SCINOPHARM TAIWAN, LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

MARCH 31, 2016 AND 2015

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of ScinoPharm Taiwan, Ltd.

We have reviewed the accompanying consolidated balance sheets of ScinoPharm Taiwan, Ltd. and its subsidiaries as of March 31, 2016 and 2015, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Except as discussed in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 36, "Review of Financial Statements" in the Republic of China. A review of interim financial information consists principally of obtaining an understanding of the system for the preparation of interim financial information, applying analytical procedures to financial data, and making inquiries of Company personnel responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

As described in Note 4(3), the financial statements of certain non-significant subsidiaries were consolidated based on their unreviewed financial statements as of and for the three-month periods ended March 31, 2016 and 2015. Total assets of these subsidiaries amounted to $2,962,206 thousand and $2,913,021 thousand, representing 24% and 25% of the related consolidated totals, and total liabilities amounted to $127,034 thousand and $90,387 thousand, representing 5% and 4% of the related consolidated totals, as of March 31, 2016 and 2015, respectively. Total comprehensive income of these subsidiaries amounted to ($33,752) thousand and ($66,560) thousand, constituting (20%) and (71%) of the consolidated totals for the three-month periods ended March 31, 2016 and 2015, respectively.

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain non-significant subsidiaries been reviewed by independent accountants as described in the preceding paragraph, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above in order for them to be in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China.

Ming-Hsieh Lee

Independent Accountants

Chien-Chih Wu

PricewaterhouseCoopers, Taiwan

Republic of China

May 9, 2016

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

SCINOPHARM TAIWAN, LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)
(The consolidated balance sheets as of March 31, 2016 and 2015 are reviewed, not audited)

	Assets	Notes	March 31, 2016 AMOUNT	%	December 31, 2015 AMOUNT	%	March 31, 2015 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 2,559,704	21	$ 2,335,697	19	$ 2,007,522	17
1110	Financial assets at fair value through profit or loss - current	6(2)	5,314	-	-	-	1,846	-
1170	Accounts receivable, net	6(3)	645,287	5	867,231	7	653,049	6
1200	Other receivables		209,572	2	207,955	2	196,226	2
130X	Inventory	5(2) and 6(4)	2,167,439	17	2,169,208	18	2,402,446	21
1410	Prepayments		137,635	1	168,603	1	182,647	1
1476	Other financial assets - current	8	421,794	3	284,216	2	-	-
11XX	**Total current assets**		6,146,745	49	6,032,910	49	5,443,736	47
	Non-current assets							
1543	Financial assets measured at cost - non-current	6(5)(15)(16)	364,089	3	338,907	3	243,526	2
1600	Property, plant and equipment	6(6)(8)(25)	5,361,262	43	5,170,714	43	5,109,213	44
1780	Intangible assets		21,893	-	22,918	-	20,684	-
1840	Deferred income tax assets	5(2) and 6(23)	391,694	3	372,644	3	372,506	4
1915	Prepayments for equipment	6(6)(25)	76,868	1	157,961	1	245,842	2
1980	Other financial assets - non-current	8	28,832	-	24,734	-	24,734	-
1985	Long-term prepaid rent	6(7)	89,436	1	90,359	1	92,787	1
1990	Other non-current assets		10,226	-	10,448	-	18,066	-
15XX	**Total non-current assets**		6,344,300	51	6,188,685	51	6,127,358	53
1XXX	**Total assets**		$ 12,491,045	100	$ 12,221,595	100	$ 11,571,094	100

(Continued)

SCINOPHARM TAIWAN, LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)
(The consolidated balance sheets as of March 31, 2016 and 2015 are reviewed, not audited)

	Liabilities and Equity	Notes	March 31, 2016 AMOUNT	%	December 31, 2015 AMOUNT	%	March 31, 2015 AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(9)	$ 1,686,251	14	$ 1,702,306	14	$ 1,363,175	12
2120	Financial liabilities at fair value through profit or loss - current	6(2)	-	-	145	-	-	-
2150	Notes payable		50,121	-	995	-	33,107	-
2170	Accounts payable		154,397	1	91,060	-	163,104	1
2200	Other payables	6(10)(25) and 7	311,811	3	336,932	3	362,100	3
2230	Current income tax liabilities	6(23)	141,290	1	100,009	1	55,873	1
2310	Advance receipts		30,282	-	43,536	-	26,254	-
21XX	**Total current liabilities**		2,374,152	19	2,274,983	18	2,003,613	17
	Non-current liabilities							
2570	Deferred income tax liabilities	6(23)	903	-	3,368	-	351	-
2640	Net defined benefit liabilities	6(11)	62,775	1	62,854	1	68,942	1
2645	Guarantee deposits received		26,124	-	23,397	-	21,656	-
25XX	**Total non-current liabilities**		89,802	1	89,619	1	90,949	1
2XXX	**Total liabilities**		2,463,954	20	2,364,602	19	2,094,562	18
	Equity attributable to owners of the parent							
	Share capital							
3110	Common stock	6(12)(15)	7,310,829	59	7,310,829	60	7,029,643	61
3200	**Capital reserve**	6(13)(14)	1,268,177	10	1,265,544	10	1,259,629	11
	Retained earnings	6(12)(15)(23)						
3310	Legal reserve		396,699	3	396,699	3	348,285	3
3320	Special reserve		22,829	-	22,829	-	22,829	-
3350	Undistributed earnings		963,919	8	791,997	7	734,354	6
3400	**Other equity interest**	6(16)	64,638	-	69,095	1	81,792	1
3XXX	**Total equity**		10,027,091	80	9,856,993	81	9,476,532	82
	Significant contingent liabilities and unrecognized contract commitments	9						
3X2X	**Total liabilities and equity**		$ 12,491,045	100	$ 12,221,595	100	$ 11,571,094	100

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated May 9, 2016.

