

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

Unit : NT\$ Thousands

	Assets	September 30, 2018		December 31, 2017		September 30, 2017	
		Amount	%	Amount	%	Amount	%
Current Assets							
1100	Cash and Cash Equivalents	\$ 735,275	7	\$ 763,684	7	\$ 775,419	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	420,407	4	421,245	4	298,239	3
1160	Notes Receivable – Related Parties	157,140	1	158,535	2	194,322	2
1170	Accounts Receivable	1,599,776	15	1,311,771	13	1,207,466	12
1180	Accounts Receivable – Related Parties	42,172	-	47,264	-	51,203	-
1200	Other Receivables	29,609	-	31,766	-	31,594	-
1210	Other Receivables –Related Parties	191,828	2	176,154	2	183,133	2
1220	Current Income Tax Assets	-	-	-	-	3	-
130X	Inventories	2,013,022	19	1,698,611	17	1,683,700	17
1410	Prepayments	116,425	1	83,486	1	123,265	1
1476	Other Financial Assets- Current	36,984	-	27,916	-	25,960	-
11XX	Total Current Assets	<u>5,345,638</u>	<u>49</u>	<u>4,723,432</u>	<u>46</u>	<u>4,577,304</u>	<u>45</u>
Non-Current assets							
1517	Financial assets measured at fair value through other comprehensive income – Noncurrent	263,204	2	-	-	-	-
1523	Available-for-sale Financial Assets- Noncurrent	-	-	282,836	3	279,663	3
1543	Financial Assets at Cost - Noncurrent	-	-	30,710	-	30,710	-
1550	Long-term Investments at Equity	849,789	8	815,036	8	785,063	8
1600	Property, Plant and Equipment	3,961,021	37	4,042,123	39	4,060,910	40
1780	Intangible Assets	30,034	-	32,369	-	30,540	-
1840	Deferred Tax Assets	184,384	2	150,288	2	132,587	2
1900	Other Non-current Assets	202,820	2	199,769	2	190,797	2
15XX	Total Non-Current Assets	<u>5,491,252</u>	<u>51</u>	<u>5,553,131</u>	<u>54</u>	<u>5,510,270</u>	<u>55</u>
1XXX	Total Assets	<u>\$ 10,836,890</u>	<u>100</u>	<u>\$ 10,276,563</u>	<u>100</u>	<u>\$ 10,087,574</u>	<u>100</u>

(Continue)

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

Unit : NT\$ Thousands

Liabilities and Shareholders' Equity		September 30, 2018		December 31, 2017		September 30, 2017	
		Amount	%	Amount	%	Amount	%
Current Liabilities							
2100	Short-term Borrowings	\$ 1,306,713	12	\$ 1,080,428	10	\$ 1,071,201	11
2110	Short-Term Notes and Bills Payable	92,300	1	92,671	1	91,500	1
2130	Contractual Liability—Current	34,291	-	-	-	-	-
2150	Notes Payable	184,919	2	127,891	1	117,875	1
2170	Accounts Payable	960,254	9	708,721	7	732,718	7
2200	Other Payables	505,594	5	444,592	4	298,819	3
2230	Current Income Tax Liabilities	52,521	1	47,069	-	23,379	-
2250	Short-term Provisions	-	-	64,235	1	78,244	1
2365	Refund Liability—Current	140,096	1	-	-	-	-
2399	Other Current Liabilities	15,685	-	71,430	1	201,504	2
21XX	Total Non-Current Liabilities	<u>3,292,373</u>	<u>31</u>	<u>2,637,037</u>	<u>25</u>	<u>2,615,240</u>	<u>26</u>
Non-Current Liabilities							
2540	Long-term Borrowings	1,538,000	14	1,679,000	16	1,560,000	16
2570	Deferred Income Tax Liabilities	125,448	1	114,957	1	120,361	1
2600	Other Non-Current Liabilities	211,468	2	241,874	3	227,849	2
25XX	Total Non-Current Liabilities	<u>1,874,916</u>	<u>17</u>	<u>2,035,831</u>	<u>20</u>	<u>1,908,210</u>	<u>19</u>
2XXX	Total Liabilities	<u>5,167,289</u>	<u>48</u>	<u>4,672,868</u>	<u>45</u>	<u>4,523,450</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	29
Capital Surplus							
3200	Capital Surplus	644,859	6	644,659	6	643,352	7
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	1,427,625	13	1,319,885	13	1,267,100	12
Other Equity Interest							
3400	Other Interest	(43,360)	(1)	27,964	-	44,062	1
3500	Treasury Stock	(28,054)	-	(28,054)	-	(28,054)	-
31XX	Total Equity Attributable to Shareholders of the Parent	<u>5,630,832</u>	<u>52</u>	<u>5,563,143</u>	<u>54</u>	<u>5,525,149</u>	<u>55</u>
36XX	Noncontrolling Interests	<u>38,769</u>	<u>-</u>	<u>40,552</u>	<u>1</u>	<u>38,975</u>	<u>-</u>
3XXX	Total Shareholders' Equity	<u>5,669,601</u>	<u>52</u>	<u>5,603,695</u>	<u>55</u>	<u>5,564,124</u>	<u>55</u>
Total Liabilities & Shareholders' Equity							
3X2X	Noncontrolling Interests	<u>\$ 10,836,890</u>	<u>100</u>	<u>\$ 10,276,563</u>	<u>100</u>	<u>\$ 10,087,574</u>	<u>100</u>

