | | | | | |
| Share Capital | | | | | | | |
| 3110 | Ordinary Share | 2,980,811 | 27 | 2,980,811 | 28 | 2,980,811 | 28 |
| Capital Surplus | | | | | | | |
| 3200 | Capital Surplus | 645,558 | 5 | 644,859 | 6 | 644,659 | 6 |
| Retained Earnings | | | | | | | |
| 3310 | Legal Reserve | 459,993 | 4 | 459,993 | 4 | 428,920 | 4 |
| 3320 | Special Reserve | 188,958 | 2 | 188,958 | 2 | 188,958 | 2 |
| 3350 | Unappropriated Retained Earnings | 1,555,254 | 14 | 1,451,784 | 14 | 1,424,551 | 13 |
| Other Equity Interest | | | | | | | |
| 3400 | Other Interest | 63,350 | 1 | (27,793) | (1) | 103,762 | 1 |
| 3500 | Treasury Stock | (28,054) | - | (28,054) | - | (28,054) | - |
| 31XX | Total Equity Attributable to Shareholders of the Parent | <u>5,865,870</u> | <u>53</u> | <u>5,670,558</u> | <u>53</u> | <u>5,743,607</u> | <u>54</u> |
| 36XX | Noncontrolling Interests | <u>30,746</u> | <u>-</u> | <u>30,599</u> | <u>-</u> | <u>41,054</u> | <u>-</u> |
| 3XXX | Total Shareholders' Equity | <u>5,896,616</u> | <u>53</u> | <u>5,701,157</u> | <u>53</u> | <u>5,784,661</u> | <u>54</u> |
| Significant Contingent Liability&Unrealized Contractual Arrangement | | | | | | | |
| 3X2X | Noncontrolling Interests | | 10 | | | | |
| | | <u>\$ 11,129,263</u> | <u>0</u> | <u>\$ 10,766,302</u> | <u>100</u> | <u>\$ 10,645,185</u> | <u>100</u> |

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statements Of Comprehensive Income(Reviewed, Not Audited)
Three months Ended March 31, 2019 and 2018

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

| Item | For the Three Months Ended M a r c h 3 1 , 2 0 1 9 | | For the Three Months Ended M a r c h 3 1 , 2 0 1 8 | |
|--|---|--------------|---|--------------|
| | A m o u n t | % | A m o u n t | % |
| 4000 Operating Revenue | \$ 1,980,584 | 100 | \$ 2,013,901 | 100 |
| 5000 Operating Costs | (1,230,398) | (62) | (1,238,573) | (62) |
| 5950 Gross Profit from Operations | <u>750,186</u> | <u>38</u> | <u>775,328</u> | <u>38</u> |
| Operating Expenses | | | | |
| 6100 Selling Expenses | (518,199) | (26) | (505,544) | (25) |
| 6200 Administrative Expenses | (51,690) | (3) | (54,155) | (3) |
| 6300 Research and Development Expenses | (101,467) | (5) | (82,658) | (4) |
| 6450 Expected Credit Losses | <u>9,283</u> | <u>1</u> | <u>(639)</u> | <u>-</u> |
| 6000 Total Operating Expenses | <u>(662,073)</u> | <u>(33)</u> | <u>(642,996)</u> | <u>(32)</u> |
| 6900 Net Operating Income | <u>88,113</u> | <u>5</u> | <u>132,332</u> | <u>6</u> |
| Non- Operating Income and Expenses | | | | |
| 7010 Other Revenue | 3,190 | - | 5,416 | - |
| 7020 Other Gains and Losses | (3,000) | - | (425) | - |
| 7050 Finance Cost | (10,106) | (1) | (8,876) | - |
| 7060 Share of Profit or Loss of Associates & Joint Ventures Accounted for Using Equity Method) | <u>17,683</u> | <u>1</u> | <u>5,358</u> | <u>-</u> |
| 7000 Total Non-Operating Income and Expenses | <u>7,767</u> | <u>-</u> | <u>1,473</u> | <u>-</u> |
| 7900 Income Before Income Tax | 95,880 | 5 | 133,805 | 6 |
| 7950 IncomeTax Expense | (11,239) | (1) | (23,816) | (1) |
| 8200 Net Income | <u>\$ 84,641</u> | <u>4</u> | <u>\$ 109,989</u> | <u>5</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, 2019 and 2018