SCINOPHARM TAIWAN, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)
(UNAUDITED)

			Three months ended March 31			
			2016		2015	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	**Operating revenue**	6(17) and 7	$ 1,021,756	100	$ 979,058	100
5000	**Operating costs**	6(4)(11)(21)(22) and 9	(590,496)	(58)	(634,688)	(65)
5900	**Net operating margin**		431,260	42	344,370	35
	Operating expenses	6(7)(11)(21)(22), 7 and 9				
6100	Selling expenses		(33,458)	(3)	(34,704)	(3)
6200	General and administrative expenses		(134,619)	(13)	(92,086)	(9)
6300	Research and development expenses		(67,803)	(7)	(76,529)	(8)
6000	**Total operating expenses**		(235,880)	(23)	(203,319)	(20)
6900	**Operating profit**		195,380	19	141,051	15
	Non-operating income and expenses					
7010	Other income	6(18)	8,885	1	6,015	-
7020	Other gains and losses	6(2)(6)(8)(19) and 12	(5,363)	-	(12,111)	(1)
7050	Finance costs	6(6)(20)(25)	(7,844)	(1)	(1,411)	-
7060	Share of profit of associates and joint ventures accounted for under equity method		-	-	754	-
7000	**Total non-operating income and expenses**		(4,322)	-	(6,753)	(1)
7900	**Profit before income tax**		191,058	19	134,298	14
7950	Income tax expense	6(23)	(19,136)	(2)	(21,507)	(2)
8200	**Profit for the period**		$ 171,922	17	$ 112,791	12
	Other comprehensive income					
	Items that may be reclassified subsequently to profit or loss					
8361	Financial statements translation differences of foreign operations	6(16)	($ 4,457)	(1)	($ 18,882)	(2)
8300	**Other comprehensive (loss) income for the period**		($ 4,457)	(1)	($ 18,882)	(2)
8500	**Total comprehensive income for the period**		$ 167,465	16	$ 93,909	10
	Profit attributable to:					
8610	Owners of the parent		$ 171,922	17	$ 112,791	12
	Comprehensive income attributable to:					
8710	Owners of the parent		$ 167,465	16	$ 93,909	10
	Basic earnings per share					
9750	**Net income**	6(24)	$	0.24	$	0.15
	Diluted earnings per share					
9850	**Net income**	6(24)	$	0.23	$	0.15

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated May 9, 2016.

SCINOPHARM TAIWAN, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

		Equity attributable to owners of the parent						
				Retained Earnings				
	Notes	Share capital - common stock	Capital reserves	Legal reserve	Special reserve	Undistributed earnings	Financial statements translation differences of foreign operations	Total equity
For the three-month period ended March 31, 2015								
Balance at January 1, 2015		$ 7,029,643	$ 1,257,277	$ 348,285	$ 22,829	$ 621,563	$ 100,674	$ 9,380,271
Employee stock option compensation cost	6(13)(14)	-	2,352	-	-	-	-	2,352
Net income for the three-month period ended March 31, 2015		-	-	-	-	112,791	-	112,791
Other comprehensive loss for the three-month period ended March 31, 2015		-	-	-	-	-	(18,882)	(18,882)
Balance at March 31, 2015		$ 7,029,643	$ 1,259,629	$ 348,285	$ 22,829	$ 734,354	$ 81,792	$ 9,476,532
For the three-month period ended March 31, 2016								
Balance at January 1, 2016		$ 7,310,829	$ 1,265,544	$ 396,699	$ 22,829	$ 791,997	$ 69,095	$ 9,856,993
Employee stock option compensation cost	6(13)(14)	-	2,633	-	-	-	-	2,633
Net income for the three-month period ended March 31, 2016		-	-	-	-	171,922	-	171,922
Other comprehensive loss for the three-month period ended March 31, 2016		-	-	-	-	-	(4,457)	(4,457)
Balance at March 31, 2016		$ 7,310,829	$ 1,268,177	$ 396,699	$ 22,829	$ 963,919	$ 64,638	$10,027,091

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated May 9, 2016.

SCINOPHARM TAIWAN, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	For the three-month periods ended March 31, 2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		$ 191,058	$ 134,298
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on valuation of financial assets and liabilities		(5,459)	(5,515)
Reversal of allowance for doubtful account	6(3)	(8)	(15)
(Reversal of allowance) provision for inventory market price decline	6(4)	(18,251)	15,807
Provision /(reversal) for obsolescence of supplies		2,926	(296)
Share of profit of associates and joint ventures accounted for under the equity method		-	(754)
Depreciation	6(6)(21)	112,721	117,868
Loss on disposal of property, plant and equipment	6(19)	58	68
Impairment loss	6(6)(8)(19)	243	-
Amortization	6(21)	2,452	2,905
Amortization of long-term prepaid rent	6(7)	514	514
Employee stock option compensation cost	6(13)(14)	2,633	2,352
Interest income	6(18)	(6,823)	(3,613)
Interest expense	6(20)	7,844	1,411
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		-	27
Accounts receivable		221,952	(130,044)
Other receivables		(1,639)	3,211
Inventories		20,020	31,043
Prepayments		27,955	(32,059)
Changes in operating liabilities			
Notes payable		49,126	31,954
Accounts payable		63,337	109,291
Other payables		6,977	(22,077)
Advance receipts		(13,254)	(11,702)
Net defined benefit liabilities		(79)	238
Cash inflow generated from operations		664,303	244,912
Interest received		6,845	3,350
Interest paid		(7,844)	(1,411)
Income tax paid		(256)	(6,199)
Net cash flows from operating activities		663,048	240,652

