

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Balance Sheet (Reviewed, Not Audited)

Unit : NT\$ Thousands

ASSETS		September 30, 2016		December 31, 2015		September 30, 2015	
		NT\$	%	NT\$	%	NT\$	%
Current Assets							
1100	Cash and Cash Equivalents	\$ 138,866	5	\$ 190,266	7	\$ 159,931	6
1150	Notes Receivable, net	3,425	-	1,054	-	874	-
1170	Accounts Receivable, net	197,183	7	226,071	8	123,025	4
1180	Accounts Receivable-Related Parties, net	6,374	-	2,327	-	2,384	-
1200	Other Receivables	14,884	1	13,604	-	21,690	1
130X	Inventories	376,443	14	430,647	15	458,374	17
1410	Prepayments	3,640	-	525	-	3,470	-
11XX	Total Current Assets	<u>740,815</u>	<u>27</u>	<u>864,494</u>	<u>30</u>	<u>769,748</u>	<u>28</u>
Non-Current Assets							
1523	Non-current available-for-sale financial Assets	91,260	3	99,306	4	85,981	3
1543	Non-current Financial Assets at cost	33,115	1	33,115	1	33,476	1
1600	Property, Plant and Equipment	1,844,476	67	1,838,916	64	1,807,751	66
1760	Investment Property, net	10,700	1	10,700	-	10,700	1
1780	Intangible Assets	218	-	1,297	-	1,130	-
1840	Deferred Income Tax Assets	12,298	1	17,291	1	21,106	1
1900	Other Non-current Assets	9,193	-	5,514	-	4,319	-
15XX	Total Non-current Assets	<u>2,001,260</u>	<u>73</u>	<u>2,006,139</u>	<u>70</u>	<u>1,964,463</u>	<u>72</u>
1XXX	Total Assets	<u>\$ 2,742,075</u>	<u>100</u>	<u>\$ 2,870,633</u>	<u>100</u>	<u>\$ 2,734,211</u>	<u>100</u>

(Continue)

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Balance Sheet (Reviewed, Not Audited)

Unit : NT\$ Thousands

Liabilities and Shareholders' Equity		September 30, 2016		December 31, 2015		September 30, 2015	
		NT\$	%	NT\$	%	NT\$	%
Current Liabilities							
2100	Short-term Borrowings	\$ 190,000	7	\$ 190,000	7	\$ 215,000	8
2110	Short-term Notes and Bills Payable	219,805	8	189,866	6	189,737	7
2150	Notes Payable	1,025	-	360	-	1,035	-
2170	Accounts Payable	46,274	2	62,338	2	64,122	2
2200	Other Payables	107,398	4	114,679	4	91,850	4
2230	Current Income Tax Liabilities	11,635	-	24,113	1	8,141	-
2320	Long-term Liabilities – Current Portion	-	-	50,000	2	-	-
2399	Other Current Liabilities-Other	3,052	-	3,745	-	1,469	-
21XX	Total Current Liabilities	<u>579,189</u>	<u>21</u>	<u>635,101</u>	<u>22</u>	<u>571,354</u>	<u>21</u>
Non-current Liabilities							
2540	Long-term Borrowings	180,000	6	130,000	5	130,000	5
2570	Deferred Income Tax Liabilities	240,076	9	241,472	8	242,048	9
2600	Other Non-current Liabilities	266	-	266	-	266	-
25XX	Total Non-current Liabilities	<u>420,342</u>	<u>15</u>	<u>371,738</u>	<u>13</u>	<u>372,314</u>	<u>14</u>
2XXX	Total Liabilities	<u>999,531</u>	<u>36</u>	<u>1,006,839</u>	<u>35</u>	<u>943,668</u>	<u>35</u>
Equity Attributable to Owners of Parent							
Share Capital							
3110	Ordinary Share	775,600	28	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	121,314	5	90,478	3	90,478	3
3320	Special Reserve	183,296	7	183,296	6	183,296	7
3350	Unappropriated Retained Earnings	339,429	12	455,031	16	394,945	15
Other Equity Interest							
3400	Others	(11,714)	-	(3,018)	-	(16,329)	(1)
31XX	Total Equity Attributable to Owners of Parent	<u>1,742,248</u>	<u>64</u>	<u>1,835,710</u>	<u>64</u>	<u>1,762,313</u>	<u>64</u>
36XX	Non-controlling Interests	<u>296</u>	<u>-</u>	<u>28,084</u>	<u>1</u>	<u>28,230</u>	<u>1</u>
3XXX	Total Shareholders' Equity	<u>1,742,544</u>	<u>64</u>	<u>1,863,794</u>	<u>65</u>	<u>1,790,543</u>	<u>65</u>
Significant Contingent Liabilities and Unrecognized Contract Commitments							
3X2X	Total Liabilities and Shareholders' Equity	<u>\$ 2,742,075</u>	<u>100</u>	<u>\$ 2,870,633</u>	<u>100</u>	<u>\$ 2,734,211</u>	<u>100</u>

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Comprehensive Income (Reviewed, Not Audited)
January 1 to September 30, 2016 and 2015

