

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Condensed Balance Sheets
For the Year Ended December 31, 2017 and 2016

Unit : NT\$ Thousands

Assets		December 31, 2017		December 31, 2016	
		Amount	%	Amount	%
Current Assets					
1100	Cash and Cash Equivalents	\$ 763,684	7	\$ 628,746	6
1147	Current Investments in Debt Instrument Without Active Market	3,000	-	12,000	-
1150	Notes Receivable	421,245	4	391,559	4
1160	Notes Receivable – Related Parties	158,535	2	163,749	2
1170	Accounts Receivable	1,311,771	13	1,122,244	11
1180	Accounts Receivable – Related Parties	47,264	-	90,470	1
1200	Other Receivables	31,766	-	32,798	-
1210	Other Receivables –Related Parties	176,154	2	183,022	2
1220	Current Income Tax Assets	-	-	18,512	-
130X	Inventories	1,698,611	17	1,604,663	16
1410	Prepayments	83,486	1	61,452	1
1476	Other Financial Assets- Current	27,916	-	16,472	-
11XX	Total Current Assets	4,723,432	46	4,325,687	43
Non-Current assets					
1523	Available-for-sale Financial Assets- Noncurrent	282,836	3	252,205	3
1543	Financial Assets at Cost - Noncurrent	30,710	-	30,710	-
1550	Long-term Investments at Equity	815,036	8	811,821	8
1600	Property, Plant and Equipment	4,042,123	39	4,162,002	42
1780	Intangible Assets	32,369	-	34,493	-
1840	Deferred Tax Assets	150,288	2	145,637	2
1900	Other Non-current Assets	199,769	2	194,562	2
15XX	Total Non-Current Assets	5,553,131	54	5,631,430	57
1XXX	Total Assets	\$ 10,276,563	100	\$ 9,957,117	100

(Continue)

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Condensed Balance Sheets
For the Year Ended December 31, 2017 and 2016

Unit : NT\$ Thousands

Liabilities and Shareholders' Equity		December 31, 2017		December 31, 2016	
		Amount	%	Amount	%
Current Liabilities					
2100	Short-term Borrowings	\$ 1,080,428	10	\$ 1,060,620	11
2110	Short-Term Notes and Bills Payable	92,671	1	115,994	1
2150	Notes Payable	127,891	1	82,352	1
2170	Accounts Payable	708,721	7	638,345	6
2200	Other Payables	444,592	4	371,642	4
2230	Current Income Tax Liabilities	47,069	-	27,376	-
2250	Provisions- Current	64,235	1	68,115	1
2300	Other Current Liabilities	71,430	1	64,411	1
21XX	Total Current Liabilities	<u>2,637,037</u>	<u>25</u>	<u>2,428,855</u>	<u>25</u>
Non-Current Liabilities					
2540	Long-term Borrowings	1,679,000	16	1,640,000	16
2570	Deferred Income Tax Liabilities	114,957	1	122,281	1
2600	Other Non-Current Liabilities	241,874	3	267,656	3
25XX	Total Non-Current Liabilities	<u>2,035,831</u>	<u>20</u>	<u>2,029,937</u>	<u>20</u>
2XXX	Total Liabilities	<u>4,672,868</u>	<u>45</u>	<u>4,458,792</u>	<u>45</u>
Equity Attributable to Owners of Parent					
Share Capital					
3110	Ordinary Share	2,980,811	29	2,980,811	30
Capital Surplus					
3200	Capital Surplus	644,659	6	642,996	7
Retained Earnings					
3310	Legal Reserve	428,920	4	397,599	4
3320	Special Reserve	188,958	2	188,958	2
3350	Unappropriated Retained Earnings	1,319,885	13	1,216,639	12
Other Equity Interest					
3400	Other Interest	27,964	-	53,444	-
3500	Treasury Stock	(28,054)	-	(28,054)	-
31XX	Total Equity Attributable to Shareholders of the Parent	<u>5,563,143</u>	<u>54</u>	<u>5,452,393</u>	<u>55</u>
36XX	Noncontrolling Interests	<u>40,552</u>	<u>1</u>	<u>45,932</u>	<u>-</u>
3XXX	Total Shareholders' Equity	<u>5,603,695</u>	<u>55</u>	<u>5,498,325</u>	<u>55</u>
Other Interest					
Treasury Stock					
3X2X	Total Equity Attributable to Shareholders of the Parent	<u>\$ 10,276,563</u>	<u>100</u>	<u>\$ 9,957,117</u>	<u>100</u>