(Continued)

SCINOPHARM TAIWAN, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	For the three-month periods ended March 31, 2016	2015
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in other financial assets-current		($ 113,545)	$ -
Increase in pledged deposits		(28,131)	-
Increase in financial assets measured at cost - non-current		(25,182)	-
Cash paid for acquisition of property, plant and equipment	6(25)	(230,642)	(291,430)
Interest paid for acquisition of property, plant and equipment	6(6)(20)(25)	-	(874)
Proceeds from disposal of property, plant and equipment		-	414
Acquisition of intangible assets		(1,473)	(188)
(Increase) decrease in prepayment for equipment		(33,061)	22,885
Decrease (Increase) in other non-current assets		222	(447)
Net cash flows used in investing activities		(431,812)	(269,640)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) increase in short-term borrowings		(16,055)	85,699
Increase in guarantee deposits received		2,727	20,000
Net cash flows (used in) from financing activities		(13,328)	105,699
Effect of foreign exchange rate changes on cash and cash equivalents		6,099	3,208
Net increase in cash and cash equivalents		224,007	79,919
Cash and cash equivalents at beginning of period	6(1)	2,335,697	1,927,603
Cash and cash equivalents at end of period	6(1)	$ 2,559,704	$ 2,007,522

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated May 9, 2016.

SCINOPHARM TAIWAN, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

(UNAUDITED)

1. HISTORY AND ORGANIZATION

(1) ScinoPharm Taiwan, Ltd. (the Company) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on November 11, 1997. The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in the manufacture of western medicines and other chemical materials, biological technology services, intellectual property rights, international trade and research, development and manufacture of Active Pharmaceutical Ingredients ("API"), albumin medicines, oligonucleotide medicines, peptide medicines, injections and new small molecule drugs, as well as the provision of related consulting and technical services. The Company's investment plan for the manufacturing of API was approved by the Industrial Development Bureau of MOEA on May 13, 1998 and complies with the standards of important technical industry application.

(2) The common shares of the Company have been listed on the Taiwan Stock Exchange since September 2011.

(3) Uni-President Enterprises Corp., the Company's ultimate parent company, holds 37.94% equity interest in the Company.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on May 9, 2016.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRSs") as endorsed by the Financial Supervisory Commission ("FSC")

None.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

None.

(3) IFRSs issued by International Accounting Standard Board ("IASB") but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the 2013 version of IFRSs as endorsed by the FSC:

New Standards, Interpretations and Amendments	Effective date by IASB
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	January 1, 2014
IFRIC 21, 'Levies'	January 1, 2014
Defined benefit plans: employee contributions (amendments to IAS 19R)	July 1, 2014
Improvements to IFRSs 2010-2012	July 1, 2014
Improvements to IFRSs 2011-2013	July 1, 2014
Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	January 1, 2016
Accounting for acquisition of interests in joint operations (amendments to IFRS 11)	January 1, 2016
IFRS 14, 'Regulatory deferral accounts'	January 1, 2016
Disclosure initiative (amendments to IAS 1)	January 1, 2016
Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38)	January 1, 2016
Agriculture: bearer plants (amendments to IAS 16 and IAS 41)	January 1, 2016
Equity method in separate financial statements (amendments to IAS 27)	January 1, 2016
Improvements to IFRSs 2012-2014	January 1, 2016
Disclosure initiative (amendments to IAS 7)	January 1, 2017
Recognition of deferred tax assets for unrealised losses (amendments to IAS 12)	January 1, 2017
IFRS 9, 'Financial instruments'	January 1, 2018
IFRS 15, 'Revenue from contracts with customers'	January 1, 2018
Clarification to IFRS 15, 'Revenue from contracts with customers'	January 1, 2018
IFRS 16, 'Leases'	January 1, 2019
Sale or contribution of assets between an investor and its associateor joint venture (amendments to IFRS 10 and IAS 28)	To be determined by IASB

The Group is assessing the potential impact of the new standards, interpretations and amendments above. The impact will be disclosed when the assessment is complete.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IAS 34, 'Interim Financial Reporting' as endorsed by the FSC.

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

			Percentage owned by the Company		
Name of Investors	Name of Subsidiaries	Business activities	March 31, 2016	December 31, 2015	Note
ScinoPharm Taiwan, Ltd.	SPT International, Ltd.	Professional investment	100.00	100.00	(Note)
ScinoPharm Taiwan, Ltd.	ScinoPharm Singapore Pte Ltd.	Professional investment	100.00	100.00	(Note)
SPT International, Ltd.	ScinoPharm (Kunshan) Biochemical Technology Co., Ltd.	Research, development and manufacture of API and new drug, etc.	100.00	100.00	(Note)
SPT International, Ltd.	ScinoPharm (Changshu) Pharmaceuticals, Ltd.	Research, development and manufacture of API and new drug, etc.	100.00	100.00	(Note)
SPT International, Ltd.	ScinoPharm (Shanghai) Biochemical Technology, Ltd.	Import, export and sales of API and intermediates, etc.	100.00	100.00	(Note)

Name of Investors	Name of Subsidiaries	Business activities	Percentage owned by the Company March 31, 2015	Note
ScinoPharm Taiwan, Ltd.	SPT International, Ltd.	Professional investment	100.00	(Note)
ScinoPharm Taiwan, Ltd.	ScinoPharm Singapore Pte Ltd.	Professional investment	100.00	(Note)
SPT International, Ltd.	ScinoPharm (Kunshan) Biochemical Technology Co., Ltd.	Research, development and manufacture of API and new drug, etc.	100.00	(Note)
SPT International, Ltd.	ScinoPharm (Changshu) Pharmaceuticals, Ltd.	Research, development and manufacture of API and new drug, etc.	100.00	(Note)
SPT International, Ltd.	ScinoPharm (Shanghai) Biochemical Technology, Ltd.	Import, export and sales of API and intermediates, etc.	100.00	(Note)

Note: The financial statements of the entity as of and for the three-month periods ended March 31, 2016 and 2015 were not reviewed by independent accountants as the entity did not meet the definition of significant subsidiary.