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

Accounting Title	July 1 to September 30, 2016		July 1 to September 30, 2015		January 1 to September 30, 2016		January 1 to September 30, 2015	
	NT\$	%	NT\$	%	NT\$	%	NT\$	%
4000 Operating Revenue	\$ 333,748	100	\$ 265,421	100	\$ 896,903	100	\$ 805,516	100
5000 Operating Costs	(234,360)	(70)	(167,866)	(63)	(596,507)	(66)	(571,698)	(71)
5900 Gross Profit from Operations	<u>99,388</u>	<u>30</u>	<u>97,555</u>	<u>37</u>	<u>300,396</u>	<u>34</u>	<u>233,818</u>	<u>29</u>
Operating Expenses								
6100 Selling Expenses	(21,370)	(6)	(24,609)	(9)	(63,319)	(7)	(70,198)	(9)
6200 General and Administrative Expenses	(21,802)	(7)	(18,769)	(7)	(62,875)	(7)	(57,165)	(7)
6300 Research and Development Expenses	(34,080)	(10)	(32,612)	(13)	(108,948)	(12)	(96,861)	(12)
6000 Total Operating Expenses	<u>(77,252)</u>	<u>(23)</u>	<u>(75,990)</u>	<u>(29)</u>	<u>(235,142)</u>	<u>(26)</u>	<u>(224,224)</u>	<u>(28)</u>
6900 Net Operating Income (Loss)	<u>22,136</u>	<u>7</u>	<u>21,565</u>	<u>8</u>	<u>65,254</u>	<u>8</u>	<u>9,594</u>	<u>1</u>
Non-Operating Income and Expenses								
7010 Other Income	4,471	1	7,709	3	10,082	1	14,875	2
7020 Other Gains and Losses	(8,141)	(2)	10,568	4	(12,021)	(1)	229,392	29
7050 Finance Costs	(1,691)	(1)	(1,671)	(1)	(4,868)	(1)	(6,438)	(1)
7000 Total Non-Operating Income and Expenses	<u>(5,361)</u>	<u>(2)</u>	<u>16,606</u>	<u>6</u>	<u>(6,807)</u>	<u>(1)</u>	<u>237,829</u>	<u>30</u>
7900 Profit from Continuing Operations before Tax	<u>16,775</u>	<u>5</u>	<u>38,171</u>	<u>14</u>	<u>58,447</u>	<u>7</u>	<u>247,423</u>	<u>31</u>
7950 Tax Expenses (Income)	(2,917)	(1)	(6,105)	(2)	(26,962)	(3)	(1,592)	-
8200 Net Income	<u>\$ 13,858</u>	<u>4</u>	<u>\$ 32,066</u>	<u>12</u>	<u>\$ 31,485</u>	<u>4</u>	<u>\$ 245,831</u>	<u>31</u>
Other Comprehensive Income, Net								
Other Comprehensive Income that will be Reclassified to Profit or Loss								
8361 Exchange Differences on Translation	(\$ 451)	-	\$ 1,046	-	(\$ 663)	-	\$ 704	-
8362 Unrealised Gains (Losses) on Valuation of Available-for-sale Financial Assets	(1,006)	-	(11,062)	(4)	(8,046)	(1)	(16,593)	(2)
8500 Total Comprehensive Income	<u>\$ 12,401</u>	<u>4</u>	<u>\$ 22,050</u>	<u>8</u>	<u>\$ 22,776</u>	<u>3</u>	<u>\$ 229,942</u>	<u>29</u>
Profit (Loss), Attributable to:								
8610 Profit (Loss), Attributable to Owners of Parent	<u>\$ 13,941</u>	<u>4</u>	<u>\$ 32,018</u>	<u>12</u>	<u>\$ 31,574</u>	<u>4</u>	<u>\$ 245,862</u>	<u>31</u>
8620 Profit (Loss), Attributable to Owners of Parent	<u>(\$ 83)</u>	<u>-</u>	<u>\$ 48</u>	<u>-</u>	<u>(\$ 89)</u>	<u>-</u>	<u>(\$ 31)</u>	<u>-</u>
Profit (Loss), Attributable to Non-controlling Interests								
8710 Comprehensive Income Attributable to:	<u>\$ 12,493</u>	<u>4</u>	<u>\$ 21,980</u>	<u>8</u>	<u>\$ 22,878</u>	<u>3</u>	<u>\$ 229,958</u>	<u>29</u>
8720 Comprehensive Income, Attributable to Owners of Parent	<u>(\$ 92)</u>	<u>-</u>	<u>\$ 70</u>	<u>-</u>	<u>(\$ 102)</u>	<u>-</u>	<u>(\$ 16)</u>	<u>-</u>
Basic Earnings Per Share								
9750 Basic Earnings (Loss) Per Share from Continuing Operations	<u>\$ 0.18</u>	<u>\$ 0.41</u>	<u>\$ 0.41</u>	<u>\$ 0.41</u>	<u>\$ 3.17</u>			
9850 Diluted Earnings Per Share	<u>\$ 0.18</u>	<u>\$ 0.41</u>	<u>\$ 0.41</u>	<u>\$ 0.40</u>	<u>\$ 3.16</u>			

