

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

Unit : NT\$ Thousands

ASSETS		September 30, 2017		December31, 2016		September 30, 2016	
		NT\$	%	NT\$	%	NT\$	%
<b>Current Assets</b>							
1100	Cash and Cash Equivalents	\$ 168,800	5	\$ 143,080	5	\$ 138,866	5
1150	Notes Receivable, net	2,911	-	621	-	3,425	-
1170	Accounts Receivable, net	203,549	6	160,584	6	197,183	7
1180	Accounts Receivable-Related						
	Parties, net	13,914	-	12,555	1	6,374	-
1200	Other Receivables	8,654	-	6,642	-	14,884	1
130X	Inventories	409,310	12	401,754	15	376,443	14
1410	Prepayments	6,516	-	3,532	-	3,640	-
1460	Non-current Assets Held for						
	Sale, net	263,553	8	-	-	-	-
11XX	<b>Total Current Assets</b>	<u>1,077,207</u>	<u>31</u>	<u>728,768</u>	<u>27</u>	<u>740,815</u>	<u>27</u>
<b>Non-Current Assets</b>							
1523	Non-current available-for-sale						
	financial Assets	89,752	3	91,512	3	91,260	3
1543	Non-current Financial Assets at						
	cost	33,115	1	33,115	1	33,115	1
1600	Property, Plant and Equipment	2,256,446	64	1,837,806	68	1,844,476	67
1760	Investment Property, net	10,700	-	10,700	-	10,700	1
1780	Intangible Assets	1,872	-	214	-	218	-
1840	Deferred Income Tax Assets	15,325	-	13,076	1	12,298	1
1900	Other Non-current Assets	17,604	1	10,451	-	9,193	-
15XX	<b>Total Non-current Assets</b>	<u>2,424,814</u>	<u>69</u>	<u>1,996,874</u>	<u>73</u>	<u>2,001,260</u>	<u>73</u>
1XXX	<b>Total Assets</b>	<u>\$ 3,502,021</u>	<u>100</u>	<u>\$ 2,725,642</u>	<u>100</u>	<u>\$ 2,742,075</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, 2017		December31, 2016		September 30, 2016	
	NT\$	%	NT\$	%	NT\$	%
<b>Current Liabilities</b>						
2100 Short-term Borrowings	\$ 388,416	11	\$ 210,000	8	\$ 190,000	7
2110 Short-term Notes and Bills Payable	219,886	7	169,898	6	219,805	8
2150 Notes Payable	363	-	345	-	1,025	-
2170 Accounts Payable	75,541	2	70,676	3	46,274	2
2200 Other Payables	598,008	17	111,645	4	107,398	4
2230 Current Income Tax Liabilities	4,565	-	15,605	-	11,635	-
2320 Long-term Liabilities – Current Portion	160,000	5	30,000	1	-	-
2399 Other Current Liabilities-Other	3,139	-	3,389	-	3,052	-
21XX <b>Total Current Liabilities</b>	<u>1,449,918</u>	<u>42</u>	<u>611,558</u>	<u>22</u>	<u>579,189</u>	<u>21</u>
<b>Non-current Liabilities</b>						
2540 Long-term Borrowings	40,000	1	100,000	4	180,000	6
2570 Deferred Income Tax Liabilities	243,698	7	242,651	9	240,076	9
2600 Other Non-current Liabilities	576	-	266	-	266	-
25XX <b>Total Non-current Liabilities</b>	<u>284,274</u>	<u>8</u>	<u>342,917</u>	<u>13</u>	<u>420,342</u>	<u>15</u>
2XXX <b>Total Liabilities</b>	<u>1,734,192</u>	<u>50</u>	<u>954,475</u>	<u>35</u>	<u>999,531</u>	<u>36</u>
<b>Equity Attributable to Owners of Parent</b>						
<b>Share Capital</b>						
3110 Ordinary Share	775,600	22	775,600	28	775,600	28
<b>Capital Surplus</b>						
3200 Capital Surplus	334,323	9	334,323	12	334,323	12
<b>Retained Earnings</b>						
3310 Legal Reserve	127,342	4	121,314	4	121,314	5
3320 Special Reserve	183,296	5	183,296	7	183,296	7
3350 Unappropriated Retained Earnings	360,598	10	367,379	14	339,429	12
<b>Other Equity Interest</b>						
3400 Others	( 13,755)	-	( 11,039)	-	( 11,714)	-
31XX <b>Total Equity Attributable to Owners of Parent</b>	<u>1,767,404</u>	<u>50</u>	<u>1,770,873</u>	<u>65</u>	<u>1,742,248</u>	<u>64</u>
36XX <b>Non-controlling Interests</b>	<u>425</u>	<u>-</u>	<u>294</u>	<u>-</u>	<u>296</u>	<u>-</u>
3XXX <b>Total Shareholders' Equity</b>	<u>1,767,829</u>	<u>50</u>	<u>1,771,167</u>	<u>65</u>	<u>1,742,544</u>	<u>64</u>
<b>Significant Contingent Liabilities and Unrecognized Contract Commitments</b>						
3X2X <b>Total Liabilities and Shareholders' Equity</b>	<u>\$ 3,502,021</u>	<u>100</u>	<u>\$ 2,725,642</u>	<u>100</u>	<u>\$ 2,742,075</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, 2017 and 2016**