The financial statements of certain subsidiaries were consolidated based on their unreviewed financial statements as of and for the three-month periods ended March 31, 2016 and 2015. Total assets of these subsidiaries amounted to \$2,962,206 and \$2,913,021, representing 24% and 25% of the related consolidated totals, and total liabilities amounted to \$127,034 and \$90,387, representing 5% and 4% of the related consolidated totals, as of March 31, 2016 and 2015, respectively. Total comprehensive income of these subsidiaries amounted to (\$33,752) and (\$66,560), constituting (20%) and (71%) of the related consolidated totals for the three-month periods ended March 31, 2016 and 2015, respectively.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in NTD, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within "other gains and losses".

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognized in other comprehensive income.

(b) When a foreign operation as an associate or joint arrangements is partially disposed of or sold, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, if the Group retains partial interest in the former foreign associate or joint arrangements after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangements such transactions should be accounted for as disposal of all interest in these foreign operations.

(c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, if the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realized within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

The group has classified all assets which do not meet the above conditions as non-current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be paid off within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be paid off within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The group has classified all liabilities which do not meet the above conditions as non-current liabilities.

(6) Cash equivalents

A. Cash equivalents refer to short-term highly liquid investments that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value.

B. Time deposits and bills under repurchase agreements that meet the above criteria and are held for the purpose of meeting short-term cash commitment in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets held for trading or financial assets designated as at fair value through profit or loss on initial recognition. Financial assets are classified in this category of held for trading if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as financial assets held for trading unless they are designated as hedges. Financial assets that meet one of the following criteria are designated as at fair value through profit or loss on initial recognition:

(a) Hybrid (combined) contracts; or

(b) They eliminate or significantly reduce a measurement or recognition inconsistency; or

(c) They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. Financial assets at fair value through profit or loss are initially recognized at fair value. Related transaction costs are expensed in profit or loss. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognized in profit or loss.

(8) Receivables

Accounts receivable are receivables originated by the entity. They are created by the entity by selling goods or providing services to customers in the ordinary course of business. Accounts receivable are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. However, short-term accounts receivable that bear no interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Available-for-sale financial assets

A. Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

B. On a regular way purchase or sale basis, available-for-sale financial assets are recognized and derecognized using trade date accounting.

C. Available-for-sale financial assets are initially recognized at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognized in other comprehensive income. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured or derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are presented in 'financial assets measured at cost'.

(10) Impairment of financial assets

A. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

B. The criteria that the Group uses to determine whether there is objective evidence of an impairment loss is as follows:
(a) Significant financial difficulty of the issuer or debtor;
(b) The disappearance of an active market for that financial asset because of financial difficulties;
(c) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group, including adverse changes in the payment status of borrowers in the group or national or local economic conditions that correlate with defaults on the assets in the group;
(d) Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered; or
(e) A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

C. When the Group assesses that there has been objective evidence of impairment and an impairment loss has occurred, accounting for impairment is made as follows according to the category of financial assets:
(a) Financial assets measured at cost
The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at current market return rate of similar financial asset, and is recognized in profit or loss. Impairment loss recognized for this category shall not be reversed subsequently. Impairment loss is recognized by adjusting the carrying amount of the asset through the use of an impairment allowance account
(b) Financial assets measured at amortized cost
The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate, and is recognized in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortized cost that would have been at the date of reversal had the impairment loss not been recognized previously. Impairment loss is recognized and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(11) Derecognition of financial assets

The Group derecognizes a financial asset when one of the following conditions is met:

A. The contractual rights to receive cash flows from the financial asset expire.

B. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows from the financial asset have been transferred, and the Group has not retained control of the financial asset.

(12) Inventories

Inventories are stated at the lower of cost and net realizable value. The standard cost method is applied, and cost is determined using the weighted-average cost method. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(13) Investments accounted for under the equity method / associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.

D. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

E. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(14) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Except for land, other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each component of property, plant and equipment is significant, it is depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Assets	Estimated useful lives
Buildings	2 ~ 35 years
Machinery and equipment	1 ~ 12 years
Transportation equipment	2 ~ 6 years
Office equipment	1 ~ 9 years
Other equipment	2 ~ 19 years

(15) Intangible assets

Professional skills and computer software, etc. are stated at cost and amortized on a straight-line basis over their estimated useful lives of 3 ~ 5 years.

(16) Leased assets/ lessee

Payments made under an operating lease (net of any incentives received from the lessor) are recognized in profit or loss on a straight-line basis over the lease term.

(17) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss shall be reversed to the extent of the loss previously recognized in profit or loss. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(18) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(19) Financial liabilities at fair value through profit or loss

A. Financial liabilities at fair value through profit or loss are financial liabilities held for trading or financial liabilities designated as at fair value through profit or loss on initial recognition. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss on initial recognition:

(a) Hybrid (combined) contracts; or

(b) They eliminate or significantly reduce a measurement or recognition inconsistency; or

(c) They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management policy.