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

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

Item	For the Three Months Ended September 30				For the Three Months Ended September 30			
	2018		2017		2018		2017	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating Revenue	\$ 2,003,713	100	\$ 1,524,264	100	\$ 5,877,127	100	\$ 4,559,870	100
5000 Operating Costs	(1,285,965)	(64)	(1,051,990)	(69)	(3,685,260)	(63)	(3,200,710)	(70)
5950 Gross Profit from Operations	<u>717,748</u>	<u>36</u>	<u>472,274</u>	<u>31</u>	<u>2,191,867</u>	<u>37</u>	<u>1,359,160</u>	<u>30</u>
Operating Revenue								
6100 Selling Expenses	(478,977)	(24)	(246,840)	(16)	(1,425,914)	(24)	(723,948)	(16)
6200 Administrative Expenses	(47,523)	(3)	(44,539)	(3)	(147,700)	(2)	(141,604)	(3)
6300 Research and Development Expenses	(107,234)	(5)	(90,859)	(6)	(289,617)	(5)	(253,342)	(6)
6450 Expected Credit Losses	(19,645)	(1)	-	-	(32,628)	(1)	-	-
6000 Total Operating Expenses	<u>(653,379)</u>	<u>(33)</u>	<u>(382,238)</u>	<u>(25)</u>	<u>(1,895,859)</u>	<u>(32)</u>	<u>(1,118,894)</u>	<u>(25)</u>
6900 Net Operating Income	<u>64,369</u>	<u>3</u>	<u>90,036</u>	<u>6</u>	<u>296,008</u>	<u>5</u>	<u>240,266</u>	<u>5</u>
Non- Operating Income and Expenses								
7010 Other Revenue	9,076	-	7,564	1	33,983	1	37,427	1
7020 Other Gains and Losses	2,030	-	536	-	(3,762)	-	2,605	-
7050 Finance Cost	(9,614)	-	(8,793)	(1)	(27,902)	-	(26,742)	(1)
7060 Share of Profit or Loss of Associates & Joint Ventures Accounted for Using Equity Method)	<u>57,570</u>	<u>3</u>	<u>32,835</u>	<u>2</u>	<u>78,726</u>	<u>1</u>	<u>53,060</u>	<u>1</u>
7000 Total Non-Operating Income and Expenses	<u>59,062</u>	<u>3</u>	<u>32,142</u>	<u>2</u>	<u>81,045</u>	<u>2</u>	<u>66,350</u>	<u>1</u>
7900 Income Before Income Tax	123,431	6	122,178	8	377,053	7	306,616	6
7950 IncomeTax Expense	(18,446)	(1)	(19,797)	(1)	(55,947)	(1)	(49,617)	(1)
8200 Net Income	<u>\$ 104,985</u>	<u>5</u>	<u>\$ 102,381</u>	<u>7</u>	<u>\$ 321,106</u>	<u>6</u>	<u>\$ 256,999</u>	<u>5</u>