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

| Item | For the Three Months Ended M a r c h 3 1 , 2 0 1 9 | | For the Three Months Ended M a r c h 3 1 , 2 0 1 8 | | |
|---|--|-------------------|---|-------------------|-----------|
| | A m o u n t | % | A m o u n t | % | |
| 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 | \$ 88,364 | 5 | \$ 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 | <u>88,364</u> | <u>5</u> | <u>73,606</u> | <u>4</u> |
| 8361 | Exchange Differences on Translation of Foreign Financial Statements | 27,122 | 1 | 22,336 | 1 |
| 8370 | Share of Other Comprehensive Income (Loss) of Subsidiaries and Associates Accounted for Using Equity Method - Will be Reclassified to Profit | 57 | - | (94) | - |
| 8399 | Income Tax Relating to Components of Other Comprehensive Income | (5,424) | - | (3,800) | - |
| 8360 | Total Components of Other Comprehensive Income That Will be Reclassified to Profit or Loss | <u>21,755</u> | <u>1</u> | <u>18,442</u> | <u>1</u> |
| 8300 | Total Net Comprehensive Profit(Loss) After Tax | <u>\$ 110,119</u> | <u>6</u> | <u>\$ 92,048</u> | <u>5</u> |
| 8500 | Total Comprehensive Income | <u>\$ 194,760</u> | <u>10</u> | <u>\$ 202,037</u> | <u>10</u> |
| Net Income (Losses) Attributable to: | | | | | |
| 8610 | Shareholders of the Parent | <u>\$ 84,494</u> | <u>4</u> | <u>\$ 110,957</u> | <u>5</u> |
| 8620 | Noncontrolling Interests | <u>\$ 147</u> | <u>-</u> | <u>(\$ 968)</u> | <u>-</u> |
| Comprehensive Income Attributable to: | | | | | |
| 8710 | Shareholders of the Parent | <u>\$ 194,613</u> | <u>10</u> | <u>\$ 203,005</u> | <u>10</u> |
| 8720 | Noncontrolling Interests | <u>\$ 147</u> | <u>-</u> | <u>(\$ 968)</u> | <u>-</u> |
| Earnings per Share | | | | | |
| 9750 | Diluted Earnings Per Share | <u>\$ 0.28</u> | <u>\$ 0.37</u> | | |

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statement of Changes in Equity
For the Year Ended March 31, 2019 and 2018

Unit : NT\$ Thousands

| | Total Equity | | Attributable to Owners of Parent | | | | | Equity Interest | | Total | Non-controlling Interests | Total Equity | | |
|--|----------------|----------------------------|----------------------------------|-------------------------------------|---|-------------------------------------|---|-----------------|------------|------------|---------------------------|--------------|-----------|--------------|
| | Capital | Surplus | Retained Earnings | Other | Unrealised Gains (Losses) on Financial assets measured at fair value through other comprehensive income | Exchange Differences on Translation | Unrealized Gains(Losses) on Available-for-sale Financial Assets | Treasury Stock | | | | | | |
| | Ordinary Share | Additional Paid-In Capital | Treasury Stock Transactions | change in ownership of a subsidiary | Legal Reserve | Special Reserve | Unappropriated Retained Earnings | | | | | | | |
| 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 |
| Corrected Retrospective Effect of number of effects | - | - | - | - | - | - | (23,173) | - | 85,739 | (85,107) | - | (22,541) | - | (22,541) |
| Retrospective Number of Effects | 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 | \$ 2,980,811 | \$ 578,416 | \$ 64,935 | \$ 1,308 | \$ 428,920 | \$ 188,958 | \$ 1,424,551 | (\$ 38,701) | \$ 142,463 | \$ - | (\$ 28,054) | \$ 5,743,607 | \$ 41,054 | \$ 5,784,661 |
| January 1st to March 31, 2019 | | | | | | | | | | | | | | |
| Equity at Beginning Of Period | \$ 2,980,811 | \$ 578,416 | \$ 65,291 | \$ 1,152 | \$ 459,993 | \$ 188,958 | \$ 1,451,784 | (\$ 65,308) | \$ 37,515 | \$ - | (\$ 28,054) | \$ 5,670,558 | \$ 30,599 | \$ 5,701,157 |
| Consolidated Profit for The Year Ended March 31, 2019 | - | - | - | - | - | - | 84,494 | - | - | - | - | 84,494 | 147 | 84,641 |
| Other Comprehensive Income | - | - | - | - | - | - | - | 21,755 | 88,364 | - | - | 110,119 | - | 110,119 |
| Total Consolidated Profit for The Year Ended March 31, 2019 | - | - | - | - | - | - | 84,494 | 21,755 | 88,364 | - | - | 194,613 | 147 | 194,760 |
| Disposal of Financial assets measured at fair value through other comprehensive income | - | - | - | - | - | - | 18,976 | - | (18,976) | - | - | - | - | - |
| Changes in Interests for Subsidiaries | - | - | - | 699 | - | - | - | - | - | - | - | 699 | - | 699 |
| Balance, March 31, 2019 | \$ 2,980,811 | \$ 578,416 | \$ 65,291 | \$ 1,851 | \$ 459,993 | \$ 188,958 | \$ 1,555,254 | (\$ 43,553) | \$ 106,903 | \$ - | (\$ 28,054) | \$ 5,865,870 | \$ 30,746 | \$ 5,896,616 |