B. Financial liabilities at fair value through profit or loss are initially recognized at fair value. Related transaction costs are expensed in profit or loss. These financial liabilities are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial liabilities are recognized in profit or loss.

(20) Notes and accounts payable

Notes and accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. However, short-term accounts payable that bear no interest are subsequently measured at initial invoice amount as the effect of discounting is insignificant.

(21) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability specified in the contract is discharged, cancelled or expires.

(22) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(23) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurement arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise, and recorded as retained earnings.

iii. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. The related information is disclosed accordingly.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employees' compensation is distributed by shares, the Group calculates the number of shares based on the closing market price at the previous day of the board meeting resolution.

(24) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

(25) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognized for the carry forward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures, employees' training costs and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

G. The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

(26) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(27) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(28) Revenue recognition

A. Sales of goods

The Group manufactures and sells Active Pharmaceutical Ingredients (API), intermediates, etc. Revenue is measured at the fair value of the consideration received or receivable taking into account value-added tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. Revenue arising from the sales of goods is recognized when the Group has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

B. Sales of services

The Group provides biochemical technology development consultation and processing services. Revenue from rendering services is recognized under the percentage-of-completion method when the outcome of services provided can be estimated reliably. The stage of completion of a service contract is measured by the percentage of the actual services performed as of the financial reporting date to the total services to be performed by surveys of work performed.

(29) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgments in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, and the related information is addressed below:

(1) Critical judgments in applying the Group's accounting policies

Financial assets – impairment of equity investments

The Group follows the guidance of IAS 39 to determine whether a financial asset-equity investment is impaired. This determination requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the fair value of an equity investment is less than its cost and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(2) Critical accounting estimates and assumptions

A. Evaluation of inventories

(a) As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material change to the evaluation.

(b) As of March 31, 2016, the carrying amount of inventories was $2,167,439.

B. Realisability of deferred income tax assets

(a) Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. Assessment of the realisability of deferred income tax assets involves critical accounting judgments and estimates of the management, including the assumptions of expected future sales revenue growth rate and profit rate, tax exempt duration, available tax credits, tax planning, etc. Any variations in global economic environment, industrial environment, and laws and regulations might cause material adjustments to deferred income tax assets.

(b) As of March 31, 2016, the Group recognized deferred income tax assets amounting to $391,694.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) CASH AND CASH EQUIVALENTS

	March 31, 2016	December31,2015	March 31, 2015
Cash:			
Cash on hand	$ 289	$ 237	$ 277
Checking accounts and demand deposits	241,216	471,545	352,525
	241,505	471,782	352,802
Cash Equivalents:			
Time deposits	2,020,369	1,564,003	1,399,777
Bill under repurchase agreements	297,830	299,912	254,943
	2,318,199	1,863,915	1,654,720
	$ 2,559,704	$ 2,335,697	$ 2,007,522

A. The Group associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Details of the Group's time deposits pledged to others as collateral (listed as "Other financial assets-current" and "Other financial assets-non-current") as of March 31, 2016, December 31, 2015 and March 31, 2015 are provided in Note 8.

(2) FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Items	March 31, 2016	December31,2015	March 31, 2015
Current items:			
Financial assets held for trading			
Non-hedging derivatives	$ 5,314	$ -	$ 1,846
Financial liabilities held for trading			
Non-hedging derivatives	$ -	$ 145	$ -

A. The Group recognized net gain on financial assets and liabilities held for trading amounting to $4,242 and $3,875 for the three-month periods ended March 31, 2016 and 2015, respectively (listed as "other gains and losses").

B. The non-hedging derivative instruments transaction and contract information are as follows:

	March 31, 2016	
Items	Contract Amount	Contract Period
Forward foreign exchange contracts	USD 9,130,000	2.2016~5.2016

	December 31, 2015	
Items	Contract Amount	Contract Period
Forward foreign exchange contracts	USD 5,400,000	11.2015~2.2016

	March 31, 2015	
Items	Contract Amount	Contract Period
Forward foreign exchange contracts	USD 9,730,000	1.2015~5.2015

The Group entered into forward foreign contracts to hedge exchange rate risk of operating activities. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

C. The Group has no financial assets at fair value through profit or loss pledged to others as of March 31, 2016, December 31, 2015 and March 31, 2015.

(3) ACCOUNTS RECEIVABLE, NET

	December 31, 2016	December31,2015	March 31, 2015
Accounts receivable	$ 645,332	$ 867,284	$ 653,130
Less: Allowance for doubtful accounts	(45)	(53)	(81)
	$ 645,287	$ 867,231	$ 653,049

A. As of March 31, 2016, December 31, 2015 and March 31, 2015, the Group had no accounts receivable classified as "past due but not impaired".

B. Movements on the provision for impairment of accounts receivable are as follows:

	For the three-month periods ended March 31,	
	2016	2015
	Individual provision	Individual provision
At January 1	$ 53	$ 96
Reversal of provision for impairment	(8)	(15)
At March 31	$ 45	$ 81

C. Accounts receivable that were neither past due nor impaired were fully performing in line with the credit standards prescribed based on the counterparties' industry characteristics, business scale and profitability.