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statements Of Comprehensive Income
January 1 to December 31, 2017 and 2016

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

Item	December 31, 2017		December 31, 2016	
	Amount	%	Amount	%
4000 Operating Revenue	\$ 6,244,807	100	\$ 5,781,413	100
5000 Operating Costs	(4,322,210)	(69)	(4,092,405)	(71)
5950 Gross Profit from Operations	<u>1,922,597</u>	<u>31</u>	<u>1,689,008</u>	<u>29</u>
Operating Expenses				
6100 Selling Expenses	(1,108,541)	(18)	(889,274)	(15)
6200 Administrative Expenses	(192,453)	(3)	(188,216)	(3)
6300 Research and Development Expenses	(344,302)	(5)	(325,083)	(6)
6000 Total Operating Expenses	<u>(1,645,296)</u>	<u>(26)</u>	<u>(1,402,573)</u>	<u>(24)</u>
6900 Net Operating Income	<u>277,301</u>	<u>5</u>	<u>286,435</u>	<u>5</u>
Non- Operating Income and Expenses				
7010 Other Revenue	45,975	1	47,040	1
7020 Other Gains and Losses	(767)	-	4,613	-
7050 Finance Cost	(35,819)	(1)	(36,038)	(1)
7060 Share of Profit or Loss of Associates & Joint Ventures Accounted for Using Equity Method)	<u>79,373</u>	<u>1</u>	<u>85,354</u>	<u>1</u>
7000 Total Non-operating Income and Expenses	<u>88,762</u>	<u>1</u>	<u>100,969</u>	<u>1</u>
7900 Income Before Income Tax	366,063	6	387,404	6
7950 IncomeTax Expense	(59,569)	(1)	(71,510)	(1)
8200 Net Income	<u>\$ 306,494</u>	<u>5</u>	<u>\$ 315,894</u>	<u>5</u>

(Continue)

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statements Of Comprehensive Income
January 1 to December 31, 2017 and 2016

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

Item	December 31, 2017		December 31, 2016	
	Amount	%	Amount	%
Other Comprehensive Income that will be Reclassified to Profit or Loss				
8311 Defined Benefit Plans be Remeasured	(\$ 83)	-	(\$ 45,107)	(1)
8320 Share of Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method	2,842	-	(7,420)	-
8349 Income Tax not Related to Components of Other Comprehensive Income	14	-	7,668	-
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>2,773</u>	<u>-</u>	<u>(44,859)</u>	<u>(1)</u>
8361 Exchange Differences on Translation of Foreign Financial Statements	(67,858)	(1)	(62,889)	(1)
8362 Unrealised Gains (Losses) on Valuation of Available-for-sale Financial Assets	30,631	1	(25,265)	-
8370 Share of Other Comprehensive Income (Loss) of Subsidiaries and Associates Accounted for Using Equity Method - Will be Reclassified to Profit	211	-	(2,024)	-
8399 Income Tax Relating to Components of Other Comprehensive Income	<u>11,536</u>	<u>-</u>	<u>10,691</u>	<u>-</u>
8360 Total Components of Other Comprehensive Income That Will be Reclassified to Profit or Loss	<u>(25,480)</u>	<u>-</u>	<u>(79,487)</u>	<u>(1)</u>
8300 Total Net Comprehensive Profit(Loss) After Tax	<u>(\$ 22,707)</u>	<u>-</u>	<u>(\$ 124,346)</u>	<u>(2)</u>
8500 Total Comprehensive Income	<u>\$ 283,787</u>	<u>5</u>	<u>\$ 191,548</u>	<u>3</u>
Net Income (Losses) Attributable to:				
8610 Shareholders of the Parent	<u>\$ 310,739</u>	<u>5</u>	<u>\$ 313,209</u>	<u>5</u>
8620 Noncontrolling Interests	<u>(\$ 4,245)</u>	<u>-</u>	<u>\$ 2,685</u>	<u>-</u>
Comprehensive Income Attributable to:				
8710 Shareholders of the Parent	<u>\$ 287,936</u>	<u>5</u>	<u>\$ 189,893</u>	<u>3</u>
8720 Noncontrolling Interests	<u>(\$ 4,149)</u>	<u>-</u>	<u>\$ 1,655</u>	<u>-</u>
Earnings per Share				
9750 Diluted Earnings Per Share	<u>\$ 1.05</u>	<u>1.05</u>	<u>\$ 1.05</u>	<u>1.05</u>

