

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

Unit : NT\$ Thousands

ASSETS		March 31, 2016		December 31, 2015		March 31, 2015	
		NT\$	%	NT\$	%	NT\$	%
Current Assets							
1100	Cash and Cash Equivalents	\$ 208,655	7	\$ 190,266	7	\$ 156,020	5
1150	Notes Receivable, net	1,073	-	1,054	-	1,275	-
1170	Accounts Receivable, net	145,697	5	226,071	8	184,418	7
1180	Accounts Receivable-Related Parties, net	15,153	1	2,327	-	1,645	-
1200	Other Receivables	14,877	1	13,604	-	20,278	1
130X	Inventories	462,430	16	430,647	15	445,287	16
1410	Prepayments	3,240	-	525	-	4,484	-
11XX	Total Current Assets	<u>851,125</u>	<u>30</u>	<u>864,494</u>	<u>30</u>	<u>813,407</u>	<u>29</u>
Non-Current Assets							
1523	Non-current available-for-sale financial Assets	97,294	3	99,306	4	102,574	4
1543	Non-current Financial Assets at cost	33,115	1	33,115	1	18,476	1
1600	Property, Plant and Equipment	1,847,692	65	1,838,916	64	1,807,688	65
1760	Investment Property, net	10,700	-	10,700	-	10,700	-
1780	Intangible Assets	590	-	1,297	-	1,118	-
1840	Deferred Income Tax Assets	18,197	1	17,291	1	20,430	1
1900	Other Non-current Assets	6,676	-	5,514	-	1,296	-
15XX	Total Non-current Assets	<u>2,014,264</u>	<u>70</u>	<u>2,006,139</u>	<u>70</u>	<u>1,962,282</u>	<u>71</u>
1XXX	Total Assets	<u>\$ 2,865,389</u>	<u>100</u>	<u>\$ 2,870,633</u>	<u>100</u>	<u>\$ 2,775,689</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		March 31, 2016		December 31, 2015		March 31, 2015	
		NT\$	%	NT\$	%	NT\$	%
Current Liabilities							
2100	Short-term Borrowings	\$ 230,000	8	\$ 190,000	7	\$ 315,000	11
2110	Short-term Notes and Bills Payable	169,732	6	189,866	6	219,696	8
2150	Notes Payable	-	-	360	-	-	-
2170	Accounts Payable	81,508	3	62,338	2	114,459	4
2200	Other Payables	103,458	3	114,679	4	80,003	3
2230	Current Income Tax Liabilities	24,514	1	24,113	1	1,425	-
2320	Long-term Liabilities – Current Portion	-	-	50,000	2	-	-
2399	Other Current Liabilities-Other	5,892	-	3,745	-	4,026	-
21XX	Total Current Liabilities	<u>615,104</u>	<u>21</u>	<u>635,101</u>	<u>22</u>	<u>734,609</u>	<u>26</u>
Non-current Liabilities							
2540	Long-term Borrowings	130,000	5	130,000	5	-	-
2570	Deferred Income Tax Liabilities	240,959	8	241,472	8	240,266	9
2600	Other Non-current Liabilities	266	-	266	-	1,014	-
25XX	Total Non-current Liabilities	<u>371,225</u>	<u>13</u>	<u>371,738</u>	<u>13</u>	<u>241,280</u>	<u>9</u>
2XXX	Total Liabilities	<u>986,329</u>	<u>34</u>	<u>1,006,839</u>	<u>35</u>	<u>975,889</u>	<u>35</u>
Equity Attributable to Owners of Parent							
Share Capital							
3110	Ordinary Share	775,600	27	775,600	27	775,600	28
Capital Surplus							
3200	Capital Surplus	334,323	12	334,323	12	334,323	12
Retained Earnings							
3310	Legal Reserve	90,478	3	90,478	3	89,019	3
3320	Special Reserve	183,296	6	183,296	6	183,296	7
3350	Unappropriated Retained Earnings	472,546	17	455,031	16	389,987	14
Other Equity Interest							
3400	Others	(5,249)	-	(3,018)	-	(565)	-
31XX	Total Equity Attributable to Owners of Parent	<u>1,850,994</u>	<u>65</u>	<u>1,835,710</u>	<u>64</u>	<u>1,771,660</u>	<u>64</u>
36XX	Non-controlling Interests	<u>28,066</u>	<u>1</u>	<u>28,084</u>	<u>1</u>	<u>28,140</u>	<u>1</u>
3XXX	Total Shareholders' Equity	<u>1,879,060</u>	<u>66</u>	<u>1,863,794</u>	<u>65</u>	<u>1,799,800</u>	<u>65</u>
Significant Contingent Liabilities and Unrecognized Contract Commitments							
3X2X	Total Liabilities and Equity	<u>\$ 2,865,389</u>	<u>100</u>	<u>\$ 2,870,633</u>	<u>100</u>	<u>\$ 2,775,689</u>	<u>100</u>

CUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Comprehensive Income (Unaudited)
January 1 to March 31, 2016 and 2015

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

Accounting Title		January 1 to March 31, 2016		January 1 to March 31, 2015	
		NT\$	%	NT\$	%
4000	Operating Revenue	\$ 266,485	100	\$ 247,534	100
5000	Operating Costs	(160,584)	(60)	(202,959)	(82)
5900	Gross Profit from Operations	105,901	40	44,575	18
	Operating Expenses				
6100	Selling Expenses	(22,657)	(9)	(22,945)	(9)
6200	General and Administrative Expenses	(19,847)	(7)	(18,937)	(8)
6300	Research and Development Expenses	(39,466)	(15)	(31,900)	(13)
6000	Total Operating Expenses	(81,970)	(31)	(73,782)	(30)
6900	Net Operating Income (Loss)	23,931	9	(29,207)	(12)
	Non-Operating Income and Expenses				
7010	Other Income	5,008	2	3,560	1
7020	Other Gains and Losses	(6,102)	(2)	222,275	90
7050	Finance Costs	(1,688)	(1)	(3,136)	(1)
7000	Total Non-Operating Income and Expenses	(2,782)	(1)	222,699	90
7900	Profit from Continuing Operations before Tax	21,149	8	193,492	78
7950	Tax Expenses (Income)	(3,647)	(1)	7,069	3
8200	Net Income	\$ 17,502	7	\$ 200,561	81
	Other Comprehensive Income, Net				
	Other Comprehensive Income that will be Reclassified to Profit or Loss				
8361	Other Comprehensive Income that will be Reclassified to Profit or Loss	(\$ 224)	-	(\$ 142)	-
8362	Exchange Differences on Translation	(2,012)	(1)	-	-
8500	Total Comprehensive Income	\$ 15,266	6	\$ 200,419	81
	Profit (Loss), Attributable to:				
8610	Profit (Loss), Attributable to Owners of Parent	\$ 17,515	7	\$ 200,665	81
8620	Profit (Loss), Attributable to Non-controlling Interests	(\$ 13)	-	(\$ 104)	-
	Total Comprehensive Income				
8710	Comprehensive Income, Attributable to Owners of Parent	\$ 15,284	6	\$ 200,525	81
8720	Comprehensive Income, Attributable to Non-controlling Interests	(\$ 18)	-	(\$ 106)	-
	Basic Earnings Per Share				
9750	Basic Earnings (Loss) Per Share from Continuing Operations	\$ 0.23		\$ 2.59	
9850	Diluted Earnings Per Share	\$ 0.22		\$ 2.58	

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Changes in Equity (Unaudited)
January 1 to March 31, 2016 and 2015