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statements Of Cash Flows(Reviewed, Not Audited)
Three months Ended March 31, 2019 and 2018

Unit : NT\$ Thousands

| | <u>For the Three Months Ended March 31, 2019</u> | <u>For the Three Months Ended March 31, 2018</u> |
|--|--|--|
| <u>Cash Flows From (Used in) Operating Activities</u> | | |
| Consolidated Profit (Loss) Before Tax | \$ 95,880 | \$ 133,805 |
| Depreciation expense | 63,220 | 62,484 |
| Amortized Expense | 2,568 | 2,009 |
| Expected Credit Losses | (9,283) | 639 |
| Decrease in Allowance for Sales Returns and Allowances | (9,933) | (1,138) |
| Interest Expense | 10,106 | 8,876 |
| Interest Revenue | (1,991) | (3,115) |
| Gain on Disposal of Property, Plant and Equipment | - | 28 |
| Share of gain (loss) of Associates and Joint Ventures Accounted for Using Equity Method | (17,683) | (5,358) |
| Notes Receivable (Include Related Parties) | (45,970) | 81,492 |
| Accounts Receivable (Include Related Parties) | 8,525 | (233,334) |
| Other Receivable (Include Related Parties) | (1,410) | 1,062 |
| Inventories | (40,500) | 9,341 |
| Contractual Liability – Current | (29,104) | (11,132) |
| Contractual Liability – Current | (22,092) | 6,836 |
| Notes Payable | (39,549) | (51,135) |
| Accounts Payable | 26,835 | 103,984 |
| Other Payable | (57,590) | 60,384 |
| Refund Liability – Current | 5,743 | (2,162) |
| Other Current Liabilities | 9,877 | 624 |
| Other Non-Current Liabilities | (48,878) | (28,837) |
| Cash Inflow (Outflow) Generated from Operations | (101,229) | 135,353 |
| Interest Received | 1,989 | 3,400 |
| Interest Paid | (8,198) | (8,870) |
| Income Taxes Refund (Paid) | (3,914) | (10,525) |
| Net Cash Flows from (used in) Operating Activities | <u>111,352</u> | <u>119,358</u> |

(Continue)

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statements Of Cash Flows(Reviewed, Not Audited)
Three months Ended March 31, 2019 and 2018

Unit : NT\$ Thousands

| | <u>For the Three Months Ended March 31, 2019</u> | <u>For the Three Months Ended March 31, 2018</u> |
|---|--|--|
| <u>Cash Flows From (Used in) Investing Activities</u> | | |
| Decrease(Increase) in Financing Receivable | \$ - | (\$ 26,448) |
| Decrease(Increase) in Pledged Deposit | 12,989 | 12,055 |
| Disposal of Financial assets measured at fair value through other comprehensive income | 43,110 | 27,466 |
| Acquire of Long-term Investments at Equity | (500) | - |
| Purchase of Property, Plant and Equipment | (50,784) | (45,737) |
| Disposal of Property, Plant and Equipment | - | 2 |
| Purchase of Intangible Assets | (140) | - |
| Decrease(Increase) in Refundable Deposits | (15,132) | 5,449 |
| Decrease(Increase) in Other Non-current Assets | (1,677) | (2,840) |
| Net Cash Flows From (Used in) Investing Activities | <u>(12,134)</u> | <u>(30,053)</u> |
| <u>Cash flows from (used in) Financing Activities</u> | | |
| Decrease(Increase) In Short-term Borrowings | 259,143 | 76,711 |
| Decrease(Increase) in Short-term Notes and Bills Payable | (20,000) | 4,629 |
| Lease Liability Principal Repayment | (2,798) | - |
| Proceeds from Long-term Borrowings | - | 139,000 |
| Repayment of Long-term Borrowings | (50,000) | (156,000) |
| Decrease(Increase) in Guarantee Deposits Received | (973) | (1,921) |
| Non-controlling Interests change | - | 1,470 |
| Net cash FlowsFrom (Used in) Financing Activities | <u>185,372</u> | <u>63,889</u> |
| Effect of Exchange Rate Changes on Cash and Cash Equivalents | <u>9,312</u> | <u>14,710</u> |
| Net Increase (Decrease) In Cash and Cash Equivalents | 71,198 | 167,904 |
| Cash and Cash Equivalents at Beginning of Period | <u>594,627</u> | <u>763,684</u> |
| Cash and Cash Equivalents at End of Period | <u>\$ 665,825</u> | <u>\$ 931,588</u> |