

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD.
Parent Company Only
Balance Sheet
For the Year Ended December 31, 2015 and 2014

Unit : NT\$ Thousands

ASSETS		December 31, 2015		December 31, 2014	
		NT\$	%	NT\$	%
Current Assets					
1100	Cash and Cash Equivalents	\$ 114,384	4	\$ 139,868	4
1150	Notes Receivable, net	1,054	-	1,445	-
1170	Accounts Receivable, net	84,557	3	45,576	2
1180	Accounts Receivable-Related Parties, net	175,445	6	73,264	2
1200	Other Receivables	12,961	1	14,936	1
1210	Other Receivables – Related Parties	6,434	-	-	-
130X	Inventories	409,197	14	432,923	14
1410	Prepayments	422	-	473	-
1460	Non-current Assets Held for Sale, net	-	-	446,162	14
11XX	Total Current Assets	<u>804,454</u>	<u>28</u>	<u>1,154,647</u>	<u>37</u>
Non-Current Assets					
1523	Non-current available-for-sale financial Assets	99,306	4	102,574	3
1543	Non-current Financial Assets at cost	30,000	1	15,000	1
1550	Investments Accounted for Using Equity Method	33,349	1	46,617	2
1600	Property, Plant and Equipment	1,838,842	65	1,815,704	57
1760	Investment Property, net	10,700	-	10,700	-
1780	Intangible Assets	1,297	-	1,452	-
1840	Deferred Income Tax Assets	17,291	1	13,822	-
1900	Other Non-current Assets	5,414	-	1,200	-
15XX	Total Non-current Assets	<u>2,036,199</u>	<u>72</u>	<u>2,007,069</u>	<u>63</u>
1XXX	Total Assets	<u>\$ 2,840,653</u>	<u>100</u>	<u>\$ 3,161,716</u>	<u>100</u>

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CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD.
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Balance Sheet
For the Year Ended December 31, 2015 and 2014

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Liabilities and Shareholders' Equity		December 31, 2015		December 31, 2014	
		NT\$	%	NT\$	%
Current Liabilities					
2100	Short-term Borrowings	\$ 190,000	7	\$ 220,000	7
2110	Short-term Notes and Bills Payable	189,866	6	189,795	6
2150	Notes Payable	360	-	893	-
2170	Accounts Payable	62,338	2	88,410	3
2200	Other Payables	112,832	4	85,828	3
2230	Current Income Tax Liabilities	24,113	1	17,194	-
2320	Long-term Liabilities – Current Portion	50,000	2	90,000	3
2399	Other Current Liabilities-Other	3,696	-	3,018	-
21XX	Total Current Liabilities	<u>633,205</u>	<u>22</u>	<u>695,138</u>	<u>22</u>
Non-current Liabilities					
2540	Long-term Borrowings	130,000	5	650,000	20
2570	Deferred Income Tax Liabilities	241,472	8	242,229	8
2600	Other Non-current Liabilities	266	-	3,214	-
25XX	Total Non-current Liabilities	<u>371,738</u>	<u>13</u>	<u>895,443</u>	<u>28</u>
2XXX	Total Liabilities	<u>1,004,943</u>	<u>35</u>	<u>1,590,581</u>	<u>50</u>
3110	Ordinary Share	775,600	27	775,600	24
Capital Surplus					
3200	Capital Surplus	334,323	12	334,323	11
Retained Surplus					
3310	Legal Reserve	90,478	3	89,019	3
3320	Special Reserve	183,296	7	183,296	6
3350	Unappropriated Retained Earnings	455,031	16	189,322	6
Other Equity Interest					
3400	Others	(3,018)	-	(425)	-
3XXX	Total Shareholders' Equity	<u>1,835,710</u>	<u>65</u>	<u>1,571,135</u>	<u>50</u>
Significant Contingent Liabilities and Unrecognized Contract Commitments					
3X2X	Total Liabilities and Shareholders' Equity	<u>\$ 2,840,653</u>	<u>100</u>	<u>\$ 3,161,716</u>	<u>100</u>

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD.

Parent Company Only

Statement of Comprehensive Income

January 1 to December 31, 2015 and 2014

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

Accounting Title	2015		2014	
	NT\$	%	NT\$	%
4000 Operating Revenue	\$ 1,148,686	100	\$ 856,847	100
5000 Operating Costs	(772,476)	(67)	(603,951)	(71)
5900 Gross Profit from Operations	376,210	33	252,896	29
5910 Unrealized gain (loss) from sale	(162)	-	398	-
5920 Realized gain from sale	(398)	-	23,210	3
5950 Gross Profit	375,650	33	276,504	32
Operating Expenses				
6100 Selling Expenses	(77,949)	(7)	(61,117)	(7)
6200 General and Administrative Expenses	(76,514)	(7)	(62,465)	(7)
6300 Research and Development Expenses	(131,871)	(11)	(130,022)	(15)
6000 Total Operating Expenses	(286,334)	(25)	(253,604)	(29)
6900 Net Operating Income (Loss)	89,316	8	22,900	3
Non-Operating Income and Expenses				
7010 Other Income	10,816	1	14,497	2
7020 Other Gains and Losses	240,870	21	11,726	1
7050 Finance Costs	(8,373)	(1)	(14,022)	(2)
7070 Share of Profit of Associates & Joint Ventures Accounted for Using Equity Method	(994)	-	1,683	-
7000 Total Non-Operating Income and Expenses	242,319	21	13,884	1
7900 Profit from Continuing Operations before Tax	331,635	29	36,784	4
7950 Tax Expenses (Income)	(23,279)	(2)	(22,192)	(2)
8200 Net Income	\$ 308,356	27	\$ 14,592	2
Other Comprehensive Profits or Losses, net				
Components of other comprehensive income that will not be reclassified to profit or loss				
8311 Gains (losses) on remeasurements of defined benefit plans	(\$ 2,901)	-	(\$ 2,872)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	493	-	488	-
8310 Components of other comprehensive income that will not be reclassified to profit or loss	(2,408)	-	(2,384)	-
Components of other comprehensive income that will be reclassified to profit or loss				
8361 Exchange differences on translation	675	-	703	-
8362 Unrealised gains (losses) on valuation of available-for-sale financial assets	(3,268)	(1)	(15,335)	(2)
8360 Components of other comprehensive income that will be reclassified to profit or loss	(2,593)	(1)	(14,632)	(2)
8300 Other Comprehensive Loss after Tax, Net	(\$ 5,001)	(1)	(\$ 17,016)	(2)
8500 Total Comprehensive Income	\$ 303,355	26	\$ 2,424	-
Basic Earnings Per Share				
9750 Basic Earnings (Loss) Per Share from Continuing Operations	\$ 3.98		\$ 0.19	
9850 Diluted Earnings Per Share	\$ 3.96		\$ 0.19	

