

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES  
Consolidated Balance Sheet (Unaudited)

Unit : NT\$ Thousands

ASSETS	June 30, 2015		December31, 2014		June 30, 2014		
	NT\$	%	NT\$	%	NT\$	%	
<b>Current Assets</b>							
1100	Cash and Cash Equivalents	\$ 171,450	6	\$ 221,456	7	\$ 212,000	7
1150	Notes Receivable, net	614	-	1,445	-	3,871	-
1170	Accounts Receivable, net	144,715	5	101,438	3	44,184	2
1180	Accounts Receivable-Related Parties, net	776	-	12,395	-	5,759	-
1200	Other Receivables	17,126	1	15,105	1	9,569	-
130X	Inventories	418,437	16	438,321	14	414,717	14
1410	Prepayments	5,587	-	673	-	9,347	-
1460	Non-current Assets Held for Sale, net	-	-	446,162	14	-	-
11XX	<b>Total Current Assets</b>	<u>758,705</u>	<u>28</u>	<u>1,236,995</u>	<u>39</u>	<u>699,447</u>	<u>23</u>
<b>Non-Current Assets</b>							
1523	Non-current available-for-sale financial Assets	97,043	3	102,574	3	117,407	4
1543	Non-current Financial Assets at cost	18,476	1	24,838	1	9,838	-
1600	Property, Plant and Equipment	1,810,801	67	1,815,786	57	2,237,989	72
1760	Investment Property, net	10,700	-	10,700	-	10,700	-
1780	Intangible Assets	1,045	-	1,452	-	1,775	-
1840	Deferred Income Tax Assets	20,271	1	13,822	-	16,365	1
1900	Other Non-current Assets	2,294	-	1,296	-	1,291	-
15XX	<b>Total Non-current Assets</b>	<u>1,960,630</u>	<u>72</u>	<u>1,970,468</u>	<u>61</u>	<u>2,395,365</u>	<u>77</u>
1XXX	<b>Total Assets</b>	<u>\$ 2,719,335</u>	<u>100</u>	<u>\$ 3,207,463</u>	<u>100</u>	<u>\$ 3,094,812</u>	<u>100</u>

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CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES  
Consolidated Balance Sheet (Unaudited)

Unit : NT\$ Thousands

Liabilities and Shareholders' Equity	June 30, 2015		December 31, 2014		June 30, 2014		
	NT\$	%	NT\$	%	NT\$	%	
<b>Current Liabilities</b>							
2100	Short-term Borrowings	\$ 205,000	7	\$ 220,000	7	\$ 145,000	5
2110	Short-term Notes and Bills Payable	189,810	7	189,795	6	89,898	3
2150	Notes Payable	1,710	-	893	-	1,710	-
2170	Accounts Payable	69,342	3	88,410	3	70,139	3
2200	Other Payables	125,366	5	86,784	3	162,110	5
2230	Current Income Tax Liabilities	3,551	-	17,194	-	5,839	-
2320	Long-term Liabilities – Current Portion	-	-	90,000	3	100,000	3
2399	Other Current Liabilities-Other	3,199	-	3,018	-	6,799	-
21XX	<b>Total Current Liabilities</b>	<u>597,978</u>	<u>22</u>	<u>696,094</u>	<u>22</u>	<u>581,495</u>	<u>19</u>
<b>Non-current Liabilities</b>							
2540	Long-term Borrowings	110,000	4	650,000	20	610,000	20
2570	Deferred Income Tax Liabilities	240,952	9	242,229	8	241,243	8
2600	Other Non-current Liabilities	1,912	-	3,214	-	8,490	-
25XX	<b>Total Non-current Liabilities</b>	<u>352,864</u>	<u>13</u>	<u>895,443</u>	<u>28</u>	<u>859,733</u>	<u>28</u>
2XX	<b>Total Liabilities</b>	<u>950,842</u>	<u>35</u>	<u>1,591,537</u>	<u>50</u>	<u>1,441,228</u>	<u>47</u>
<b>Equity Attributable to Owners of Parent</b>							
<b>Share Capital</b>							
3110	Ordinary Share	775,600	29	775,600	24	775,600	25
<b>Capital Surplus</b>							
3200	Capital Surplus	334,323	12	334,323	10	334,323	11
<b>Retained Earnings</b>							
3310	Legal Reserve	90,478	3	89,019	3	89,019	3
3320	Special Reserve	183,296	7	183,296	6	183,296	6
3350	Unappropriated Retained Earnings	362,927	13	189,322	6	213,010	7
<b>Other Equity Interest</b>							
3400	Others	( 6,291)	-	( 425)	-	13,746	-
31XX	<b>Total Equity Attributable to Owners of Parent</b>	<u>1,740,333</u>	<u>64</u>	<u>1,571,135</u>	<u>49</u>	<u>1,608,994</u>	<u>52</u>
36XX	<b>Non-controlling Interests</b>	<u>28,160</u>	<u>1</u>	<u>44,791</u>	<u>1</u>	<u>44,590</u>	<u>1</u>
3XXX	<b>Total Shareholders' Equity</b>	<u>1,768,493</u>	<u>65</u>	<u>1,615,926</u>	<u>50</u>	<u>1,653,584</u>	<u>53</u>
<b>Significant Contingent Liabilities and Unrecognized Contract Commitments</b>							
3X2X	<b>Total Liabilities and Shareholders' Equity</b>	<u>\$ 2,719,335</u>	<u>100</u>	<u>\$ 3,207,463</u>	<u>100</u>	<u>\$ 3,094,812</u>	<u>100</u>

**CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES**  
**Consolidated Statement of Comprehensive Income (Unaudited)**  
**Six months Ended June 30, 2015 and 2014**

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

Accounting Title	2 <sup>nd</sup> Quarter, 2015		2 <sup>nd</sup> Quarter, 2014		1 <sup>st</sup> Half, 2015		1 <sup>st</sup> Half, 2014	
	NT\$	%	NT\$	%	NT\$	%	NT\$	%
4000 <b>Operating Revenue</b>	\$ 292,561	100	\$ 242,409	100	\$ 540,095	100	\$ 491,632	100
5000 <b>Operating Costs</b>	( 200,873)	( 69)	( 148,799)	( 62)	( 403,832)	( 75)	( 317,543)	( 64)
5900 <b>Gross Profit from Operations</b>	91,688	31	93,610	38	136,263	25	174,089	36
<b>Operating Expenses</b>								
6100 Selling Expenses	( 22,644)	( 8)	( 17,909)	( 7)	( 45,589)	( 9)	( 40,248)	( 8)
6200 General and Administrative Expenses	( 19,459)	( 6)	( 16,061)	( 7)	( 38,396)	( 7)	( 31,158)	( 7)
6300 Research and Development Expenses	( 32,349)	( 11)	( 32,060)	( 13)	( 64,249)	( 12)	( 64,518)	( 13)
6000 <b>Total Operating Expenses</b>	( 74,452)	( 25)	( 66,030)	( 27)	( 148,234)	( 28)	( 135,924)	( 28)
6900 <b>Net Operating Income (Loss)</b>	17,236	6	27,580	11	( 11,971)	( 3)	38,165	8
<b>Non-Operating Income and Expenses</b>								
7010 Other Income	3,606	1	6,437	3	7,166	1	8,832	2
7020 Other Gains and Losses	( 3,451)	( 1)	( 3,928)	( 2)	218,824	41	491	-
7050 Finance Costs	( 1,631)	-	( 3,275)	( 1)	( 4,767)	( 1)	( 6,487)	( 2)
7000 <b>Total Non-Operating Income and Expenses</b>	( 1,476)	-	( 766)	-	221,223	41	2,836	-
7900 <b>Profit from Continuing Operations before Tax</b>	15,760	6	26,814	11	209,252	38	41,001	8
7950 Tax Expenses (Income)	( 2,556)	( 1)	( 2,606)	( 1)	4,513	1	( 4,973)	( 1)
8200 <b>Net Income</b>	\$ 13,204	5	\$ 24,208	10	\$ 213,765	39	\$ 36,028	7
<b>Other Comprehensive Income, Net</b>								
<b>Other Comprehensive Income that will be Reclassified to Profit or Loss</b>								
8361 Exchange Differences on Translation	(\$ 200)	-	(\$ 765)	-	(\$ 342)	-	\$ 42	-
8362 Unrealised Gains (Losses) on Valuation of Available-for-sale Financial Assets	( 5,531)	( 2)	( 1,257)	( 1)	( 5,531)	( 1)	( 502)	-
8300 <b>Other Comprehensive Loss after Tax, Net</b>	(\$ 5,731)	( 2)	(\$ 2,022)	( 1)	(\$ 5,873)	( 1)	(\$ 460)	-
8500 <b>Total Comprehensive Income</b>	\$ 7,473	3	\$ 22,186	9	\$ 207,892	38	\$ 35,568	7
<b>Profit (Loss), Attributable to:</b>								
8610 Profit (Loss), Attributable to Owners of Parent	\$ 13,179	5	\$ 24,084	10	\$ 213,844	39	\$ 35,896	7
8620 Profit (Loss), Attributable to Non-controlling Interests	\$ 25	-	\$ 124	-	(\$ 79)	-	\$ 132	-
<b>Comprehensive Income</b>								
<b>Attributable to:</b>								
8710 Comprehensive Income, Attributable to Owners of Parent	\$ 7,453	3	\$ 22,078	9	\$ 207,978	38	\$ 35,435	7
8720 Comprehensive Income, Attributable to Non-controlling Interests	\$ 20	-	\$ 108	-	(\$ 86)	-	\$ 133	-
<b>Basic Earnings Per Share</b>								
9750 <b>Basic Earnings (Loss) Per Share from Continuing Operations</b>	\$ 0.17		\$ 0.31		\$ 2.76		\$ 0.46	
9850 <b>Diluted Earnings Per Share</b>	\$ 0.17		\$ 0.31		\$ 2.75		\$ 0.46	

**CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES**  
**Consolidated Statement of Changes in Equity (Unaudited)**  
**Six months Ended June 30, 2015 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			O t h e r E q u i t y I n t e r e s t		Total Other Equity Interest	Non-controlling Interests	Total Equity	
	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
<b>January 1<sup>st</sup> 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)	-	-	-	-	-	35,896	-	-	35,896	132	36,028
Other comprehensive income	-	-	-	-	-	-	41	( 502 )	( 461 )	1	( 460 )
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>\$ 213,010</u>	<u>(\$ 236 )</u>	<u>\$ 13,982</u>	<u>\$ 1,608,994</u>	<u>\$ 44,590</u>	<u>\$ 1,653,584</u>
<b>January 1st to June 30, 2015</b>											
Equity at beginning of period	\$ 775,600	\$ 333,746	\$ 577	\$89,019	\$ 183,296	\$ 189,322	\$ 426	(\$ 851 )	\$ 1,571,135	\$ 44,791	\$ 1,615,926
Appropriation and distribution of retained earnings of 2014::											
Legal reserve appropriated	-	-	-	1,459	-	( 1,459 )	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	( 38,780 )	-	-	( 38,780 )	-	( 38,780 )
Profit (loss)	-	-	-	-	-	213,844	-	-	213,844	( 79 )	213,765
Other comprehensive income	-	-	-	-	-	-	( 335 )	( 5,531 )	( 5,866 )	( 7 )	( 5,873 )
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	( 16,545 )	( 16,545 )
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>\$ 362,927</u>	<u>\$ 91</u>	<u>(\$ 6,382 )</u>	<u>\$ 1,740,333</u>	<u>\$ 28,160</u>	<u>\$ 1,768,493</u>

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES  
Consolidated Statement of Cash Flows (Unaudited)  
Six Months Ended June 30, 2015 and 2014

Unit : NT\$ Thousands

	1 <sup>st</sup> Half, 2015	1 <sup>st</sup> Half, 2014
<u>Cash flows from (used in) operating activities</u>		
Profit (loss) before tax	\$ 209,252	\$ 41,001
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	50,903	46,102
Amortization expense	757	365
Interest expense	4,767	6,487
Interest income	( 169 )	( 287 )
Property, plant and equipment transferred to expenses	971	-
Loss (gain) on disposal of non-current assets classified as held for sale	( 233,088 )	-
Impairment loss on financial assets	6,362	-
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in notes receivable	831	( 2,497 )
Decrease (increase) in accounts receivable	( 43,277 )	58,861
Decrease (increase) in accounts receivable due from related parties	11,619	( 3,699 )
Decrease (increase) in other receivable	( 1,276 )	( 367 )
Decrease (increase) in inventories	19,884	( 74,474 )
Decrease (increase) in prepayments	( 4,914 )	( 6,742 )
Changes in operating liabilities		
Increase (decrease) in notes payable	817	1,395
Increase (decrease) in accounts payable	( 19,068 )	11,355
Increase (decrease) in other payable	973	( 5,738 )
Increase (decrease) in other current liabilities	181	( 4,061 )
Increase (decrease) in other non-current liabilities	( 1,302 )	( 7,766 )
Increase (decrease) in other current liabilities	4,223	59,935
Interest received	169	287
Interest paid	( 4,981 )	( 6,691 )
Income taxes refund (paid)	( 17,601 )	( 774 )
Net cash flows from (used in) operating activities	( 18,190 )	52,757

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CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES  
Consolidated Statement of Cash Flows (Unaudited)  
Six Months Ended June 30, 2015 and 2014

Unit : NT\$ Thousands

	1 <sup>st</sup> Half, 2015	1 <sup>st</sup> Half, 2014
<u>Cash flows from (used in) investing activities</u>		
Proceeds from disposal of non-current assets		
classified as held for sale	\$ 679,250	\$ -
Acquisition of property, plant and equipment	( 47,848 )	( 70,578 )
Acquisition of intangible assets	( 350 )	( 2,140 )
Increase in other non-current assets	( 998 )	894
Increase in other non-current assets	630,054	( 71,824 )
<u>Cash flows from (used in) financing activities</u>		
Increase in short-term loans	( 15,000 )	( 30,000 )
Increase in short-term notes and bills payable	15	19,982
Proceeds from long-term debt	110,000	370,000
Repayments of long-term debt	( 740,000 )	( 325,000 )
Cash dividends paid - non-controlling interests	( 16,545 )	( 15,442 )
Net cash flows from (used in)		
financing activities	( 661,530 )	19,540
Effect of exchange rate changes on cash and		
cash equivalents	( 340 )	42
Net increase (decrease) in cash and cash		
equivalents	( 50,006 )	515
Cash and cash equivalents at beginning of period	221,456	211,485
Cash and cash equivalents at end of period	\$ 171,450	\$ 212,000