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statement of Changes in Equity
For the Year Ended December 31, 2017 and 2016

Unit : NT\$ Thousands

	Total Equity Attributable to Owners of Parent												
	Capital		Surplus	Retained Earnings		Other Equity	Interest					Non-co	
	Ordinary	Additio	Treasury	change	Legal	Special	Unappro	Exchange	Unrealized			ntrollin	Total
	Share	nal Paid-In	Stock Transact	in owners	Reserve	Reserve	priated	Differences	Gains(Loss			g	
		Capital	ions	hip of a			Retained	on	es)on			Interests	Equity
				subsidi			Earnings	Translation	Availablefo				
				ary					r-sale				
									Financial				
									Assets				
										Treasury			
										Stock	Total		

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statements Of Cash Flows
For the Year Ended December 31, 2017 and 2016

Unit : NT\$ Thousands

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
<u>Cash Flows From (Used in) Operating Activities</u>		
Consolidated Profit (Loss) Before Tax	\$ 366,063	\$ 387,404
Adjustments	6,859	1,689
Depreciation expense	247,713	251,245
Amortized Expense	1,678	2,812
Decrease in Allowance for Sales Returns and Allowances	11,122	(3,193)
Interest Expense	35,819	36,038
Interest Revenue	(21,408)	(15,777)
Dividend Revenue	(10,390)	(9,091)
Share of gain (loss) of Associates and Joint Ventures Accounted for Using Equity Method	(79,373)	(85,354)
Gain on Disposal of Property, Plant and Equipment	(921)	(1,384)
Notes Receivable (Include Related Parties)	(15,831)	(51,249)
Accounts Receivable (Include Related Parties)	(177,258)	(93,443)
Other Receivable (Include Related Parties)	6,001	23,516
Inventories	(104,943)	(156,777)
Prepayments	(22,551)	(7,662)
Notes Payable	47,762	(62,025)
Accounts Payable	59,521	56,021
Other Payable	87,558	32,812
Provision - Current	(3,880)	14,957
Other Current Liabilities	8,236	11,540
Other Non-Current Liabilities	(32,863)	(143,176)
Cash Inflow (Outflow) Generated from Operations	408,914	188,903
Interest Received	20,827	16,061
Receive Cash Dividends	89,600	66,268
Interest Paid	(36,283)	(36,214)
Income Taxes Refund (Paid)	(20,753)	(40,798)
Net Cash Flows from (used in) Operating Activities	462,305	194,220

(Continue)

China Chemical & Pharmaceutical Co., Ltd. And Subsidiaries
Consolidated Statements Of Cash Flows
For the Year Ended December 31, 2017 and 2016

Unit : NT\$ Thousands

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
<u>Cash Flows From (Used in) Investing Activities</u>		
Current Investments In Debt Instrument Without Active Market	\$ 9,000	\$ 8,000
Decrease(Increase) in Financing Receivable	2,090	(22,676)
Decrease(Increase) in Pledged Deposit	(11,444)	15,028
Purchase of Property, Plant and Equipment	(134,371)	(148,920)
Purchase of Intangible Aassets	(27,293)	-
Disposal of Property, Plant and Equipment	2,915	2,845
Decrease(Increase) in Investment on Equity-Method	(18,751)	3,021
Decrease(Increase) in Other Non-current Assets	(8,762)	(11,700)
Acquisition of subsidiaries (Deduct the cash received)	-	(7,783)
Net Cash Flows From (Used in) Investing Activities	<u>(186,616)</u>	<u>(162,185)</u>
<u>Cash flows from (used in) Financing Activities</u>		
Decrease(Increase) In Short-term Borrowings	19,808	15,213
Decrease(Increase) in Short-term Notes and Bills Payable	(23,300)	42,000
Proceeds from Long-term Borrowings	555,000	261,000
Repayment of Long-term Borrowings	(516,000)	(220,000)
Decrease(Increase) in Guarantee Deposits Received	16,662	(11,077)
Assigned Cash Dividends	(178,849)	(178,849)
Non-controlling Interests change	(2,064)	(4,328)
Net cash FlowsFrom (Used in) Financing Activities	<u>(128,743)</u>	<u>(96,041)</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(12,008)	(9,045)
Net Increase (Decrease) In Cash and Cash Equivalents	134,938	(73,051)
Cash and Cash Equivalents at Beginning of Period	<u>628,746</u>	<u>701,797</u>
Cash and Cash Equivalents at End of Period	<u><u>\$ 763,684</u></u>	<u><u>\$ 628,746</u></u>