D. As of March 31, 2016, December 31, 2015 and March 31, 2015, the Group does not hold any collateral as security.

(4) INVENTORIES

	March 31, 2016		
	Cost	Allowance for market price decline	Book value
Raw materials	$ 443, 863	($ 85, 157)	$ 358, 706
Supplies	15, 246	(724)	14, 522
Work in process	790, 362	(66, 457)	723, 905
Finished goods	1, 295, 857	(225, 551)	1, 070, 306
	$ 2, 545, 328	($ 377, 889)	$ 2, 167, 439

	December31,2015		
	Cost	Allowance for market price decline	Book value
Raw materials	$ 254, 846	($ 64, 664)	$ 190, 182
Supplies	16, 340	(836)	15, 504
Work in process	1, 116, 241	(58, 672)	1, 057, 569
Finished goods	1, 177, 921	(271, 968)	905, 953
	$ 2, 565, 348	($ 396, 140)	$ 2, 169, 208

	March 31, 2015		
	Cost	Allowance for market price decline	Book value
Raw materials	$ 563, 130	($ 43, 553)	$ 519, 577
Supplies	22, 144	(10, 733)	11, 411
Work in process	1, 036, 123	(72, 111)	964, 012
Finished goods	1, 124, 427	(216, 981)	907, 446
	$ 2, 745, 824	($ 343, 378)	$ 2, 402, 446

Expense and losses of inventories for the year:

	For the three-month periods ended March 31,	
	2016	2015
Cost of goods sold	$ 510,640	$ 555,394
Loss on physical inventory	4,281	901
Loss on production stoppages	41,759	34,589
Under applied manufacturing overhead	47,545	21,116
(Reversal of allowance) provision for inventory market price decline	(18,251)	15,807
	$ 585,974	$ 627,807

The reversal of allowance for inventory market price decline and the decrease of cost of goods sold were recognized due to disposal of certain inventories which were previously provided with allowance for price decline but were subsequently sold.

The Group has no reversal of allowance for inventory market price decline during the three-month period ended March 31, 2015.

(5) FINANCIAL ASSETS MEASURED AT COST－NON－CURRENT

	March 31, 2016	December31,2015	March 31, 2015
Unlisted stocks			
Tanvex Biologics, Inc.	$ 167,673	$ 167,673	$ 167,673
SYNGEN, INC.	4,620	4,620	4,620
Foresee Pharmaceuticals, Inc.	-	-	75,853
Foresee Pharmaceuticals, Co., Ltd.	196,416	171,234	-
	368,709	343,527	248,146
Less: Accumulated impairment	(4,620)	(4,620)	(4,620)
	$ 364,089	$ 338,907	$ 243,526

A. Based on the Group's intention, its investment in Tanvex Biologics, Inc. and Syngen, Inc. should be classified as available-for-sale financial assets. However, as Tanvex Biologics, Inc. and Syngen, Inc. are not traded in an active market and no sufficient industry information and financial information of similar companies can be obtained, the fair value of the investments in Tanvex Biologics, Inc. and Syngen, Inc. cannot be measured reliably. Accordingly, the Group classified those stocks as 'financial assets measured at cost'.

B. Foreseeacer Pharmaceuticals, Inc. (hereafter, "Foreseeacer"), an associate of the Group accounted for under the equity method, entered into a share swap transaction with its controlling shareholder, Foresee Pharmaceuticals, Inc. (hereafter, "Foresee Cayman") during the fourth quarter of 2014, whereby Foresee Cayman issued new shares to swap and recall the outstanding shares of Foreseeacer. The Group obtained approval of such transaction during the board of directors' meeting on November 7, 2014, and the related share swap was completed on January

15, 2015. After the swap, the Group obtained 5,400 thousand preferred shares of Foresee Cayman, consisting of 6.12% of its outstanding preferred shares. However, Foresee Cayman announced its second phase of re-organization plan (the Phase II Plan) during February 2015, in which, one of its fully owned subsidiaries, Foresee Pharmaceuticals Co., Ltd. (hereafter, "Foresee") will issue new shares to swap and recall all outstanding shares of Foresee Cayman. After engaging in the swap, the Company obtained 4,072 thousand common shares, consisting of 6.12% of its outstanding common shares. Based on the guidance and accounting policies of the Group, such share swap transaction should be deemed as disposal of associates accounted for under the equity method, and the new investment will be measured at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss. Any amounts previously recognized as capital surplus or as other comprehensive income in relation to the associate are transferred to profit or loss. However, as the Phase II Plan was completed as of June 30, 2015, the uncertainties regarding the fair value of the final share interests received in the swap has been eliminated. The related gain of $95,381 from the share swap transaction has been recognized upon completion of the Phase II Plan. After a comprehensive assessment, the Group does not have the right to exercise significant influence on the investee company, Foresee Cayman, and accordingly, the related share of interest is classified as "available-for-sale financial assets". In addition, as the shares of Foresee Cayman are not publicly traded in an active market, its fair value cannot be measured reliably. As a result, the Group classified those shares as "financial assets measured at cost".

C. As of March 31, 2016, December 31, 2015 and March 31, 2015, no financial assets measured at cost held by the Group were pledged to others.