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

Accounting Title	July 1 to September 30, 2017		July 1 to September 30, 2016		January 1 to September 30, 2017		January 1 to September 30, 2016	
	NT\$	%	NT\$	%	NT\$	%	NT\$	%
4000 <b>Operating Revenue</b>	\$ 360,100	100	\$ 333,748	100	\$ 824,701	100	\$ 896,903	100
5000 <b>Operating Costs</b>	( 210,491)	( 58)	( 234,360)	( 70)	( 529,024)	( 65)	( 596,507)	( 66)
5900 <b>Gross Profit from Operations</b>	<u>149,609</u>	<u>42</u>	<u>99,388</u>	<u>30</u>	<u>295,677</u>	<u>35</u>	<u>300,396</u>	<u>34</u>
<b>Operating Expenses</b>								
6100 Selling Expenses	( 21,049)	( 6)	( 21,370)	( 6)	( 62,057)	( 7)	( 63,319)	( 7)
6200 General and Administrative Expenses	( 22,980)	( 6)	( 21,802)	( 7)	( 71,222)	( 9)	( 62,875)	( 7)
6300 Research and Development Expenses	( 37,980)	( 11)	( 34,080)	( 10)	( 107,138)	( 13)	( 108,948)	( 12)
6000 <b>Total Operating Expenses</b>	<u>( 82,009)</u>	<u>( 23)</u>	<u>( 77,252)</u>	<u>( 23)</u>	<u>( 240,417)</u>	<u>( 29)</u>	<u>( 235,142)</u>	<u>( 26)</u>
6900 <b>Net Operating Income (Loss)</b>	<u>67,600</u>	<u>19</u>	<u>22,136</u>	<u>7</u>	<u>55,260</u>	<u>6</u>	<u>65,254</u>	<u>8</u>
<b>Non-Operating Income and Expenses</b>								
7010 Other Income	6,706	2	4,471	1	8,966	1	10,082	1
7020 Other Gains and Losses	( 569)	-	( 8,141)	( 2)	( 12,638)	( 1)	( 12,021)	( 1)
7050 Finance Costs	( 1,811)	( 1)	( 1,691)	( 1)	( 4,828)	( 1)	( 4,868)	( 1)
7000 <b>Total Non-Operating Income and Expenses</b>	<u>4,326</u>	<u>1</u>	<u>( 5,361)</u>	<u>( 2)</u>	<u>( 8,500)</u>	<u>( 1)</u>	<u>( 6,807)</u>	<u>( 1)</u>
7900 <b>Profit from Continuing Operations before Tax</b>	71,926	20	16,775	5	46,760	5	58,447	7
7950 Tax Expenses (Income)	( 9,659)	( 3)	( 2,917)	( 1)	( 8,582)	( 1)	( 26,962)	( 3)
8200 <b>Net Income (Loss)</b>	<u>\$ 62,267</u>	<u>17</u>	<u>\$ 13,858</u>	<u>4</u>	<u>\$ 38,178</u>	<u>4</u>	<u>\$ 31,485</u>	<u>4</u>
<b>Other Comprehensive Income, Net</b>								
<b>Other Comprehensive Income that will be Reclassified to Profit or Loss</b>								
8361 Exchange Differences on Translation	(\$ 133)	-	(\$ 451)	-	(\$ 976)	-	(\$ 663)	-
8362 Unrealised Gains (Losses) on Valuation of Available-for-sale Financial Assets	( 5,279)	( 1)	( 1,006)	-	( 1,760)	-	( 8,046)	( 1)
8300 <b>Other Comprehensive profit and loss</b>	<u>(\$ 5,412)</u>	<u>( 1)</u>	<u>(\$ 1,457)</u>	<u>-</u>	<u>(\$ 2,736)</u>	<u>-</u>	<u>(\$ 8,709)</u>	<u>( 1)</u>
8500 <b>Total Comprehensive Income</b>	<u>\$ 56,855</u>	<u>16</u>	<u>\$ 12,401</u>	<u>4</u>	<u>\$ 35,442</u>	<u>4</u>	<u>\$ 22,776</u>	<u>3</u>
<b>Profit (Loss), Attributable to:</b>								
8610 Profit (Loss), Attributable to Owners of Parent	<u>\$ 62,137</u>	<u>17</u>	<u>\$ 13,941</u>	<u>4</u>	<u>\$ 38,027</u>	<u>4</u>	<u>\$ 31,574</u>	<u>4</u>
8620 Profit (Loss), Attributable to Non-controlling Interests	<u>\$ 130</u>	<u>-</u>	<u>(\$ 83)</u>	<u>-</u>	<u>\$ 151</u>	<u>-</u>	<u>(\$ 89)</u>	<u>-</u>
<b>Comprehensive Income Attributable to:</b>								
8710 Comprehensive Income, Attributable to Owners of Parent	<u>\$ 56,728</u>	<u>16</u>	<u>\$ 12,493</u>	<u>4</u>	<u>\$ 35,311</u>	<u>4</u>	<u>\$ 22,878</u>	<u>3</u>
8720 Comprehensive Income, Attributable to Non-controlling Interests	<u>\$ 127</u>	<u>-</u>	<u>(\$ 92)</u>	<u>-</u>	<u>\$ 131</u>	<u>-</u>	<u>(\$ 102)</u>	<u>-</u>
<b>Basic Earnings Per Share</b>								
9750 <b>Basic Earnings (Loss) Per Share from Continuing Operations</b>	<u>\$ 0.80</u>		<u>\$ 0.18</u>		<u>\$ 0.49</u>		<u>\$ 0.41</u>	
9850 <b>Diluted Earnings Per Share</b>	<u>\$ 0.80</u>		<u>\$ 0.18</u>		<u>\$ 0.49</u>		<u>\$ 0.40</u>	

