

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Condensed Balance Sheets
For the Year Ended December 31, 2016 and 2015

Unit : NT\$ Thousands

<u>Assets</u>		<u>December 31, 2016</u>		<u>December 31, 2015</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Current Assets					
1100	Cash and Cash Equivalents	\$ 628,746	6	\$ 701,797	7
1147	Current Investments in Debt Instrument Without				
	Active Market	12,000	-	20,000	-
1150	Notes Receivable	391,559	4	338,188	3
1160	Notes Receivable – Related Parties	163,749	2	167,119	2
1170	Accounts Receivable	1,122,244	11	1,064,551	11
1180	Accounts Receivable – Related Parties	90,470	1	67,118	1
1200	Other Receivables	32,798	-	28,724	-
1210	Other Receivables –Related Parties	183,022	2	164,305	2
1220	Current Income Tax Assets	18,512	-	3,714	-
130X	Inventories	1,604,663	16	1,485,334	15
1410	Prepayments	61,452	1	53,995	1
1476	Other Financial Assets- Current	16,472	-	31,500	-
11XX	Total Current Assets	<u>4,325,687</u>	<u>43</u>	<u>4,126,345</u>	<u>42</u>
Non-Current assets					
1523	Available-for-sale Financial Assets- Noncurrent	252,205	3	277,470	3
1543	Financial Assets at Cost - Noncurrent	30,710	-	30,710	-
1550	Long-term Investments at Equity	811,821	8	793,084	8
1600	Property, Plant and Equipment	4,162,002	42	4,265,256	43
1780	Intangible Assets	34,493	-	9,408	-
1840	Deferred Tax Assets	145,637	2	169,460	2
1900	Other Non-current Assets	194,562	2	241,172	2
15XX	Total Non-Current Assets	<u>5,631,430</u>	<u>57</u>	<u>5,786,560</u>	<u>58</u>
1XXX	Total Assets	<u>\$ 9,957,117</u>	<u>100</u>	<u>\$ 9,912,905</u>	<u>100</u>

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Liabilities and Shareholders' Equity		December 31, 2016		December 31, 2015	
		Amount	%	Amount	%
Current Liabilities					
2100	Short-term Borrowings	\$ 1,060,620	11	\$ 1,045,407	11
2110	Short-Term Notes and Bills Payable	115,994	1	73,994	1
2150	Notes Payable	82,352	1	156,857	2
2170	Accounts Payable	638,345	6	573,830	6
2200	Other Payables	371,642	4	298,406	3
2230	Current Income Tax Liabilities	27,376	-	17,759	-
2250	Provisions- Current	68,115	1	53,158	-
2300	Other Current Liabilities	64,411	1	52,871	-
21XX	Total Current Liabilities	2,428,855	25	2,272,282	23
Non-Current Liabilities					
2540	Long-term Borrowings	1,640,000	16	1,599,000	16
2570	Deferred Income Tax Liabilities	122,281	1	129,095	2
2600	Other Non-Current Liabilities	267,656	3	423,071	4
25XX	Total Non-Current Liabilities	2,029,937	20	2,151,166	22
2XXX	Total Liabilities	4,458,792	45	4,423,448	45
Equity Attributable to Owners of Parent					
Share Capital					
3110	Ordinary Share	2,980,811	30	2,980,811	30
Capital Surplus					
3200	Capital Surplus	642,996	7	642,640	6
Retained Earnings					
3310	Legal Reserve	397,599	4	362,229	4
3320	Special Reserve	188,958	2	188,958	2
3350	Unappropriated Retained Earnings	1,216,639	12	1,161,478	12
Other Equity Interest					
3400	Other Interest	53,444	-	132,931	1
3500	Treasury Stock	(28,054)	-	(28,054)	-
31XX	Total Equity Attributable to Shareholders of the Parent	5,452,393	55	5,440,993	55
36XX	Noncontrolling Interests	45,932	-	48,464	-
3XXX	Total Shareholders' Equity	5,498,325	55	5,489,457	55
Significant Contingent Liability&Unrealized Contractual Arrangement Significant Subsequent Events					
3X2X	Total Liabilities & Shareholders' Equity	\$ 9,957,117	100	\$ 9,912,905	100

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statements Of Comprehensive Income
January 1 to December 31, 2016 and 2015

