

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES  
Consolidated 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	\$ 221,456	7	\$ 211,485	7
1150	Notes Receivable, net	1,445	-	1,374	-
1170	Accounts Receivable, net	101,438	3	103,048	4
1180	Accounts Receivable-Related Parties, net	12,395	-	2,057	-
1200	Other Receivables	15,105	1	6,559	-
130X	Inventories	438,321	14	340,243	11
1410	Prepayments	673	-	2,605	-
1460	Non-current Assets Held for Sale, net	446,162	14	-	-
11XX	<b>Total Current Assets</b>	<u>1,236,995</u>	<u>39</u>	<u>667,371</u>	<u>22</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	24,838	1	9,838	-
1600	Property, Plant and Equipment	1,815,786	57	2,210,931	73
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	1,296	-	2,185	-
15XX	<b>Total Non-current Assets</b>	<u>1,970,468</u>	<u>61</u>	<u>2,372,784</u>	<u>78</u>
1XXX	<b>Total Assets</b>	<u>\$ 3,207,463</u>	<u>100</u>	<u>\$ 3,040,155</u>	<u>100</u>

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CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES

Consolidated 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\$	%	NT\$	%
<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	58,784	2
2200 Other Payables	86,784	3	87,910	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	-	10,860	1
21XX <b>Total Current Liabilities</b>	<u>696,094</u>	<u>22</u>	<u>531,145</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	-	16,256	-
25XX <b>Total Non-current Liabilities</b>	<u>895,443</u>	<u>28</u>	<u>797,992</u>	<u>26</u>
2XXX <b>Total Liabilities</b>	<u>1,591,537</u>	<u>50</u>	<u>1,329,137</u>	<u>44</u>
<b>Equity Attributable to Owners of Parent</b>				
<b>Share Capital</b>				
3110 Ordinary Share	775,600	24	775,600	25
<b>Capital Surplus</b>				
3200 Capital Surplus	334,323	10	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	-
31XX <b>Total Equity Attributable to Owners of Parent</b>	<u>1,571,135</u>	<u>49</u>	<u>1,651,119</u>	<u>54</u>
36XX <b>Non-controlling Interests</b>	<u>44,791</u>	<u>1</u>	<u>59,899</u>	<u>2</u>
3XXX <b>Total Shareholders' Equity</b>	<u>1,615,926</u>	<u>50</u>	<u>1,711,018</u>	<u>56</u>
<b>Significant Contingent Liabilities and Unrecognized Contract Commitments</b>				
<b>Total Liabilities and Shareholders' Equity</b>				
Liabilities and Shareholders' Equity	\$ 3,207,463	100	\$ 3,040,155	100

**CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES**  
**Consolidated 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>	\$ 946,704	100	\$ 1,043,480	100
5000 <b>Operating Costs</b>	( 649,948)	( 69)	( 668,486)	( 64)
5900 <b>Gross Profit from Operations</b>	<u>296,756</u>	<u>31</u>	<u>374,994</u>	<u>36</u>
<b>Operating Expenses</b>				
6100 Selling Expenses	( 80,122)	( 8)	( 87,908)	( 8)
6200 General and Administrative Expenses	( 63,262)	( 7)	( 61,875)	( 6)
6300 Research and Development Expenses	( 130,022)	( 14)	( 126,477)	( 12)
6000 <b>Total Operating Expenses</b>	<u>( 273,406)</u>	<u>( 29)</u>	<u>( 276,260)</u>	<u>( 26)</u>
6900 <b>Net Operating Income (Loss)</b>	<u>23,350</u>	<u>2</u>	<u>98,734</u>	<u>10</u>
<b>Non-Operating Income and Expenses</b>				
7010 Other Income	17,327	2	15,829	1
7020 Other Gains and Losses	11,252	1	11,438	1
7050 Finance Costs	( 14,022)	( 1)	( 12,319)	( 1)
7000 <b>Total Non-Operating Income and Expenses</b>	<u>14,557</u>	<u>2</u>	<u>14,948</u>	<u>1</u>
7900 <b>Profit from Continuing Operations before Tax</b>	<u>37,907</u>	<u>4</u>	<u>113,682</u>	<u>11</u>
7950 Tax Expenses (Income)	( 22,996)	( 2)	( 16,764)	( 2)
8200 <b>Net Income</b>	<u>\$ 14,911</u>	<u>2</u>	<u>\$ 96,918</u>	<u>9</u>
<b>Other Comprehensive Income, Net</b>				
8310 Exchange Differences on Translation	\$ 718	-	\$ 215	-
8325 Unrealized Gains (Losses) on Valuation of Available-for-sale Financial Assets	( 15,335)	( 2)	13,827	2
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>	<u>(\$ 17,001)</u>	<u>( 2)</u>	<u>\$ 14,334</u>	<u>2</u>
8500 <b>Total Comprehensive Income</b>	<u>(\$ 2,090)</u>	<u>-</u>	<u>\$ 111,252</u>	<u>11</u>
<b>Profit (Loss), Attributable to:</b>				
8610 Profit (Loss), Attributable to Owners of Parent	<u>\$ 14,592</u>	<u>2</u>	<u>\$ 96,825</u>	<u>9</u>
8620 Profit (Loss), Attributable to Non-controlling Interests	<u>\$ 319</u>	<u>-</u>	<u>\$ 93</u>	<u>-</u>
<b>Comprehensive Income Attributable to:</b>				
8710 Comprehensive Income, Attributable to Owners of Parent	<u>(\$ 2,424)</u>	<u>-</u>	<u>\$ 111,155</u>	<u>11</u>
8720 Comprehensive Income, Attributable to Non-controlling Interests	<u>\$ 334</u>	<u>-</u>	<u>\$ 97</u>	<u>-</u>
<b>Basic Earnings Per Share</b>				
9750 <b>Basic Earnings (Loss) Per Share from Continuing Operations</b>	<u>\$</u>	<u>0.19</u>	<u>\$</u>	<u>1.25</u>
9850 <b>Diluted Earnings Per Share</b>	<u>\$</u>	<u>0.19</u>	<u>\$</u>	<u>1.24</u>

**CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES**  
**Consolidated Statement of Changes in Equity**  
**January 1 to December 31, 2013 and 2014**

Unit : NT\$ Thousands

	T o t a l E q u i t y A t t r i b u t a b l e t o O w n e r s o f P a r e n t										
	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	Non-controlling Interests	Total Equity
<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	\$ 67,081	\$ 1,723,385
Appropriation and distribution of retained earnings of 2012 :											
Legal reserve appropriated	-	-	-	17,557	-	( 17,557 )	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	( 116,340 )	-	-	( 116,340 )	-	( 116,340 )
Profit (loss)	-	-	-	-	-	96,825	-	-	96,825	93	96,918
Other comprehensive income	-	-	-	-	-	292	211	13,827	14,330	4	14,334
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	( 7,279 )	( 7,279 )
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>	<u>\$ 59,899</u>	<u>\$ 1,711,018</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	\$ 59,899	\$ 1,711,018
Appropriation and distribution of retained earnings of 2013::											
Legal reserve appropriated	-	-	-	9,682	-	( 9,682 )	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	( 77,560 )	-	-	( 77,560 )	-	( 77,560 )
Profit (loss)	-	-	-	-	-	14,592	-	-	14,592	319	14,911
Other comprehensive income	-	-	-	-	-	( 2,384 )	703	( 15,335 )	( 17,016 )	15	( 17,001 )
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	( 15,442 )	( 15,442 )
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>	<u>\$ 44,791</u>	<u>\$ 1,615,926</u>

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES

Consolidated Statement of Cash Flows  
January 1 to December 31, 2013 and 2014

Unit : NT\$ Thousands

	<u>December 31, 2014</u>		<u>December 31, 2013</u>
<u>Cash flows from (used in) operating activities</u>			
Profit (loss) before tax	\$ 37,907	\$	113,682
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	95,484		83,265
Amortization expense	1,008		-
Provision (reversal of provision) for bad debt expense	-	(	2,325)
Interest expense	14,022		12,319
Interest income	( 582 )	(	399)
Dividend income	( 2,514 )	(	2,514)
Loss (gain) on disposal of property, plant and equipment	480		-
Property, plant and equipment transferred to expenses	81		-
Changes in operating assets and liabilities			
Changes in operating assets			
Decrease (increase) in notes receivable	( 71 )		1,448
Decrease (increase) in accounts receivable	1,610		27,701
Decrease (increase) in accounts receivable due from related parties	( 10,338 )		3,777
Decrease (increase) in other receivable	398	(	581)
Decrease (increase) in inventories	( 98,078 )		26,743
Decrease (increase) in prepayments	1,932	(	519)
Changes in operating liabilities			
Increase (decrease) in notes payable	578		315
Increase (decrease) in accounts payable	29,626	(	28,115)
Increase (decrease) in other payable	( 3,792 )	(	29,978)
Increase (decrease) in other current liabilities	( 7,842 )		4,203
Increase (decrease) in other non-current liabilities	( 15,914 )	(	14,876)
Cash inflow (outflow) generated from operations	43,995		194,146
Interest received	582		399
Dividends received	2,514		2,514
Interest paid	( 14,285 )	(	12,254)
Income taxes refund (paid)	( 9,725 )	(	39,565)
Cash inflow (outflow) generated from operations	<u>23,081</u>		<u>145,240</u>

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CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES

Consolidated 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 )	( \$ 9,838 )
Acquisition of property, plant and equipment	( 144,128 )	( 110,044 )
Acquisition of intangible assets	( 2,461 )	-
Increase in other non-current assets	889	( 18 )
Net cash flows from (used in)		
investing activities	( 160,700 )	( 119,900 )
<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 )
Cash dividends paid - Non-controlling interests	( 15,442 )	( 7,279 )
Net cash flows from (used in)		
financing activities	146,877	( 43,667 )
Effect of exchange rate changes on cash and		
cash equivalents	713	617
Net increase (decrease) in cash and cash		
equivalents	9,971	( 17,710 )
Cash and cash equivalents at beginning of period	211,485	229,195
Cash and cash equivalents at end of period	\$ 221,456	\$ 211,485