

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Condensed Balance Sheets
For the Year Ended December 31, 2015 and 2014

Unit : NT\$ Thousands

Assets		December 31, 2015		December 31, 2014	
		Amount	%	Amount	%
Current Assets					
1100	Cash and Cash Equivalents	\$ 701,797	7	\$ 795,907	8
1147	Current Investments in Debt Instrument Without Active				
	Market	20,000	-	-	-
1150	Notes Receivable	338,188	3	341,765	3
1160	Notes Receivable - Related Parties	167,119	2	160,072	2
1170	Accounts Receivable	1,064,551	11	978,370	9
1180	Accounts Receivable - Related Parties	67,118	1	85,694	1
1200	Other Receivables	28,724	-	42,960	-
1210	Other Receivables -Related Parties	164,305	2	161,277	2
1220	Current Income Tax Assets	3,714	-	1,016	-
130X	Inventories	1,485,334	15	1,547,744	15
1410	Prepayments	53,995	1	62,012	1
1460	Non-current classified as held for sale	-	-	202,746	2
1476	Other Financial Assets- Current	31,500	-	17,722	-
11XX	Total Current Assets	<u>4,126,345</u>	<u>42</u>	<u>4,397,285</u>	<u>43</u>
Non-Current assets					
1523	Available-for-sale Financial Assets- Noncurrent	277,470	3	435,782	4
1543	Financial Assets at Cost - Noncurrent	30,710	-	15,710	-
1550	Long-term Investments at Equity	793,084	8	701,450	7
1600	Property, Plant and Equipment	4,265,256	43	4,297,122	42
1760	Investment Property	-	-	27,856	-
1780	Intangible Assets	9,408	-	9,900	-
1840	Deferred Tax Assets	169,460	2	170,585	2
1900	Other Non-current Assets	241,172	2	254,171	2
15XX	Total Non-Current Assets	<u>5,786,560</u>	<u>58</u>	<u>5,912,576</u>	<u>57</u>
1XXX	Total Assets	<u>\$ 9,912,905</u>	<u>100</u>	<u>\$ 10,309,861</u>	<u>100</u>

(Continue)

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Condensed Balance Sheets
For the Year Ended December 31, 2015 and 2014

Unit : NT\$ Thousands

Liabilities and Shareholders' Equity		December 31, 2015		December 31, 2014	
		Amount	%	Amount	%
Current Liabilities					
2100	Short-term Borrowings	\$ 1,045,407	11	\$ 1,269,899	12
2110	Short-Term Notes and Bills Payable	73,994	1	222,978	2
2150	Notes Payable	156,857	2	88,610	1
2170	Accounts Payable	573,830	6	538,031	5
2200	Other Payables	298,406	3	358,314	4
2230	Current Income Tax Liabilities	17,759	-	47,328	1
2250	Short-term Provisions	53,158	-	98,980	1
2300	Other Current Liabilities	52,871	-	36,054	-
21XX	Total Current Liabilities	<u>2,271,783</u>	<u>23</u>	<u>2,660,194</u>	<u>26</u>
Non-Current Liabilities					
2540	Long-term Borrowings	1,599,000	16	1,625,000	16
2570	Deferred Income Tax Liabilities	129,095	2	131,245	1
2600	Other Non-Current Liabilities	423,071	4	409,870	4
25XX	Total Non-Current Liabilities	<u>2,151,166</u>	<u>22</u>	<u>2,166,115</u>	<u>21</u>
2XXX	Total Liabilities	<u>4,423,448</u>	<u>45</u>	<u>4,826,309</u>	<u>47</u>
Equity Attributable to Owners of Parent					
Share Capital					
3110	Ordinary Share	2,980,811	30	2,980,811	29
Capital Surplus					
3200	Capital Surplus	642,640	6	642,284	6
Retained Earnings					
3310	Legal Reserve	362,229	4	327,457	3
3320	Special Reserve	188,958	2	188,958	2
3350	Unappropriated Retained Earnings	1,161,478	12	1,042,487	10
Other Equity Interest					
3400	Other Interest	132,931	1	303,594	3
3500	Treasury Stock	(28,054)	-	(28,054)	-
31XX	Total Equity Attributable to Shareholders of the Parent	<u>5,440,993</u>	<u>55</u>	<u>5,457,537</u>	<u>53</u>
36XX	Noncontrolling Interests	<u>48,464</u>	<u>-</u>	<u>26,015</u>	<u>-</u>
3XXX	Total Shareholders' Equity	<u>5,489,457</u>	<u>55</u>	<u>5,483,552</u>	<u>53</u>
Significant Contingent Liability&Unrealized Contractual Arrangement					
Significant Subsequent Events					
3X2X	Total Liabilities & Shareholders' Equity	<u>\$ 9,912,905</u>	<u>100</u>	<u>\$ 10,309,861</u>	<u>100</u>

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statements Of Comprehensive Income
January 1 to December 31, 2015 and 2014