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

Item	December 31, 2016		December 31, 2015	
	Amount	%	Amount	%
4000 Operating Revenue	\$ 5,781,413	100	\$ 5,627,644	100
5000 Operating Costs	(4,092,405)	(71)	(4,015,274)	(72)
5950 Gross Profit from Operations	<u>1,689,008</u>	<u>29</u>	<u>1,612,370</u>	<u>28</u>
Operating Expenses				
6100 Selling Expenses	(889,274)	(15)	(862,094)	(15)
6200 Administrative Expenses	(188,216)	(3)	(177,651)	(3)
6300 Research and Development Expenses	(325,083)	(6)	(326,669)	(6)
6000 Total Operating Expenses	<u>(1,402,573)</u>	<u>(24)</u>	<u>(1,366,414)</u>	<u>(24)</u>
6900 Net Operating Income	<u>286,435</u>	<u>5</u>	<u>245,956</u>	<u>4</u>
Non- Operating Income and Expenses				
7010 Other Revenue	47,040	1	120,375	2
7020 Other Gains and Losses	4,613	-	(5,556)	-
7050 Finance Cost	(36,038)	(1)	(38,528)	-
7060 Share of Profit or Loss of Associates & Joint Ventures Accounted for Using Equity Method)	<u>85,354</u>	<u>1</u>	<u>128,082</u>	<u>2</u>
7000 Total Non-operating Income and Expenses	<u>100,969</u>	<u>1</u>	<u>204,373</u>	<u>4</u>
7900 Income Before Income Tax	387,404	6	450,329	8
7950 IncomeTax Expense	(71,510)	(1)	(90,378)	(2)
8200 Net Income	<u>\$ 315,894</u>	<u>5</u>	<u>\$ 359,951</u>	<u>6</u>

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Item	December 31, 2016		December 31, 2015		
	Amount	%	Amount	%	
Other Comprehensive Income that will be Reclassified to Profit or Loss					
8311	(\$ 45,107)	(1)	(\$ 26,503)	-	
8320	Share of Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method	(7,420)	-	(264)	-
8349	Income Tax not Related to Components of Other Comprehensive Income	7,668	-	4,507	-
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				
	(44,859)	(1)	(22,260)	-	
8361	Exchange Differences on Translation of Foreign Financial Statements	(62,889)	(1)	(14,189)	-
8362	Unrealised Gains (Losses) on Valuation of Available-for-sale Financial Assets	(25,265)	-	(158,312)	(3)
8370	Share of Other Comprehensive Income (Loss) of Subsidiaries and Associates Accounted for Using Equity Method - Will be Reclassified to Profit	(2,024)	-	(575)	-
8399	Income Tax Relating to Components of Other Comprehensive Income	10,691	-	2,413	-
8360	Total Components of Other Comprehensive Income That Will be Reclassified to Profit or Loss				
	(79,487)	(1)	(170,663)	(3)	
8300	Total Net Comprehensive Profit(Loss) After Tax				
	(\$ 124,346)	(2)	(\$ 192,923)	(3)	
8500	Total Comprehensive Income				
	\$ 191,548	3	\$ 167,028	3	
Net Income (Losses) Attributable to:					
8610	Shareholders of the Parent	\$ 313,209	5	\$ 353,696	6
8620	Noncontrolling Interests	\$ 2,685	-	\$ 6,255	-
Comprehensive Income Attributable to:					
8710	Shareholders of the Parent	\$ 189,893	3	\$ 161,949	3
8720	Noncontrolling Interests	\$ 1,655	-	\$ 5,079	-
Earnings per Share					
9750	Diluted Earnings Per Share				
	\$	1.05	\$	1.19	

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statement of Changes in Equity
For the Year Ended December 31, 2016 and 2015

Unit : NT\$ Thousands

	Total Equity Attributable to Owners of Parent										Non-controlling Interests	Total Equity
	Ordinary Share	Additional Paid-In Capital	Treasury Stock Transactions	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation	Other Equity	Interest Unrealized Gains(Losses) on Available-for-sale Financial Assets	Treasury Stock		
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>
January 1st to December 31, 2016												
Equity at Beginning Of Period	\$2,980,811	\$ 578,416	\$ 64,224	\$ 362,229	\$ 188,958	\$1,161,478	\$ 51,707	\$ 81,224	(\$ 28,054)	\$5,440,993	\$ 48,464	\$5,489,457
Appropriation and Distribution of Retained Earnings of 2015 :												
Legal Reserve	-	-	-	35,370	-	(35,370)	-	-	-	-	-	-
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, 2016	-	-	-	-	-	313,209	-	-	-	313,209	2,685	315,894
Other Comprehensive Income	-	-	-	-	-	(43,829)	(52,249)	(27,238)	-	(123,316)	(1,030)	(124,346)
Changes in Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	(4,328)	(4,328)
Balance, December 31, 2016	<u>\$2,980,811</u>	<u>\$ 578,416</u>	<u>\$ 64,580</u>	<u>\$ 397,599</u>	<u>\$ 188,958</u>	<u>\$1,216,639</u>	<u>(\$542)</u>	<u>\$ 53,986</u>	<u>(\$ 28,054)</u>	<u>\$5,452,393</u>	<u>\$ 45,932</u>	<u>\$5,498,325</u>

