

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Condensed Balance Sheets(Reviewed, Not Audited)
Six Months Ended June 30, 2018 and 2017

Unit : NT\$ Thousands

Assets		J u n e 3 0 , 2 0 1 8		December 31, 2017		J u n e 3 0 , 2 0 1 7	
		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	\$ 811,709	8	\$ 763,684	7	\$ 743,159	8
1136	Amortised cost of a financial asset – Current	3,000	-	-	-	-	-
1147	Current Investments in Debt Instrument						
	Without Active Market	-	-	3,000	-	3,000	-
1150	Notes Receivable	436,483	4	421,245	4	308,180	3
1160	Notes Receivable – Related Parties	159,639	1	158,535	2	215,138	2
1170	Accounts Receivable	1,562,013	15	1,311,771	13	1,140,356	12
1180	Accounts Receivable – Related Parties	54,344	-	47,264	-	76,047	1
1200	Other Receivables	54,678	-	31,766	-	42,316	-
1210	Other Receivables –Related Parties	209,090	2	176,154	2	183,655	2
1220	Current Income Tax Assets	-	-	-	-	18,485	-
130X	Inventories	1,787,376	17	1,698,611	17	1,614,957	16
1410	Prepayments	59,409	1	83,486	1	75,454	1
1476	Other Financial Assets- Current	25,909	-	27,916	-	23,464	-
11XX	Total Current Assets	<u>5,163,650</u>	<u>48</u>	<u>4,723,432</u>	<u>46</u>	<u>4,444,211</u>	<u>45</u>
Non-Current assets							
1517	Financial assets measured at fair value through						
	other comprehensive income – Noncurrent	311,282	3	-	-	-	-
1523	Available-for-sale Financial Assets-						
	Noncurrent	-	-	282,836	3	273,785	3
1543	Financial Assets at Cost - Noncurrent	-	-	30,710	-	30,710	-
1550	Long-term Investments at Equity	787,074	7	815,036	8	753,437	8
1600	Property, Plant and Equipment	4,023,852	38	4,042,123	39	4,088,701	41
1780	Intangible Assets	28,835	-	32,369	-	30,861	-
1840	Deferred Tax Assets	165,908	2	150,288	2	137,616	1
1900	Other Non-current Assets	184,566	2	199,769	2	185,031	2
15XX	Total Non-Current Assets	<u>5,501,517</u>	<u>52</u>	<u>5,553,131</u>	<u>54</u>	<u>5,500,141</u>	<u>55</u>
1XXX	Total Assets	<u>\$ 10,665,167</u>	<u>100</u>	<u>\$ 10,276,563</u>	<u>100</u>	<u>\$ 9,944,352</u>	<u>100</u>

(Continue)

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Condensed Balance Sheets(Reviewed, Not Audited)
Six Months Ended June 30, 2018 and 2017