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

Item	December 31, 2015		December 31, 2014	
	Amount	%	Amount	%
4000 Operating Revenue	\$ 5,627,644	100	\$ 5,297,426	100
5000 Operating Costs	(4,015,274)	(72)	(3,674,620)	(70)
5950 Gross Profit from Operations	<u>1,612,370</u>	<u>28</u>	<u>1,622,806</u>	<u>30</u>
Operating Expenses				
6100 Selling Expenses	(872,646)	(15)	(825,974)	(15)
6200 Administrative Expenses	(167,099)	(3)	(155,945)	(3)
6300 Research and Development Expenses	(326,669)	(6)	(362,105)	(7)
6000 Total Operating Expenses	<u>(1,366,414)</u>	<u>(24)</u>	<u>(1,344,024)</u>	<u>(25)</u>
6900 Net Operating Income	<u>245,956</u>	<u>4</u>	<u>278,782</u>	<u>5</u>
Non- Operating Income and Expenses				
7010 Other Revenue	120,375	2	58,984	1
7020 Other Gains and Losses	(5,556)	-	85,908	2
7050 Finance Cost	(38,528)	-	(44,807)	(1)
7060 Share of Profit or Loss of Associates & Joint Ventures Accounted for Using Equity Method)	<u>128,082</u>	<u>2</u>	<u>54,007</u>	<u>1</u>
7000 Total Non-operating Income and Expenses	<u>204,373</u>	<u>4</u>	<u>154,092</u>	<u>3</u>
7900 Income Before Income Tax	450,329	8	432,874	8
7950 Income Tax Expense	(90,378)	(2)	(82,281)	(2)
8200 Net Income	<u>\$ 359,951</u>	<u>6</u>	<u>\$ 350,593</u>	<u>6</u>

(Continue)

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statements Of Comprehensive Income
January 1 to December 31, 2015 and 2014

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

Item	December 31, 2015		December 31, 2014	
	Amount	%	Amount	%
Other Comprehensive Income that will be Reclassified to Profit or Loss				
8311	(\$ 26,503)	-	(\$ 3,199)	-
8320	(264)	-	(402)	-
8349	4,507	-	543	-
8310	(22,260)	-	(3,058)	-
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				
8361	(14,189)	-	52,519	1
8362	(158,312)	(3)	157,034	3
8370	(575)	-	(3,463)	-
8399	2,413	-	(8,928)	-
8360	(170,663)	(3)	197,162	4
8300	(\$ 192,923)	(3)	\$ 194,104	4
8500	\$ 167,028	3	\$ 544,697	10
Net Income (Losses) Attributable to:				
8610	\$ 353,696	6	\$ 347,723	6
8620	\$ 6,255	-	\$ 2,870	-
Comprehensive Income Attributable to:				
8710	\$ 161,949	3	\$ 542,044	10
8720	\$ 5,079	-	\$ 2,653	-
Earnings per Share				
9750	\$	1.19	\$	1.17

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statement of Changes in Equity
For the Year Ended December 31, 2015 and 2014

Unit : NT\$ Thousands

	Total		Equity	Attributable			to		Owners		Parent	Non-controlling Interests	Total Equity
	Capital	Additional Paid-In Capital	Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation	Other Equity	Interest	Treasury Stock	Total		
January 1st to December 31, 2014													
Equity at Beginning Of Period	\$ 2,980,811	\$ 578,416	\$ 63,571	\$ 303,422	\$ 188,958	\$ 870,681	\$ 19,597	\$ 86,835	(\$ 28,054)	\$ 5,064,237	\$ 24,378	\$ 5,088,615	
Appropriation and Distribution of Retained Earnings of 2013 :													
Legal Reserve	-	-	-	24,035	-	(24,035)	-	-	-	-	-	-	
Cash Dividends	-	-	-	-	-	(149,041)	-	-	-	(149,041)	-	(149,041)	
Subsidiaries Acquired Cash Dividend Payment of Parent Company	-	-	297	-	-	-	-	-	-	297	117	414	
Profit for The Year Ended December 31, 2014	-	-	-	-	-	347,723	-	-	-	347,723	2,870	350,593	
Other Comprehensive Income	-	-	-	-	-	(2,841)	43,748	153,414	-	194,321	(217)	194,104	
Changes in Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	(1,133)	(1,133)	
Balance, December 31, 2014	<u>\$ 2,980,811</u>	<u>\$ 578,416</u>	<u>\$ 63,868</u>	<u>\$ 327,457</u>	<u>\$ 188,958</u>	<u>\$ 1,042,487</u>	<u>\$ 63,345</u>	<u>\$ 240,249</u>	<u>(\$ 28,054)</u>	<u>\$ 5,457,537</u>	<u>\$ 26,015</u>	<u>\$ 5,483,552</u>	
January 1st to December 31, 2015													
Equity at Beginning Of Period	\$ 2,980,811	\$ 578,416	\$ 63,868	\$ 327,457	\$ 188,958	\$ 1,042,487	\$ 63,345	\$ 240,249	(\$ 28,054)	\$ 5,457,537	\$ 26,015	\$ 5,483,552	
Appropriation and distribution of retained earnings of 2014:													
Legal Reserve	-	-	-	34,772	-	(34,772)	-	-	-	-	-	-	
Cash Dividends	-	-	-	-	-	(178,849)	-	-	-	(178,849)	-	(178,849)	
Subsidiaries Acquired Cash Dividend Payment of Parent Company	-	-	356	-	-	-	-	-	-	356	141	497	
Profit for The Year Ended December 31, 2015	-	-	-	-	-	353,696	-	-	-	353,696	6,255	359,951	
Other Comprehensive Income	-	-	-	-	-	(21,084)	(11,638)	(159,025)	-	(191,747)	(1,176)	(192,923)	
Changes in Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	17,229	17,229	
Balance, December 31, 2015	<u>\$ 2,980,811</u>	<u>\$ 578,416</u>	<u>\$ 64,224</u>	<u>\$ 362,229</u>	<u>\$ 188,958</u>	<u>\$ 1,161,478</u>	<u>\$ 51,707</u>	<u>\$ 81,224</u>	<u>(\$ 28,054)</u>	<u>\$ 5,440,993</u>	<u>\$ 48,464</u>	<u>\$ 5,489,457</u>	