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES  
Consolidated Statement of Changes in Equity (Reviewed, Not Audited)  
January 1 to September 30, 2017 and 2016

Unit : NT\$ Thousands

	<u>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</u>										
	<u>Capital Surplus</u>		<u>Retained Earnings</u>			<u>Other Equity</u>		<u>Interest</u>		<u>Total Equity</u>	<u>Non-controlling Interests</u>
<u>Ordinary Share</u>	<u>Capital Surplus</u>	<u>Other</u>	<u>Legal Reserve</u>	<u>Special Reserve</u>	<u>Unappropriated Retained Earnings</u>	<u>Exchange Differences on Translation</u>	<u>Unrealized Gains (Losses) on Available-for-sale Financial Assets</u>	<u>Other Equity Interest</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>
<u>January 1 to September 30, 2017</u>											
Equity at beginning of period	\$ 775,600	\$ 333,746	\$ 577	\$121,314	\$ 183,296	\$ 367,379	\$ 874	(\$ 11,913 )	\$ 1,770,873	\$ 294	\$ 1,771,167
Appropriation and distribution of retained earnings of 2016:											
Legal reserve appropriated	-	-	-	6,028	-	( 6,028 )	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	( 38,780 )	-	-	( 38,780 )	-	( 38,780 )
Profit (loss)	-	-	-	-	-	38,027	-	-	38,027	151	38,178
Other comprehensive income	-	-	-	-	-	-	( 956 )	( 1,760 )	( 2,716 )	( 20 )	( 2,736 )
Equity at end of period	<u>\$ 775,600</u>	<u>\$ 333,746</u>	<u>\$ 577</u>	<u>\$127,342</u>	<u>\$ 183,296</u>	<u>\$ 360,598</u>	<u>(\$ 82 )</u>	<u>(\$ 13,673 )</u>	<u>\$ 1,767,404</u>	<u>\$ 425</u>	<u>\$ 1,767,829</u>

