Cathay Chemical Works, Inc.

2018

CORPORATE INTRODUCTION

2017 Financial Results:

- Operating revenue amounted to NT$6.6 billion, increased 6.75%.
- Gross profit was reduced 20.83%.

STATEMENTS OF COMPREHENSIVE INCOME

(NT $thousand)

	2017	2016	YOY	
Operating Revenue	663,800	621,840	41,960	6.75%
Operating Cost	561,533	492,668	68,865	13.98%
Gross Profit	102,267	129,172	(26,905)	-20.83%
Operating Expensive	56,424	59,236	(2,812)	-4.75%
Operating Income	45,843	69,936	(24,093)	-34.45%
Non-Operating Income and Expenses	34,394	40,672	(6,278)	-15.44%
Income before Tax	80,237	110,608	(30,371)	-27.46%
Tax Expensive	7,209	11,820	(4,611)	-39.01%
Net Income	73,028	98,788	(25,760)	-26.08%
Earning per Share	0.48	0.65	(0.17)	-26.15%

2018 PROSPECTS:

Facing a world of changing rapidly and keen competition among competitors, for the year of 2018 Cathay is definitely be impacted against this difficult situation. However, for over 50 year’s experiences in fine chemicals field, Cathay has his advantages not only in providing good quality material to all his customers but also has a reputation of “after service” to all customers. Cathay will continue to those responsibilities to peruse Cathay’s core value of” Your Satisfaction is our Duty”.

As regards to the land of 16,643.45m^2 located in “Kaohsiung Multifunctional Commerce and Trade Park”, Cathay has a preference to sell the land totally instead of co-operating with investors to develop it or to lease for other purposes. Cathay believes by doing so will create the best interest to all shareholders.