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statements Of Cash Flows
For the Year Ended December 31, 2015 and 2014

Unit : NT\$ Thousands

	December 31, 2015	December 31, 2014
<u>Cash Flows From (Used in) Operating Activities</u>		
Consolidated Profit (Loss) Before Tax	\$ 450,329	\$ 432,874
Adjustments		
Depreciation expense	246,707	217,112
Amortized Expense	2,006	1,249
Bad Debts Recognized Revenue	(3,751)	(758)
Decrease in Allowance for Sales Returns and Allowances	(7,607)	(44,413)
Interest Expense	38,528	44,807
Interest Revenue	(17,365)	(26,443)
Dividend Revenue	(11,013)	(6,351)
Share of gain (loss) of Associates and Joint Ventures Accounted for Using Equity Method	(128,082)	(54,007)
Gain on Disposal of Investment	-	(98,199)
Gain on Disposal of Property, Plant and Equipment	(36,262)	(1,739)
Impairment of Assets	30,747	-
Notes Receivable (Include Related Parties)	(223)	70,631
Accounts Receivable (Include Related Parties)	(61,678)	(10,360)
Other Receivable (Include Related Parties)	7,087	5,171
Inventories	59,503	(79,745)
Prepayments	7,752	(6,228)
Notes Payable	68,999	(29,346)
Accounts Payable	37,896	2,607
Other Payable	5,089	(42,535)
Short-term Provision	(45,822)	-
Other Current Liabilities	16,964	2,426
Other Non-Current Liabilities	(14,014)	(14,256)
Cash Inflow (Outflow) Generated from Operations	645,790	362,497
Interest Received	17,081	26,391
Receive Cash Dividends	46,637	49,515
Income Taxes Refund (Paid)	(118,615)	(63,733)
Interest Paid	(36,046)	(44,261)
Net Cash Flows from (used in) Operating Activities	554,847	330,409

(Continue)

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statements Of Cash Flows
For the Year Ended December 31, 2015 and 2014

Unit : NT\$ Thousands

	December 31, 2015	December 31, 2014
<u>Cash Flows From (Used in) Investing Activities</u>		
Current Investments In Debt Instrument Without Active Market	(\$ 20,000)	\$ -
Decrease(Increase) in Financing Receivable	4,282	(51,525)
Decrease(Increase) in Pledged Deposit	(13,778)	5,082
Disposal of Financial Assets in Available-for-sale	-	168,085
Acquired Financial Assets at Cost - Noncurrent	(15,000)	(15,000)
Purchase of Property, Plant and Equipment	(308,878)	(289,128)
Disposal of Property, Plant and Equipment	249,296	13,177
Purchase of Investment Property	-	(1,202)
Decrease(Increase) in Refundable Deposits	(6,584)	7,910
Decrease(Increase) in Prepaid Investment	30,000	(30,000)
Decrease(Increase) in Other Non-current Assets	(2,631)	9,141
Acquired Government Grants	-	137,168
Net Cash Flows From (Used in) Investing Activities	(83,293)	(46,292)
<u>Cash flows from (used in) Financing Activities</u>		
Decrease(Increase) In Short-term Borrowings	(174,492)	(244,021)
Decrease(Increase) in Short-term Notes and Bills Payable	(198,984)	(9,945)
Proceeds from Long-term Borrowings	695,000	920,000
Repayment of Long-term Borrowings	(721,000)	(850,000)
Decrease(Increase) in Guarantee Deposits Received	899	1,630
Assigned Cash Dividends	(178,849)	(149,041)
Acquired Cash Dividends By Minority Interest	(2,771)	(1,133)
Non-controlling Interests change	20,000	-
Net cash FlowsFrom (Used in) Financing Activities	(560,197)	(332,510)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(5,467)	25,645
Net Increase (Decrease) In Cash and Cash Equivalents	(94,110)	(22,748)
Cash and Cash Equivalents at Beginning of Period	795,907	818,655
Cash and Cash Equivalents at End of Period	\$ 701,797	\$ 795,907