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES  
Consolidated Statement of Cash Flows (Reviewed, Not Audited)  
January1 to September 30, 2017 and 2016

Unit : NT\$ Thousands

	<u>January1 to September 30, 2017</u>	<u>January1 to September 30, 2016</u>
<u>Cash flows from (used in) operating activities</u>		
Profit (loss) before tax	\$ 46,760	\$ 58,447
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	98,999	81,924
Amortization expense	853	1,152
Interest expense	4,828	4,868
Interest income	( 86 )	( 105 )
Dividend income	( 3,017 )	( 3,017 )
Loss (gain) on disposal of property, plant and equipment	146	360
Property, plant and equipment transferred to expenses	-	1,536
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in notes receivable	( 2,290 )	( 2,371 )
Decrease (increase) in accounts receivable	( 42,965 )	28,888
Decrease (increase) in accounts receivable due from related parties	( 1,359 )	( 4,047 )
Decrease (increase) in other receivable	( 1,997 )	( 3,681 )
Decrease (increase) in inventories	( 7,556 )	54,204
Decrease (increase) in prepayments	( 2,984 )	( 3,115 )
Net defined benefit assets	( 4,041 )	( 3,685 )
Changes in operating liabilities		
Increase (decrease) in notes payable	18	665
Increase (decrease) in accounts payable	4,865	( 16,064 )
Increase (decrease) in other payable	( 11,507 )	( 8,897 )
Increase (decrease) in other current liabilities	( 250 )	( 693 )
Cash inflow (outflow) generated from operations	78,417	186,369
Interest received	71	96
Dividends received	3,017	3,017
Interest paid	( 4,833 )	( 4,889 )
Income taxes refund (paid)	( 20,824 )	( 27,240 )
Net cash flows from (used in) operating activities	<u>55,848</u>	<u>157,353</u>

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CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. AND SUSIDIARIES  
Consolidated Statement of Cash Flows (Reviewed, Not Audited)  
January1 to September 30, 2017 and 2016

Unit : NT\$ Thousands

	<u>January1 to September 30, 2017</u>	<u>January1 to September 30, 2016</u>
<u>Cash flows from (used in) investing activities</u>		
Acquisition of property, plant and equipment	( \$ 285,332 )	( \$ 87,950 )
Disposal of property, plant and equipment	1,095	295
Share Capital receivable in Liquidation of Subsidiary	-	( 6,193 )
Liquidation of Subsidiary	-	( 17,208 )
Acquisition of intangible assets	( 1,751 )	( 165 )
Decrease (increase) in refundable deposits	( 3,118 )	-
Increase in other non-current assets	( 289,106 )	( 111,221 )
<u>Cash flows from (used in) financing activities</u>		
Increase (decrease) in short-term loans	178,416	-
Increase in short-term notes and bills payable	49,988	29,939
Proceeds from long-term debt	210,000	120,000
Repayments of long-term debt	( 140,000 )	( 120,000 )
Increase in guarantee deposits received	310	-
Cash dividends paid	( 38,780 )	( 116,340 )
Cash dividends paid - non-controlling interests	-	( 10,478 )
Net cash flows from (used in) financing activities	<u>259,934</u>	<u>( 96,879 )</u>
Effect of exchange rate changes on cash and cash equivalents	( 956 )	( 653 )
Net increase (decrease) in cash and cash equivalents	25,720	( 51,400 )
Cash and cash equivalents at beginning of period	<u>143,080</u>	<u>190,266</u>
Cash and cash equivalents at end of period	<u>\$ 168,800</u>	<u>\$ 138,866</u>