Unit : NT\$ Thousands

Liabilities and Shareholders' Equity		June 30, 2018		December 31, 2017		June 30, 2017	
		A m o u n t	%	A m o u n t	%	A m o u n t	%
Current Liabilities							
2100	Short-term Borrowings	\$ 1,239,937	12	\$ 1,080,428	10	\$ 1,187,596	12
2110	Short-Term Notes and Bills Payable	97,300	1	92,671	1	79,492	1
2130	Contractual Liability – Current	35,771	-	-	-	-	-
2150	Notes Payable	129,540	1	127,891	1	97,874	1
2170	Accounts Payable	787,660	7	708,721	7	653,869	6
2200	Other Payables	704,768	7	444,592	4	500,901	5
2230	Current Income Tax Liabilities	47,123	1	47,069	-	26,429	-
2250	Short-term Provisions	-	-	64,235	1	75,371	1
2365	Refund Liability – Current	101,865	1	-	-	-	-
2399	Other Current Liabilities	19,431	-	71,430	1	27,113	-
21XX	Total Non-Current Liabilities	<u>3,163,395</u>	<u>30</u>	<u>2,637,037</u>	<u>25</u>	<u>2,648,645</u>	<u>26</u>
Non-Current Liabilities							
2540	Long-term Borrowings	1,490,000	14	1,679,000	16	1,520,000	16
2570	Deferred Income Tax Liabilities	131,503	1	114,957	1	113,374	1
2600	Other Non-Current Liabilities	215,532	2	241,874	3	225,491	2
25XX	Total Non-Current Liabilities	<u>1,837,035</u>	<u>17</u>	<u>2,035,831</u>	<u>20</u>	<u>1,858,865</u>	<u>19</u>
2XXX	Total Liabilities	<u>5,000,430</u>	<u>47</u>	<u>4,672,868</u>	<u>45</u>	<u>4,507,510</u>	<u>45</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	644,503	6	644,659	6	642,996	6
Retained Earnings							
3310	Legal Reserve	459,993	4	428,920	4	428,920	4
3320	Special Reserve	188,958	2	188,958	2	188,958	2
3350	Unappropriated Retained Earnings	1,322,225	12	1,319,885	13	1,163,809	12
Other Equity Interest							
3400	Other Interest	57,251	1	27,964	-	19,656	-
3500	Treasury Stock	(28,054)	-	(28,054)	-	(28,054)	-
31XX	Total Equity Attributable to Shareholders of the Parent	<u>5,625,687</u>	<u>53</u>	<u>5,563,143</u>	<u>54</u>	<u>5,397,096</u>	<u>54</u>
36XX	Noncontrolling Interests	<u>39,050</u>	<u>-</u>	<u>40,552</u>	<u>1</u>	<u>39,746</u>	<u>1</u>
3XXX	Total Shareholders' Equity	<u>5,664,737</u>	<u>53</u>	<u>5,603,695</u>	<u>55</u>	<u>5,436,842</u>	<u>55</u>
Total Liabilities & Shareholders' Equity							
3X2X	Noncontrolling Interests	<u>\$ 10,665,167</u>	<u>100</u>	<u>\$ 10,276,563</u>	<u>100</u>	<u>\$ 9,944,352</u>	<u>100</u>

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statements Of Comprehensive Income(Reviewed, Not Audited)
Six months Ended June 30, 2018 and 2017