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statements Of Cash Flows
For the Year Ended December 31, 2016 and 2015

Unit : NT\$ Thousands

	December 31, 2016	December 31, 2015
<u>Cash Flows From (Used in) Operating Activities</u>		
Consolidated Profit (Loss) Before Tax	\$ 387,404	\$ 450,329
Adjustments		
Depreciation expense	251,245	246,707
Amortized Expense	1,689	2,006
Bad Debts Recognized Revenue	2,812	(3,751)
Decrease in Allowance for Sales Returns and Allowances	(3,193)	(7,607)
Interest Expense	36,038	38,528
Interest Revenue	(15,777)	(17,365)
Dividend Revenue	(9,091)	(11,013)
Share of gain (loss) of Associates and Joint Ventures		
Accounted for Using Equity Method	(85,354)	(128,082)
Gain on Disposal of Property, Plant and Equipment	(1,384)	(36,262)
Impairment Loss	-	30,747
Notes Receivable (Include Related Parties)	(51,249)	(223)
Accounts Receivable (Include Related Parties)	(93,443)	(61,678)
Other Receivable (Include Related Parties)	23,516	7,087
Inventories	(156,777)	59,503
Prepayments	(7,662)	7,752
Notes Payable	(62,025)	68,999
Accounts Payable	56,021	37,896
Other Payable	32,812	5,089
Provision - Current	14,957	(45,822)
Other Current Liabilities	11,540	16,964
Other Non-Current Liabilities	(143,176)	(14,014)
Cash Inflow (Outflow) Generated from Operations	188,903	645,790
Interest Received	16,061	17,081
Receive Cash Dividends	66,268	46,637
Interest Paid	(36,214)	(36,046)
Income Taxes Refund (Paid)	(40,798)	(118,615)
Net Cash Flows from (used in) Operating Activities	194,220	554,847

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Consolidated Statements Of Cash Flows
For the Year Ended December 31, 2016 and 2015

Unit : NT\$ Thousands

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
<u>Cash Flows From (Used in) Investing Activities</u>		
Current Investments In Debt Instrument Without Active Market	\$ 8,000	(\$ 20,000)
Decrease(Increase) in Financing Receivable	(22,676)	4,282
Decrease(Increase) in Pledged Deposit	15,028	(13,778)
Acquired Financial Assets at Cost - Noncurrent	-	(15,000)
Purchase of Property, Plant and Equipment	(148,920)	(308,878)
Disposal of Property, Plant and Equipment	2,845	249,296
Decrease(Increase) in Refundable Deposits	3,021	(6,584)
Decrease(Increase) in Prepaid Investment	-	30,000
Decrease(Increase) in Other Non-current Assets	(11,700)	(2,631)
Acquisition of subsidiaries (Deduct the cash received)	(7,783)	-
Net Cash Flows From (Used in) Investing Activities	(162,185)	(83,293)
<u>Cash flows from (used in) Financing Activities</u>		
Decrease(Increase) In Short-term Borrowings	15,213	(174,492)
Decrease(Increase) in Short-term Notes and Bills Payable	42,000	(198,984)
Proceeds from Long-term Borrowings	261,000	695,000
Repayment of Long-term Borrowings	(220,000)	(721,000)
Decrease(Increase) in Guarantee Deposits Received	(11,077)	899
Assigned Cash Dividends	(178,849)	(178,849)
Acquired Cash Dividends By Minority Interest	(4,328)	(2,771)
Non-controlling Interests change	-	20,000
Net cash FlowsFrom (Used in) Financing Activities	(96,041)	(560,197)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(9,045)	(5,467)
Net Increase (Decrease) In Cash and Cash Equivalents	(73,051)	(94,110)
Cash and Cash Equivalents at Beginning of Period	<u>701,797</u>	<u>795,907</u>
Cash and Cash Equivalents at End of Period	<u>\$ 628,746</u>	<u>\$ 701,797</u>