(6) PROPERTY, PLANT AND EQUIPMENT

January 1, 2016	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress	Total
Cost	$ 2,499,181	$ 4,689,690	$ 29,690	$ 202,695	$ 141,302	$ 1,803,046	$ 9,365,604
Accumulated depreciation	(723,268)	(3,226,643)	(20,677)	(128,570)	(81,981)	-	(4,181,139)
Accumulated impairment	-	(13,751)	-	-	-	-	(13,751)
	$ 1,775,913	$ 1,449,296	$ 9,013	$ 74,125	$ 59,321	$ 1,803,046	$ 5,170,714
For the three-month period ended March 31, 2016							
At January 1, 2016	$ 1,775,913	$ 1,449,296	$ 9,013	$ 74,125	$ 59,321	$ 1,803,046	$ 5,170,714
Additions	-	-	-	-	-	198,544	198,544
Reclassified from prepayments for equipment	-	-	-	-	-	114,154	114,154
Reclassified upon completion	1,644	140,178	-	4,334	24,428	(170,584)	-
Depreciation charge	(24,809)	(73,530)	(938)	(7,131)	(6,313)	-	(112,721)
Disposals－Cost	-	(2,089)	-	-	(876)	-	(2,965)
－Accumulated depreciation	-	2,031	-	-	876	-	2,907
Impairment loss	-	(243)	-	-	-	-	(243)
Net currency exchange differences	(2,092)	(2,993)	(6)	(101)	(529)	(3,407)	(9,128)
At March 31, 2016	$ 1,750,656	$ 1,512,650	$ 8,069	$ 71,227	$ 76,907	$ 1,941,753	$ 5,361,262
March 31, 2016							
Cost	$ 2,498,445	$ 4,824,315	$ 29,645	$ 206,708	$ 163,866	$ 1,941,753	$ 9,664,732
Accumulated depreciation	(747,789)	(3,297,670)	(21,576)	(135,481)	(86,959)	-	(4,289,475)
Accumulated impairment	-	(13,995)	-	-	-	-	(13,995)
	$ 1,750,656	$ 1,512,650	$ 8,069	$ 71,227	$ 76,907	$ 1,941,753	$ 5,361,262

January 1, 2015	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress	Total
Cost	$ 2,230,902	$ 4,575,686	$ 30,389	$ 192,813	$ 141,186	$ 1,685,329	$ 8,856,305
Accumulated depreciation	(633,158)	(2,958,764)	(16,896)	(102,501)	(62,017)	-	(3,773,336)
Accumulated impairment	-	(17,944)	-	-	-	-	(17,944)
	$ 1,597,744	$ 1,598,978	$ 13,493	$ 90,312	$ 79,169	$ 1,685,329	$ 5,065,025
For the three-month period ended March 31, 2015							
At January 1, 2015	$ 1,597,744	$ 1,598,978	$ 13,493	$ 90,312	$ 79,169	$ 1,685,329	$ 5,065,025
Additions	-	-	-	150	-	160,103	160,253
Reclassified from prepayments for equipment	-	-	-	-	-	16,440	16,440
Reclassified upon completion	4,545	21,646	-	8,127	1,487	(35,805)	-
Depreciation charge	(22,180)	(80,294)	(1,101)	(8,264)	(6,029)	-	(117,868)
Disposals—Cost	-	(43,359)	(242)	-	-	-	(43,601)
—Accumulated depreciation	-	42,942	177	-	-	-	43,119
Net currency exchange differences	(2,283)	(2,008)	(47)	(220)	(717)	(8,880)	(14,155)
At March 31, 2015	$ 1,577,826	$ 1,537,905	$ 12,280	$ 90,105	$ 73,910	$ 1,817,187	$ 5,109,213
March 31, 2015							
Cost	$ 2,232,892	$ 4,552,209	$ 30,048	$ 200,562	$ 141,412	$ 1,817,187	$ 8,974,310
Accumulated depreciation	(655,066)	(2,996,360)	(17,768)	(110,457)	(67,502)	-	(3,847,153)
Accumulated impairment	-	(17,944)	-	-	-	-	(17,944)
	$ 1,577,826	$ 1,537,905	$ 12,280	$ 90,105	$ 73,910	$ 1,817,187	$ 5,109,213

A. Amount of borrowing costs capitalized as part of property, plant and equipment and the range of the interest rates for such capitalization are as follows:

	For the three-month period ended March 31, 2015
Amount capitalized	$ 874
Interest rate	1.16%~2.31%

For the three-month period ended March 31, 2016: None.

B. Impairment and reclassification information about the property, plant and equipment is provided in Note 6(8), Impairment of non-financial assets.

C. As of March 31, 2016, December 31, 2015 and March 31, 2015, the Group has not pledged any property, plant and equipment.

(7) LONG-TERM PREPAID RENT

	March 31, 2016	December31,2015	March 31, 2015
Long-term prepaid rent	$ 89,436	$ 90,359	$ 92,787

In 2008, the Group's Mainland China subsidiary entered into a land use right contract with the local government relating to the acquisition of the right to use the land located in Changshu, Jiangsu province, with a lease term of 50 years. The subsidiary had prepaid all rental expenses on the contract date, and recognized rental expenses of $514 for both of the three-month periods ended March 31, 2016 and 2015 (listed as "General and administrative expenses").

(8) IMPAIRMENT OF NON-FINANCIAL ASSETS

A. The Group recognized impairment loss of non-financial assets amounting to $243 for the three-month period ended March 31, 2016 (listed as "other gains and losses"). The Group has no impairment loss of non-financial assets for the three-month period ended March 31, 2015.

B. The impairment loss reported by operating segments is as follows:

	For the three-month period ended March 31, 2016	
Segments	Recognized in profit or loss	Recognized in other comprehensive income
ScinoPharm Taiwan	$ 243	$ -

(9) SHORT-TERM BORROWINGS

Type of borrowings	March 31, 2016	Interest rate range	Collateral
Bank loans			
Unsecured loans	$ 1,686,251	1.43%~4.35%	None

Type of borrowings	December 31, 2015	Interest rate range	Collateral
Bank loans			
Unsecured loans	$ 1,702,306	1.18%~4.35%	None

Type of borrowings	March 31, 2015	Interest rate range	Collateral
Bank loans			
Unsecured loans	$ 1,363,175	1.16%~2.31%	None

(10) OTHER PAYABLES

	March 31, 2016	December31,2015	March 31, 2015
Accrued payroll	$ 148,838	$ 130,958	$ 110,027
Payables on equipment	12,719	44,817	94,812
Others	150,254	161,157	157,261
	$ 311,811	$ 336,932	$ 362,100