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

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

Item	For the Three Months Ended S e p t e m b e r 3 0 2 0 1 8		For the Three Months Ended S e p t e m b e r 3 0 2 0 1 7		For the Three Months Ended S e p t e m b e r 3 0 2 0 1 8		For the Three Months Ended S e p t e m b e r 3 0 2 0 1 7	
	Amount	%	Amount	%	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	(\$ 48,078)	(2)	\$ -	-	(\$ 48,062)	(1)	\$ -	-
8320 Share of Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method	5,146	-	-	-	6,382	-	-	-
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	(42,932)	(2)	-	-	(39,480)	(1)	-	-
8361 Exchange Differences on Translation of Foreign Financial Statements	(72,078)	(4)	23,778	1	(20,425)	-	(43,655)	(1)
8362 Unrealised Gains (Losses) on Valuation of Available-for-sale Financial Assets	-	-	5,878	-	-	-	27,458	1
8370 Share of Other Comprehensive Income (Loss) of Subsidiaries and Associates Accounted for Using Equity Method - Will be Reclassified to Profit	-	-	(1,208)	-	79	-	(606)	-
8399 Income Tax Relating to Components of Other Comprehensive Income	14,399	1	(4,042)	-	4,752	-	7,421	-
8360 Total Components of Other Comprehensive Income That Will be Reclassified to Profit or Loss	(57,679)	(3)	24,406	1	(15,594)	-	(9,382)	-
8300 Total Net Comprehensive Profit(Loss) After Tax	(\$ 100,611)	(5)	\$ 24,406	1	(\$ 55,074)	(1)	(\$ 9,382)	-
8500 Total Comprehensive Income	\$ 4,374	-	\$ 126,787	8	\$ 266,032	5	\$ 247,617	5
Net Income (Losses) Attributable to:								
8610 Shareholders of the Parent	\$ 105,400	5	\$ 103,291	7	\$ 323,953	6	\$ 260,631	5
8620 Noncontrolling Interests	(\$ 415)	-	(\$ 910)	-	(\$ 2,847)	-	(\$ 3,632)	-
Earnings per Share								
8710 Diluted Earnings Per Share	\$ 4,789	-	\$ 127,697	8	\$ 268,879	5	\$ 251,249	5
8720 Non-controlling Interests	(\$ 415)	-	(\$ 910)	-	(\$ 2,847)	-	(\$ 3,632)	-
Earnings per Share								
9750 Diluted Earnings Per Share	\$ 0.36		\$ 0.35		\$ 1.09		\$ 0.88	

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statement of Changes in Equity (Reviewed, Not Audited)
Nine months Ended September 30, 2018 and 2017

Unit : NT\$ Thousands

	Total Equity Attributable to Owners of Parent												Total Equity	
	Ordinary Share	Additional Paid-In Capital	Treasury Stock Transactions	change in ownership of a subsidiary	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation	Unrealised Gains (Losses) on Financial assets measured at fair value through other comprehensive income	Unrealized Gains (Losses) on Financial Assets	Treasury Stock	Total		Non-controlling Interests
January 1st to September 30, 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 September 30, 2017	-	-	-	-	-	-	260,631	-	-	-	-	260,631	(3,632)	256,999
Other Comprehensive Income	-	-	-	-	-	-	-	(36,447)	-	27,065	-	(9,382)	-	(9,382)
Total Consolidated Profit for The Year Ended September 30, 2017	-	-	-	-	-	-	260,631	(36,447)	-	27,065	-	251,249	(3,632)	247,617
Appropriation and Distribution of Retained Earnings of 2016														
Legal Reserve	-	-	-	-	31,321	-	(31,321)	-	-	-	-	-	-	-
Cash Dividends	-	-	-	-	-	-	(178,849)	-	-	-	-	(178,849)	-	(178,849)
Subsidiaries Acquired Cash Dividend Payment of Parent Company	-	-	356	-	-	-	-	-	-	-	-	356	-	356
Changes in Non-controlling Interests	-	-	-	-	-	-	-	-	-	-	-	-	(3,325)	(3,325)
Balance, September 30, 2017	\$ 2,980,811	\$ 578,416	\$ 64,936	\$ -	\$ 428,920	\$ 188,958	\$ 1,267,100	(\$ 36,989)	\$ -	\$ 81,051	(\$ 28,054)	\$ 5,525,149	\$ 38,975	\$ 5,564,124
January 1st to September 30, 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 September 30, 2018	-	-	-	-	-	-	323,953	-	-	-	-	323,953	(2,847)	321,106
Other Comprehensive Income	-	-	-	-	-	-	2,144	(15,594)	(41,624)	-	-	(55,074)	-	(55,074)
Total Consolidated Profit for The Year Ended September 30, 2018	-	-	-	-	-	-	326,097	(15,594)	(41,624)	-	-	268,879	(2,847)	266,032
Appropriation and Distribution of Retained Earnings of 2017														
Legal Reserve	-	-	-	-	31,073	-	(31,073)	-	-	-	-	-	-	-
Cash Dividends	-	-	-	-	-	-	(178,849)	-	-	-	-	(178,849)	-	(178,849)
Subsidiaries Acquired Cash Dividend Payment of Parent Company	-	-	356	-	-	-	-	-	-	-	-	356	-	356
Changes in Interests for Subsidiaries	-	-	-	(156)	-	-	-	-	-	-	-	(156)	-	(156)
Changes in Non-controlling Interests	-	-	-	-	-	-	-	-	-	-	-	-	1,064	1,064
Disposal of Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	14,738	-	(14,738)	-	-	-	-	-
Balance, September 30, 2018	\$ 2,980,811	\$ 578,416	\$ 65,291	\$ 1,152	\$ 459,993	\$ 188,958	\$ 1,427,625	(\$ 72,737)	\$ 29,377	\$ -	(\$ 28,054)	\$ 5,630,832	\$ 38,769	\$ 5,669,601

