

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD.  
Parent Company Only  
Balance Sheet  
For the Year Ended December 31, 2013 and 2014

Unit : NT\$ Thousands

ASSETS	December 31, 2014		December 31, 2013	
	NT\$	%	NT\$	%
<b>Current Assets</b>				
1100 Cash and Cash Equivalents	\$ 139,868	4	\$ 114,476	4
1150 Notes Receivable, net	1,445	-	1,374	-
1170 Accounts Receivable, net	45,576	2	66,626	2
1180 Accounts Receivable-Related Parties, net	73,264	2	108,745	4
1200 Other Receivables	14,936	1	6,559	-
1210 Other Receivables – Related Parties	-	-	38	-
130X Inventories	432,923	14	291,119	10
1410 Prepayments	473	-	2,344	-
1460 Non-current Assets Held for Sale, net	446,162	14	-	-
11XX <b>Total Current Assets</b>	<u>1,154,647</u>	<u>37</u>	<u>591,281</u>	<u>20</u>
<b>Non-Current Assets</b>				
1523 Non-current available-for-sale financial Assets	102,574	3	117,909	4
1543 Non-current Financial Assets at cost	15,000	1	-	-
1550 Investments Accounted for Using Equity Method	46,617	2	39,247	1
1600 Property, Plant and Equipment	1,815,704	57	2,210,844	74
1760 Investment Property, net	10,700	-	10,700	-
1780 Intangible Assets	1,452	-	-	-
1840 Deferred Income Tax Assets	13,822	-	21,221	1
1900 Other Non-current Assets	1,200	-	1,200	-
15XX <b>Total Non-current Assets</b>	<u>2,007,069</u>	<u>63</u>	<u>2,401,121</u>	<u>80</u>
1XXX <b>Total Assets</b>	<u>\$ 3,161,716</u>	<u>100</u>	<u>\$ 2,992,402</u>	<u>100</u>

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CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD.  
Parent Company Only  
Balance Sheet  
For the Year Ended December 31, 2013 and 2014

Unit : NT\$ Thousands

Liabilities and Shareholders' Equity	December 31, 2014		December 31, 2013	
	NT\$	%	NTD	%
<b>Current Liabilities</b>				
2100 Short-term Borrowings	\$ 220,000	7	\$ 175,000	6
2110 Short-term Notes and Bills Payable	189,795	6	69,916	2
2150 Notes Payable	893	-	315	-
2170 Accounts Payable	88,410	3	58,697	2
2200 Other Payables	85,828	3	87,078	3
2230 Current Income Tax Liabilities	17,194	-	3,360	-
2320 Long-term Liabilities – Current Portion	90,000	3	125,000	4
2399 Other Current Liabilities-Other	3,018	-	10,859	1
21XX <b>Total Current Liabilities</b>	<u>695,138</u>	<u>22</u>	<u>530,225</u>	<u>18</u>
<b>Non-current Liabilities</b>				
2540 Long-term Borrowings	650,000	20	540,000	18
2570 Deferred Income Tax Liabilities	242,229	8	241,736	8
2600 Other Non-current Liabilities	3,214	-	29,322	1
25XX <b>Total Non-current Liabilities</b>	<u>895,443</u>	<u>28</u>	<u>811,058</u>	<u>27</u>
2XXX <b>Total Liabilities</b>	<u>1,590,581</u>	<u>50</u>	<u>1,341,283</u>	<u>45</u>
<b>Equity Attributable to Owners of Parent</b>				
<b>Share Capital</b>				
3110 Ordinary Share	775,600	24	775,600	26
<b>Capital Surplus</b>				
3200 Capital Surplus	334,323	11	334,323	11
<b>Retained Earnings</b>				
3310 Legal Reserve	89,019	3	79,337	3
3320 Special Reserve	183,296	6	183,296	6
3350 Unappropriated Retained Earnings	189,322	6	264,356	9
<b>Other Equity Interest</b>				
3400 Others	( 425)	-	14,207	-
3XXX <b>Total Shareholders' Equity</b>	<u>1,571,135</u>	<u>50</u>	<u>1,651,119</u>	<u>55</u>
<b>Significant Contingent Liabilities and Unrecognized Contract Commitments</b>				
<b>Total Liabilities and Shareholders' Equity</b>				
Liabilities and Shareholders' Equity	<u>\$ 3,161,716</u>	<u>100</u>	<u>\$ 2,992,402</u>	<u>100</u>

**CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD.**

Parent Company Only

Statement of Comprehensive Income  
January 1 to December 31, 2013 and 2014

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

Accounting Title	December 31, 2014		December 31, 2013	
	NT\$	%	NT\$	%
4000 <b>Operating Revenue</b>	\$ 856,847	100	\$ 1,024,396	100
5000 <b>Operating Costs</b>	( 603,951)	( 71)	( 671,365)	( 66)
5900 <b>Gross Profit from Operations</b>	252,896	29	353,031	34
5910 Unrealized gain (loss) from sale	398	-	( 23,210)	( 2)
5920 Realized gain from sale	23,210	3	26,872	3
5950 <b>Gross Profit</b>	276,504	32	356,693	35
<b>Operating Expenses</b>				
6100 Selling Expenses	( 61,117)	( 7)	( 70,682)	( 7)
6200 General and Administrative Expenses	( 62,465)	( 7)	( 61,444)	( 6)
6300 Research and Development Expenses	( 130,022)	( 15)	( 126,477)	( 12)
6000 <b>Total Operating Expenses</b>	( 253,604)	( 29)	( 258,603)	( 25)
6900 <b>Net Operating Income (Loss)</b>	22,900	3	98,090	10
<b>Non-Operating Income and Expenses</b>				
7010 Other Income	14,497	2	13,012	1
7020 Other Gains and Losses	11,726	1	11,280	1
7050 Finance Costs	( 14,022)	( 2)	( 12,319)	( 1)
7070 Share of Profit of Associates & Joint Ventures Accounted for Using Equity Method	1,683	-	2,099	-
7000 <b>Total Non-Operating Income and Expenses</b>	13,884	1	14,072	1
7900 <b>Profit from Continuing Operations before Tax</b>	36,784	4	112,162	11
7950 Tax Expenses (Income)	( 22,192)	( 2)	( 15,337)	( 1)
8200 <b>Net Income</b>	\$ 14,592	2	\$ 96,825	10
<b>Other Comprehensive Income, Net</b>				
8310 Exchange Differences on Translation	\$ 703	-	\$ 211	-
8325 Unrealized Gains (Losses) on Valuation of Available-for-sale Financial Assets	( 15,335)	( 2)	13,827	1
8360 Actuarial Gains (Losses) on Defined Benefit Plans	( 2,872)	-	352	-
8399 Income Tax Related to Components of Other Comprehensive Income	488	-	( 60)	-
8300 <b>Other Comprehensive Loss after Tax, Net</b>	(\$ 17,016)	( 2)	\$ 14,330	1
8500 <b>Total Comprehensive Income</b>	(\$ 2,424)	-	\$ 111,155	11
<b>Basic Earnings Per Share</b>				
9750 <b>Basic Earnings (Loss) Per Share from Continuing Operations</b>	\$	0.19	\$	1.25
9850 <b>Diluted Earnings Per Share</b>	\$	0.19	\$	1.24

**CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD.**  
 Parent Company Only  
 Statement of Changes in Equity  
 January 1 to December 31, 2013 and 2014

Unit : NT\$ Thousands

	Capital Surplus			Retained Earnings			Other Equity Interest		
	Ordinary Share	Capital Surplus	Other	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation	Unrealized Gains (Losses) on Available-for-sale Financial Assets	Total Other Equity Interest
<b>January 1st to December 31, 2013</b>									
Equity at beginning of period	\$ 775,600	\$ 333,746	\$ 577	\$ 61,780	\$ 183,296	\$ 301,136	(\$ 488 )	\$ 657	\$ 1,656,304
Appropriation and distribution of retained earnings of 2012 :									
Legal reserve appropriated	-	-	-	17,557	-	( 17,557 )	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	( 116,340 )	-	-	( 116,340 )
Profit (loss)	-	-	-	-	-	96,825	-	-	96,825
Other comprehensive income	-	-	-	-	-	292	211	13,827	14,330
Equity at end of period	<u>\$ 775,600</u>	<u>\$ 333,746</u>	<u>\$ 577</u>	<u>\$ 79,337</u>	<u>\$ 183,296</u>	<u>\$ 264,356</u>	<u>(\$ 277 )</u>	<u>\$ 14,484</u>	<u>\$ 1,651,119</u>
<b>January 1st to June 30, 2014</b>									
Equity at beginning of period	\$ 775,600	\$ 333,746	\$ 577	\$ 79,337	\$ 183,296	\$ 264,356	(\$ 277 )	\$ 14,484	\$ 1,651,119
Appropriation and distribution of retained earnings of 2013::									
Legal reserve appropriated	-	-	-	9,682	-	( 9,682 )	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	( 77,560 )	-	-	( 77,560 )
Profit (loss)	-	-	-	-	-	14,592	-	-	14,592
Other comprehensive income	-	-	-	-	-	( 2,384 )	703	( 15,335 )	( 17,016 )
Equity at end of period	<u>\$ 775,600</u>	<u>\$ 333,746</u>	<u>\$ 577</u>	<u>\$ 89,019</u>	<u>\$ 183,296</u>	<u>\$ 189,322</u>	<u>\$ 426</u>	<u>(\$ 851 )</u>	<u>\$ 1,571,135</u>