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

Item	For the Three Months Ended June 30				For the Six Months Ended June 30			
	<u>J u n e</u>	<u>3 0 ,</u>	<u>2 0 1 8</u>		<u>J u n e</u>	<u>3 0 ,</u>	<u>2 0 1 8</u>	
	<u>A m o u n t</u>	<u>%</u>	<u>A m o u n t</u>	<u>%</u>	<u>A m o u n t</u>	<u>%</u>	<u>A m o u n t</u>	<u>%</u>
4000 Operating Revenue	\$ 1,859,513	100	\$ 1,490,900	100	\$ 3,873,414	100	\$ 3,035,606	100
5000 Operating Costs	(1,160,722)	(62)	(1,079,751)	(72)	(2,399,295)	(62)	(2,148,720)	(71)
5950 Gross Profit from Operations	<u>698,791</u>	<u>38</u>	<u>411,149</u>	<u>28</u>	<u>1,474,119</u>	<u>38</u>	<u>886,886</u>	<u>29</u>
6100 Selling Expenses	(441,393)	(24)	(238,834)	(16)	(946,937)	(24)	(477,108)	(16)
6200 Administrative Expenses	(46,022)	(2)	(44,731)	(3)	(100,177)	(3)	(97,065)	(3)
6300 Research and Development Expenses	(99,725)	(5)	(82,297)	(6)	(182,383)	(5)	(162,483)	(5)
6450 Expected Credit Losses	(12,344)	(1)	-	-	(12,983)	-	-	-
6000 Total Operating Expenses	<u>(599,484)</u>	<u>(32)</u>	<u>(365,862)</u>	<u>(25)</u>	<u>(1,242,480)</u>	<u>(32)</u>	<u>(736,656)</u>	<u>(24)</u>
6900 Net Operating Income	<u>99,307</u>	<u>6</u>	<u>45,287</u>	<u>3</u>	<u>231,639</u>	<u>6</u>	<u>150,230</u>	<u>5</u>
Non- Operating Income and Expenses								
7010 Other Revenue	19,491	1	23,113	2	24,907	1	29,863	1
7020 Other Gains and Losses	(5,367)	-	(2,702)	-	(5,792)	-	2,069	-
7050 Finance Cost	(9,412)	(1)	(8,412)	(1)	(18,288)	(1)	(17,949)	(1)
7060 Share of Profit or Loss of Associates & Joint Ventures Accounted for Using Equity Method)	<u>15,798</u>	<u>1</u>	<u>9,754</u>	<u>1</u>	<u>21,156</u>	<u>1</u>	<u>20,225</u>	<u>1</u>
7000 Total Non-Operating Income and Expenses	<u>20,510</u>	<u>1</u>	<u>21,753</u>	<u>2</u>	<u>21,983</u>	<u>1</u>	<u>34,208</u>	<u>1</u>
7900 Income Before Income Tax	119,817	7	67,040	5	253,622	7	184,438	6
7950 IncomeTax Expense	(13,685)	(1)	(7,528)	(1)	(37,501)	(1)	(29,820)	(1)
8200 Net Income	<u>\$ 106,132</u>	<u>6</u>	<u>\$ 59,512</u>	<u>4</u>	<u>\$ 216,121</u>	<u>6</u>	<u>\$ 154,618</u>	<u>5</u>

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China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statements Of Comprehensive Income(Reviewed, Not Audited)
Six months Ended June 30, 2018 and 2017

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

Item	For the Three Months Ended June 30				For the Six Months Ended June 30			
	<u>J u n e</u>	<u>3 0</u>	<u>, 2 0 1 8</u>		<u>J u n e</u>	<u>3 0</u>	<u>, 2 0 1 8</u>	
	<u>A m o u n t</u>	<u>%</u>	<u>A m o u n t</u>	<u>%</u>	<u>A m o u n t</u>	<u>%</u>	<u>A m o u n t</u>	<u>%</u>
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	(\$ 70,434)	(4)	\$ -	-	\$ 16	-	\$ -	-
8320 Share of Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method	280	-	-	-	1,236	-	-	-
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	(70,154)	(4)	-	-	3,452	-	-	-
Income Tax not Related to Components of Other Comprehensive Income								
8361 Exchange Differences on Translation of Foreign Financial Statements	29,317	1	7,856	1	51,653	1	(67,433)	(2)
8362 Unrealised Gains (Losses) on Valuation of Available-for-sale Financial Assets	-	-	(7,142)	(1)	-	-	21,580	1
8370 Share of Other Comprehensive Income (Loss) of Subsidiaries and Associates Accounted for Using Equity Method - Will be Reclassified to Profit	173	-	(100)	-	79	-	602	-
8399 Income Tax Relating to Components of Other Comprehensive Income	(5,847)	-	(1,335)	-	(9,647)	-	11,463	-
8360 Total Components of Other Comprehensive Income That Will be Reclassified to Profit or Loss	23,643	1	(721)	-	42,085	1	(33,788)	(1)
8300 Total Net Comprehensive Profit(Loss) After Tax	(\$ 46,511)	(3)	(\$ 721)	-	\$ 45,537	1	(\$ 33,788)	(1)
8500 Total Comprehensive Income	\$ 59,621	3	\$ 58,791	4	\$ 261,658	7	\$ 120,830	4
Net Income (Losses) Attributable to:								
8610 Shareholders of the Parent	\$ 107,596	6	\$ 61,908	4	\$ 218,553	6	\$ 157,340	5
8620 Noncontrolling Interests	(\$ 1,464)	-	(\$ 2,396)	-	(\$ 2,432)	-	(\$ 2,722)	-
Earnings per Share								
8710 Diluted Earnings Per Share	\$ 61,085	3	\$ 61,187	4	\$ 264,090	7	\$ 123,552	4
8720 Earnings per Share	(\$ 1,464)	-	(\$ 2,396)	-	(\$ 2,432)	-	(\$ 2,722)	-
Earnings per Share								
9750 Diluted Earnings Per Share	\$ 0.36		\$ 0.21		\$ 0.73		\$ 0.53	