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD.
Parent Company Only
Statement of Changes in Equity
January 1 to December 31, 2015 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
<u>January 1 to December 31, 2014</u>									
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>
<u>January 1st to June 30, 2015</u>									
Equity at beginning of period	\$ 775,600	\$ 333,746	\$ 577	\$ 89,019	\$ 183,296	\$ 189,322	\$ 426	(\$ 851)	\$ 1,571,135
Appropriation and distribution of retained earnings of 2014::									
Legal reserve appropriated	-	-	-	1,459	-	(1,459)	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(38,780)	-	-	(38,780)
Profit (loss)	-	-	-	-	-	308,356	-	-	308,356
Other comprehensive income	-	-	-	-	-	(2,408)	675	(3,268)	(5,001)
Equity at end of period	<u>\$ 775,600</u>	<u>\$ 333,746</u>	<u>\$ 577</u>	<u>\$ 90,478</u>	<u>\$ 183,296</u>	<u>\$ 455,031</u>	<u>\$ 1,101</u>	<u>(\$ 4,119)</u>	<u>\$ 1,835,710</u>

Note: Upon the approval of the Annual Meeting of Shareholders, employee bonus sharing \$4,357 and \$8,715, and Compensation of directors and supervisors \$436 and \$871 for the year of 2014 and 2013 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, 2015 and 2014

Unit : NT\$ Thousands

	2015		2014
<u>Cash flows from (used in) operating activities</u>			
Profit (loss) before tax	\$ 331,635	\$	36,784
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	101,092		95,447
Amortization expense	1,717		1,008
Interest expense	8,373		14,022
Interest income	(76 )	(	42)
Dividend income	(3,017 )	(	2,514)
Share of Profit of Associates & Joint Ventures Accounted for Using Equity Method	994	(	1,683)
Loss (gain) on disposal of property, plant and equipment	-		480
Loss (gain) on disposal of non-current assets classified as held for sale	(233,088)		-
Property, plant and equipment transferred to expenses	1,482		81
Unrealized gain (loss) from sale	162	(	398)
Realized gain (loss) from sale	398	(	23,210)
Changes in operating assets and liabilities			
Changes in operating assets			
Decrease (increase) in notes receivable	391	(	71)
Decrease (increase) in accounts receivable	(38,981)		21,050
Decrease (increase) in accounts receivable due from related parties	(102,181)		35,481
Decrease (increase) in other receivable	(139)		566
Decrease (increase) in other receivable due from related parties	-		38
Decrease (increase) in inventories	23,726	(	141,804)
Decrease (increase) in prepayments	51		1,871
Decrease (increase) in defined benefits assets, net	(3,514)		-
Changes in operating liabilities			
Increase (decrease) in notes payable	(533)		578
Increase (decrease) in accounts payable	(26,072)		29,713
Increase (decrease) in other payable	29,314	(	3,917)
Increase (decrease) in other current liabilities	678	(	7,841)
Increase (decrease) in defined benefit liability, net	(5,849 )	(	15,914)
Cash inflow (outflow) generated from operations	86,563		39,725
Interest received	76		42
Dividends received	8,972		8,072
Interest paid	(8,690 )	(	14,285)
Income taxes refund (paid)	(17,979)	(8,920)
Cash inflow (outflow) generated from operations	68,942		24,634

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Parent Company Only

Statement of Cash Flows

January 1 to December 31, 2015 and 2014

Unit : NT\$ Thousands

	<u>2015</u>	<u>2014</u>
<u>Cash flows from (used in) investing activities</u>		
Acquisition of financial assets at cost	(\$ 15,000)	(\$ 15,000)
Acquisition of property, plant and equipment	(127,705)	(144,100)
Loss (gain) on disposal of non-current assets classified as held for sale	679,250	-
Acquisition of intangible assets	(1,562)	(2,461)
Decrease (increase) in refundable deposits	(700)	-
Net cash flows from (used in) investing activities	<u>534,283</u>	<u>(161,561)</u>
<u>Cash flows from (used in) financing activities</u>		
Increase in short-term loans	(30,000)	45,000
Increase in short-term notes and bills payable	71	119,879
Proceeds from long-term debt	660,000	1,300,000
Repayments of long-term debt	(1,220,000)	(1,225,000)
Cash dividends paid	(38,780)	(77,560)
Net cash flows from (used in) financing activities	<u>(628,709)</u>	<u>162,319</u>
Increase (decrease) in current cash and cash equivalents	(25,484)	25,392
Cash and cash equivalents at beginning of period	<u>139,868</u>	<u>114,476</u>
Cash and cash equivalents at end of period	<u>\$ 114,384</u>	<u>\$ 139,868</u>