Note: Upon the approval of the Annual Meeting of Shareholders, employee bonus sharing \$8,715 and \$13,072, and Compensation of directors and supervisors \$871 and \$1,307 for the year of 2013 and 2012 are deducted from the parent company income statement.

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD.

Parent Company Only

Statement of Cash Flows

January 1 to December 31, 2013 and 2014

Unit : NT\$ Thousands

	December 31, 2014	December 31, 2013
<u>Cash flows from (used in) operating activities</u>		
Profit (loss) before tax	\$ 36,784	\$ 112,162
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	95,447	83,204
Amortization expense	1,008	-
Provision (reversal of provision) for bad debt expense	-	( 2,325 )
Interest expense	14,022	12,319
Interest income	( 42 )	( 47 )
Dividend income	( 2,514 )	( 2,514 )
Share of Profit of Associates & Joint Ventures Accounted for Using Equity Method	( 1,683 )	( 2,099 )
Loss (gain) on disposal of property, plant and equipment	480	-
Property, plant and equipment transferred to expenses	81	-
Unrealized gain (loss) from sale	( 398 )	23,210
Realized gain (loss) from sale	( 23,210 )	( 26,872 )
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in notes receivable	( 71 )	1,448
Decrease (increase) in accounts receivable	21,050	( 3,164 )
Decrease (increase) in accounts receivable due from related parties	35,481	35,764
Decrease (increase) in other receivable	566	( 581 )
Decrease (increase) in inventories	38	6,810
Decrease (increase) in prepayments	( 141,804 )	35,466
Changes in operating assets and liabilities	1,871	( 487 )
Changes in operating liabilities		
Increase (decrease) in notes payable	578	315
Increase (decrease) in accounts payable	29,713	( 27,871 )
Increase (decrease) in other payable	( 3,917 )	( 30,576 )
Increase (decrease) in other current liabilities	( 7,841 )	4,204
Increase (decrease) in other non-current liabilities	( 15,914 )	( 14,524 )
Cash inflow (outflow) generated from operations	39,725	203,842
Interest received	42	47
Dividends received	8,072	5,134
Interest paid	( 14,285 )	( 12,254 )
Income taxes refund (paid)	( 8,920 )	( 38,084 )
Cash inflow (outflow) generated from operations	24,634	158,685

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CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD.

Parent Company Only

Statement of Cash Flows

January 1 to December 31, 2013 and 2014

Unit : NT\$ Thousands

	December 31, 2014	December 31, 2013
<u>Cash flows from (used in) investing activities</u>		
Acquisition of financial assets at cost	( \$ 15,000 )	\$ -
Investments Accounted for Using Equity		
Method	-	( 17,940 )
Acquisition of property, plant and equipment	( 144,100 )	( 109,993 )
Acquisition of intangible assets	( 2,461 )	-
Net cash flows from (used in) investing activities	( 161,561 )	( 127,933 )
<u>Cash flows from (used in) financing activities</u>		
Increase in short-term loans	45,000	-
Increase in short-term notes and bills payable	119,879	( 20,048 )
Proceeds from long-term debt	1,300,000	650,000
Repayments of long-term debt	( 1,225,000 )	( 550,000 )
Cash dividends paid	( 77,560 )	( 116,340 )
Net cash flows from (used in) financing activities	162,319	( 36,388 )
Net increase (decrease) in cash and cash equivalents	25,392	( 5,636 )
Cash and cash equivalents at beginning of period	114,476	120,112
Cash and cash equivalents at end of period	<u>\$ 139,868</u>	<u>\$ 114,476</u>