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

Unit : NT\$ Thousands

For the Nine Months Ended September 30

September, 2018 **September, 2017**

<u>Cash Flows From (Used in) Operating Activities</u>			
Consolidated Profit (Loss) Before Tax	\$	377,053	\$ 306,616
Depreciation expense		185,886	186,529
Amortized Expense		6,234	5,047
Expected Credit Losses		32,628	2,224
Decrease in Allowance for Sales Returns and Allowances		-	10,035
Interest Expense		27,902	26,742
Interest Revenue	(	14,640)	(11,718)
Dividend Revenue	(	10,400)	(10,390)
Gain on Disposal of Property, Plant and Equipment	(	78,726)	(53,060)
Gain on Disposal of Property, Plant and Equipment	(	204)	(3,405)
Notes Receivable (Include Related Parties)	(	10,843)	71,351
Accounts Receivable (Include Related Parties)	(	283,368)	(68,713)
Other Receivable (Include Related Parties)		3,389	(212)
Inventories	(	321,202)	(81,587)
Prepayments	(	33,254)	(61,953)
Contractual Liability – Current	(	20,318)	-
Notes Payable		60,707	36,126
Accounts Payable		260,196	96,625
Other Payable		86,487	(62,438)
Short-term Provision	(	29,000)	10,129
Refund Liability – Current		33,101	-
Other Current Liabilities	(	1,135)	(42,907)
Other Non-Current Liabilities	(	27,290)	(43,835)
Cash Inflow (Outflow) Generated from Operations		243,203	311,206
Interest Received		14,914	11,731
Interest Paid	(	26,117)	(26,907)
Income Taxes Paid	(	65,131)	(33,451)
Income Taxes Refund		-	18,483
Cash Dividends Received		62,166	89,600
Net Cash Flows from (used in) Operating Activities		229,035	370,662

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

Unit : NT\$ Thousands

For the Nine Months Ended September 30

September, 2018 **September, 2017**

Cash Flows From (Used in) Investing Activities

Decrease(Increase) in Financing Receivable	\$	-	\$	1,201
Disposal of Current Investments in Debt Instrument Without Active Market		-		9,000
Decrease(Increase) in Pledged Deposit	(	9,068 )	(	9,488)
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	(	127,974 )	(	112,493)
Disposal of Property, Plant and Equipment		262		3,960
Purchase of Intangible Assets	(	3,899 )	(	750)
Decrease(Increase) in Refundable Deposits		5,933	(	5,131)
Decrease(Increase) in Other Non-current Assets	(	13,562 )	(	543)
Decrease(Increase) in Prepaid Investments	(	1,332)		-
Loss of Subsidiary Control Impact	(	3,310)		-
Net Cash Flows From (Used in) Investing Activities	(	<u>150,038</u> )	(	<u>114,244</u>)

Cash flows from (used in) Financing Activities

Decrease(Increase) In Short-term Borrowings		226,285		10,595
Decrease(Increase) in Short-term Notes and Bills Payable	(	371 )	(	24,508)
Proceeds from Long-term Borrowings		557,000		555,000
Repayment of Long-term Borrowings	(	698,000 )	(	455,000)
Decrease(Increase) in Guarantee Deposits Received	(	1,579)		4,038
Dispense Cash Dividends	(	178,849 )	(	178,849)
Changes in Non-controlling Interests		930	(	<u>3,325</u>)
Net cash FlowsFrom (Used in) Financing Activities	(	<u>94,584</u> )	(	<u>92,049</u>)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(	<u>12,822</u> )	(	<u>17,696</u>)
Net Increase (Decrease) In Cash and Cash Equivalents	(	28,409)		146,673
Cash and Cash Equivalents at Beginning of Period		<u>763,684</u>		<u>628,746</u>
Cash and Cash Equivalents at End of Period	\$	<u><u>735,275</u></u>	\$	<u><u>775,419</u></u>