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

	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
<u>January 1 to March 31, 2015</u>											
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
Profit (loss)	-	-	-	-	-	200,665	-	-	200,665	(104)	200,561
Other comprehensive income	-	-	-	-	-	-	(140)	-	(140)	(2)	(142)
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>\$89,019</u>	<u>\$ 183,296</u>	<u>\$ 389,987</u>	<u>\$ 286</u>	<u>(\$ 851)</u>	<u>\$ 1,771,660</u>	<u>\$ 28,140</u>	<u>\$ 1,799,800</u>
<u>January 1 to March 31, 2016</u>											
Equity at beginning of period	\$ 775,600	\$ 333,746	\$ 577	\$90,478	\$ 183,296	\$ 455,031	\$ 1,101	(\$ 4,119)	\$ 1,835,710	\$ 28,084	\$ 1,863,794
Profit (loss)	-	-	-	-	-	17,515	-	-	17,515	(13)	17,502
Other comprehensive income	-	-	-	-	-	-	(219)	(2,012)	(2,231)	(5)	(2,236)
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>\$ 472,546</u>	<u>\$ 882</u>	<u>(\$ 6,131)</u>	<u>\$ 1,850,994</u>	<u>\$ 28,066</u>	<u>\$ 1,879,060</u>

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Cash Flows (Unaudited)
January 1 to March 31, 2016 and 2015

Unit : NT\$ Thousands

	<u>January 1 to March 31, 2016</u>	<u>January 1 to March 31, 2015</u>
<u>Cash flows from (used in) operating activities</u>		
Profit (loss) before tax	\$ 21,149	\$ 193,492
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	25,667	25,854
Amortization expense	615	334
Interest expense	1,688	3,136
Interest income	(32)	(116)
Loss (gain) on disposal of property, plant and equipment	360	-
Property, plant and equipment transferred to expenses	35	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	(19)	170
Decrease (increase) in accounts receivable	80,374	(82,980)
Decrease (increase) in accounts receivable due from related parties	(12,826)	10,750
Decrease (increase) in other receivable	(3,045)	(5,173)
Decrease (increase) in inventories	(31,783)	(6,966)
Decrease (increase) in prepayments	(2,715)	(3,811)
Increase (decrease) in other non-current assets	2	-
Increase (decrease) in defined benefit assets, net	(1,164)	-
Changes in operating liabilities		
Increase (decrease) in notes payable	(360)	(893)
Increase (decrease) in accounts payable	19,170	26,049
Increase (decrease) in other payable	(10,171)	(2,106)
Increase (decrease) in other current liabilities	2,147	1,008
Increase (decrease) in defined benefit liability, net	-	(2,200)
Cash inflow (outflow) generated from operations	89,092	(69,207)
Interest received	32	116
Interest paid	(1,766)	(3,447)
Income taxes refund (paid)	(2,893)	(17,271)
Net cash flows from (used in) operating activities	<u>84,465</u>	<u>(89,809)</u>

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CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Cash Flows (Unaudited)
January 1 to March 31, 2016 and 2015

Unit : NT\$ Thousands

	<u>January 1 to March 31, 2016</u>	<u>January 1 to March 31, 2015</u>
<u>Cash flows from (used in) investing activities</u>		
Acquisition of property, plant and equipment	(\$ 36,016)	(\$ 23,092)
Proceeds from disposal of property, plant and equipment	295	-
Proceeds from disposal of non-current assets classified as held for sale	<u>-</u>	<u>679,250</u>
Net cash flows from (used in) investing activities	(<u>35,721</u>)	<u>656,158</u>
<u>Cash flows from (used in) financing activities</u>		
Increase in short-term loans	40,000	95,000
Increase in short-term notes and bills payable	(20,134)	29,901
Repayments of long-term debt	(50,000)	(740,000)
Cash dividends paid - non-controlling interests	<u>-</u>	(<u>16,545</u>)
Net cash flows from (used in) financing activities	(<u>30,134</u>)	(<u>631,644</u>)
Effect of exchange rate changes on cash and cash equivalents	(<u>221</u>)	(<u>141</u>)
Net increase (decrease) in cash and cash equivalents	18,389	(65,436)
Cash and cash equivalents at beginning of period	<u>190,266</u>	<u>221,456</u>
Cash and cash equivalents at end of period	<u>\$ 208,655</u>	<u>\$ 156,020</u>