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Changes in Equity (Reviewed, Not Audited)
January 1 to September 30, 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 R e t a i n e d E a r n i n g s O t h e r E q u i t y I n t e r e s t

	Ordinary Share	Capital Surplus	Other	Legal Reserve	Special Reserve	Unappropriate d 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 September 30, 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
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)	-	-	-	-	-	245,862	-	-	245,862	(31)	245,831
Other comprehensive income	-	-	-	-	-	-	689	(16,593)	(15,904)	15	(15,889)
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>\$ 394,945</u>	<u>\$ 1,115</u>	<u>(\$ 17,444)</u>	<u>\$ 1,762,313</u>	<u>\$ 28,230</u>	<u>\$ 1,790,543</u>
<u>January 1 to September 30, 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
Appropriation and distribution of retained earnings of 2015:											
Legal reserve appropriated	-	-	-	30,836	-	(30,836)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(116,340)	-	-	(116,340)	-	(116,340)
Profit (loss)	-	-	-	-	-	31,574	-	-	31,574	(89)	31,485
Other comprehensive income	-	-	-	-	-	-	(650)	(8,046)	(8,696)	(13)	(8,709)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(27,686)	(27,686)
Equity at end of period	<u>\$ 775,600</u>	<u>\$ 333,746</u>	<u>\$ 577</u>	<u>\$121,314</u>	<u>\$ 183,296</u>	<u>\$ 339,429</u>	<u>\$ 451</u>	<u>(\$ 12,165)</u>	<u>\$ 1,742,248</u>	<u>\$ 296</u>	<u>\$ 1,742,544</u>

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Cash Flows (Reviewed, Not Audited)
January 1 to September 30, 2016 and 2015

Unit : NT\$ Thousands

	January 1 to September 30, 2016	January 1 to September 30, 2015
<u>Cash flows from (used in) operating activities</u>		
Profit (loss) before tax	\$ 58,447	\$ 247,423
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	81,924	75,879
Amortization expense	1,152	1,167
Interest expense	4,868	6,438
Interest income	(105)	(295)
Dividend income	(3,017)	(3,017)
Loss (gain) on disposal of property, plant and equipment	360	-
Property, plant and equipment transferred to expenses	1,536	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	(2,371)	571
Decrease (increase) in accounts receivable	28,888	(21,587)
Decrease (increase) in accounts receivable due from related parties	(4,047)	10,011
Decrease (increase) in other receivable	(3,681)	(5,836)
Decrease (increase) in inventories	54,204	(20,053)
Decrease (increase) in prepayments	(3,115)	(2,797)
Net defined benefit assets	(3,685)	-
Changes in operating liabilities		
Increase (decrease) in notes payable	665	142
Increase (decrease) in accounts payable	(16,064)	(24,288)
Increase (decrease) in other payable	(8,897)	8,188
Increase (decrease) in other current liabilities	(693)	(1,549)
Net defined benefit liabilities	-	(2,948)
Cash inflow (outflow) generated from operations	186,369	41,694
Interest received	96	295
Dividends received	3,017	3,017
Interest paid	(4,889)	(6,718)
Income taxes refund (paid)	(27,240)	(18,859)
Net cash flows from (used in) operating activities	157,353	19,429

(Continue)

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES
Consolidated Statement of Cash Flows (Reviewed, Not Audited)
January 1 to September 30, 2016 and 2015

Unit : NT\$ Thousands

	January 1 to September 30, 2016	January 1 to September 30, 2015	
<u>Cash flows from (used in) investing activities</u>			
Acquisition of financial assets at cost	\$ -	(\$ 15,000)	
Acquisition of property, plant and equipment	(87,950)	(71,655)	
Disposal of property, plant and equipment	295	-	
Proceeds from disposal of non-current assets classified as held for sale	-	679,250	
Share Capital receivable in Liquidation of Subsidiary	(6,193)	-	
Liquidation of Subsidiary	(17,208)	-	
Acquisition of intangible assets	(165)	(845)	
Decrease (increase) in refundable deposits	-	(3,023)	
Increase in other non-current assets	<u>(111,221)</u>	<u>588,727</u>	
<u>Cash flows from (used in) financing activities</u>			
Increase in short-term loans	-	(5,000)	
Increase in short-term notes and bills payable	29,939	(58)	
Proceeds from long-term debt	120,000	350,000	
Repayments of long-term debt	(120,000)	(960,000)	
Cash dividends paid	(116,340)	(38,780)	
Cash dividends paid - non-controlling interests	<u>(10,478)</u>	<u>(16,545)</u>	
Net cash flows from (used in) financing activities	<u>(96,879)</u>	<u>(670,383)</u>	
Effect of exchange rate changes on cash and cash equivalents	<u>(653)</u>	<u>702</u>	
Net increase (decrease) in cash and cash equivalents	(51,400)	(61,525)	
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>\$ 138,866</u>	<u>\$ 159,931</u>	