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statement of Changes in Equity (Reviewed, Not Audited)
Six months Ended June 30, 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							
		Capital	Surplus		R e t a i n e d	E a r n i n g s	Other	Equity	Interest					
	Ordinary Share	Addition al Paid-In Capital	Treasu ry Stock Transa ctions	change in owners hip of a subsidi ary	Legal Reserve	Special Reserve	Unappropri ated Retained Earnings	Exchan ge Differ ences on Transl ation	Unrealised Gains (Losses) on Financial assets measured at fair value through o t h e r comprehensive i n c o m e	Unrealiz e d Gains(L osses)on Availabl efor-sale Financial Assets	Treasu ry Stock	Total	Non-contro lling Interests	Total Equity
<u>January 1st to June 30, 2017</u>														
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 June 30, 2017	-	-	-	-	-	-	157,340	-	-	-	-	157,340	(2,722)	154,618
Other Comprehensive Income	-	-	-	-	-	-	-	(56,154)	-	22,366	-	(33,788)	-	(33,788)
Total Consolidated Profit for The Year Ended June 30, 2017	-	-	-	-	-	-	157,340	(56,154)	-	22,366	-	123,552	(2,722)	120,830
Appropriation and Distribution of Retained Earnings of 2016														
Legal Reserve	-	-	-	-	31,321	-	(31,321)	-	-	-	-	-	-	-
Cash Dividends	-	-	-	-	-	-	(178,849)	-	-	-	-	(178,849)	-	(178,849)
Changes in Non-controlling Interests	-	-	-	-	-	-	-	-	-	-	-	-	(3,464)	(3,464)
Balance, June 30, 2017	\$ 2,980,811	\$ 578,416	\$ 64,580	\$ -	\$ 428,920	\$ 188,958	\$ 1,163,809	(\$ 56,696)	\$ -	\$ 76,352	(\$ 28,054)	\$ 5,397,096	\$ 39,746	\$ 5,436,842
<u>January 1st to June 30, 2018</u>														
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 Income (Loss)	-	-	-	-	-	-	218,553	-	-	-	-	218,553	(2,432)	216,121
Other Comprehensive Income (Loss)	-	-	-	-	-	-	2,144	42,085	1,308	-	-	45,537	-	45,537
Consolidated Income (Loss) Total	-	-	-	-	-	-	220,697	42,085	1,308	-	-	264,090	(2,432)	261,658
Appropriation and Distribution of Retained Earnings of 2017														
Legal Reserve	-	-	-	-	31,073	-	(31,073)	-	-	-	-	-	-	-
Cash Dividends	-	-	-	-	-	-	(178,849)	-	-	-	-	(178,849)	-	(178,849)
Changes in Interests for Subsidiaries	-	-	-	(156)	-	-	-	-	-	-	-	(156)	-	(156)
Changes in Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	-	-	930	930
Disposal of Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	14,738	-	(14,738)	-	-	-	-	-
Balance, June 30, 2018	\$ 2,980,811	\$ 578,416	\$ 64,935	\$ 1,152	\$ 459,993	\$ 188,958	\$ 1,322,225	(\$ 15,058)	\$ 72,309	\$ -	(\$ 28,054)	\$ 5,625,687	\$ 39,050	\$ 5,664,737

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statements Of Cash Flows(Reviewed, Not Audited)
Three months Ended June 30, 2018 and 2017

Unit : NT\$ Thousands

	<u>For the Six Months Ended June 30</u>	
	<u>June 30, 2018</u>	<u>June 30, 2017</u>
<u>Cash Flows From (Used in) Operating Activities</u>		
Consolidated Profit (Loss) Before Tax	\$ 253,622	\$ 184,438
Depreciation expense	3,958	3,504
Amortized Expense	124,991	123,966
Expected Credit Losses	12,983	3,090
Decrease in Allowance for Sales Returns and Allowances	-	14,906
Interest Expense	18,288	17,949
Interest Revenue	(9,494)	(7,402)
Dividend Revenue	(10,400)	(10,390)
Share of gain (loss) of Associates and Joint Ventures		
Accounted for Using Equity Method	(21,156)	(20,225)
Gain on Disposal of Property, Plant and Equipment	52	(1,079)
Notes Receivable (Include Related Parties)	(57,385)	40,064
Accounts Receivable (Include Related Parties)	(189,982)	(39,347)
Other Receivable (Include Related Parties)	(14,247)	(2,546)
Inventories	(68,587)	(24,368)
Prepayments	23,972	(14,711)
Contractual Liability – Current	(18,838)	-
Notes Payable	(3,885)	15,522
Accounts Payable	60,658	15,524
Other Payable	84,264	(29,808)
Short-term Provisions	(29,000)	7,256
Refund Liability – Current	(5,129)	-
Other Current Liabilities	2,610	(35,531)
Other Non-Current Liabilities	(28,048)	(44,798)
Cash Inflow (Outflow) Generated from Operations	129,247	196,014
Interest Received	9,393	7,387
Interest Paid	(17,080)	(19,905)
Income Taxes Paid	(37,831)	(19,149)
Cash Dividends Received	53,500	80,934
Net Cash Flows from (used in) Operating Activities	137,229	245,281

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China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statements Of Cash Flows(Reviewed, Not Audited)
Three months Ended June 30, 2018 and 2017

Unit : NT\$ Thousands

For the Six Months Ended June 30
June 30, 2018 **June 30, 2017**

Cash Flows From (Used in) Investing Activities

Decrease(Increase) in Financing Receivable	\$ -	\$ 829
Disposal of Current Investments in Debt Instrument Without Active Market	-	9,000
Decrease(Increase) in Pledged Deposit	2,007	(6,992)
Acquired of inancial assets measured at fair value through other comprehensive income	(24,554)	-
Disposal of Financial assets measured at fair value through other comprehensive income	27,466	-
Purchase of Property, Plant and Equipment	(83,200)	(78,685)
Disposal of Property, Plant and Equipment	3	1,627
Purchase of Intangible Assets	(309)	-
Decrease(Increase) in Refundable Deposits	2,954	(5,661)
Changes in Interests for Subsidiaries	(3,310)	-
Decrease(Increase) in Other Non-current Assets	(5,064)	(1,450)
Net Cash Flows From (Used in) Investing Activities	(84,007)	(81,332)

Cash flows from (used in) Financing Activities

Decrease(Increase) In Short-term Borrowings	159,509	126,976
Decrease(Increase) in Short-term Notes and Bills Payable	4,629	(36,502)
Proceeds from Long-term Borrowings	139,000	335,000
Repayment of Long-term Borrowings	(328,000)	(455,000)
Decrease(Increase) in Guarantee Deposits Received	950	3,179
Net cash FlowsFrom (Used in) Financing Activities	(23,912)	(26,347)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	18,715	(23,189)
Net Increase (Decrease) In Cash and Cash Equivalents	48,025	114,413
Cash and Cash Equivalents at Beginning of Period	763,684	628,746
Cash and Cash Equivalents at End of Period	<u>\$ 811,709</u>	<u>\$ 743,159</u>