(11) PENSIONS

A. (a)The Company has set up a defined benefit pension plan in accordance with the Labor Standards Law, which applies to all regular employees' service years prior to the enforcement of the Labor Pension Act (the "Act") on July 1, 2005 and service years thereafter of employees who chose to continue to be covered under the pension scheme of the Labor Standards Law after the enforcement of the Act. In accordance with the Company's retirement plan, an employee may retire when the employee either (i) attains the age of 55 with 15 years of service, (ii) has more than 25 years of service, (iii) has reached the age of 65, or (iv) is incapacitated to work (compulsory retirement). The employees earn two units for each year of service for the first 15 years, and one unit for each additional year thereafter up to a maximum of 45 units. Any fraction of a year equal to or more than six months shall be counted as one year of service, and any fraction of a year less than six months shall be counted as half a year. According to the provisions, employees who retired due to their duties shall get additional 20%. Pension payments are based on the number of units earned and the average salary of the last six months prior to retirement. Calculation of average salary is in accordance with the Labor Standards Law of the R.O.C. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contribution for the deficit by end of March next year.

(b)The pension costs under the aforementioned defined contribution pension plans of the Company for the three-month periods ended March 31, 2016 and 2015 were $749 and $1,002, respectively.

(c)As of March 31, 2016 the Company's expected contributions to the pension plans for the next annual reporting period amounted to $2,994.

B. As a result of the enforcement of the Act, the Company set up a defined contribution pension plan which took effect on July 1, 2005. The local employees are eligible for the defined contribution plan. For employees who choose to be covered under the pension scheme of the Act, the Company contributes monthly an amount of not less than 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. Pensions are paid by monthly installments or in lump sum based on the accumulated balances of the employees' individual pension accounts. The subsidiaries in Mainland China (ScinoPharm (Kunshan) Biochemical Technology Co., Ltd., ScinoPharm (Changshu) Pharmaceuticals, Ltd., and ScinoPharm (Shanghai) Biochemical Technology, Ltd.) are subject to a government sponsored defined contribution plan. In accordance with the related Laws of the People's Republic of China, the subsidiaries in Mainland China contribute monthly 18% of the employees' monthly salaries and wages to an independent fund administered by the government. Other than the monthly contributions, these subsidiaries do not have further obligations. The other subsidiaries, SPT International, Ltd. and ScinoPharm Singapore Pte Ltd., had no employees. For the three-month periods ended March 31, 2016 and 2015, the pension costs recognized under the aforementioned defined contribution pension plans were $8,181 and $7,921, respectively.

(12) SHARE CAPITAL

A. Movements in the number of the Company's ordinary shares (in thousands) outstanding are as follows:

	For the three-month periods ended March 31,	
	2016	2015
At January 1 and March 31	731,083	702,964

B. On June 23, 2015, the Company's shareholders adopted a resolution to issue shares of common stock due to capitalization of retained earnings of $281,186 and obtained approval from the SFC. The effective date of capitalization was set on August 14, 2015. After the capitalization mentioned above, the Company's authorized total capital was $10,000,000 and the paid-in capital was $7,310,829 (731,083 thousand shares) with a par value of $10 (in dollars) per share.

C. As of March 31, 2016, the Company's authorized capital was $10,000,000 and the paid-in capital was $7,310,829 (731,083 thousand shares) with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

(13) CAPITAL RESERVES

A. Pursuant to the R.O.C. Company Act, capital reserve arising from paid-in capital in excess of par value on issuance of common stocks and donations shall be exclusively used to cover accumulated deficit or, distribute cash or stocks in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the capital reserve to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital reserve should not be used to cover accumulated deficit unless the legal reserve is insufficient.

B. Movements on the Company's capital reserve are as follows:

	For the three-month period ended March 31, 2016		
	Share premium	Stock options	Total
At January 1	$ 1, 233, 286	$ 32, 258	$ 1, 265, 544
Employee stock options compensation cost			
- Company	-	2, 583	2, 583
- Subsidiaries	-	50	50
At March 31	$ 1, 233, 286	$ 34, 891	$ 1, 268, 177

	For the three-month period ended March 31, 2015		
	Share premium	Stock options	Total
At January 1	$ 1, 233, 286	$ 23, 991	$ 1, 257, 277
Employee stock options compensation cost			
- Company	-	2, 195	2, 195
- Subsidiaries	-	157	157
At March 31	$ 1, 233, 286	$ 26, 343	$ 1, 259, 629

(14) SHARE-BASED PAYMENT

A. The Company issued 1 million units and 1.5 million units of employee stock options on December 3, 2013 and November 6, 2015, respectively (the 'Grant Date'). The exercise price of the options was set at $91.7 dollars and $41.65 dollars, which was based on the closing market price of the Company's common shares on the Grant Dates. Each option was granted the right to purchase one share of the Company's common stocks. The exercise price is subject to further adjustments when there is change in the number of shares of the Company's common stocks after the Grant Date. (As of March 31, 2016, for the issued 1 million units and 1.5

million units of employee stock options, the exercise price adjusted based on the specific formula was $83.4 per share and $41.65 per share, respectively.) Contract period of the employee stock option plans are 10 years, and options are exercisable in 2 years after the Grant Date. The Company recognized compensation costs relating to the employee stock options plan of $2,633 and $2,352 for the three-month periods ended March 31, 2016 and 2015, respectively.

B. Details of the share-based payment arrangements are as follows:

	For the three-month period ended March 31, 2016	
	Number of options (in thousand units)	Weighted-average exercise price (in dollars)
Options outstanding at beginning of the period	2,348	$ 56.92
Options granted	-	-
Options forfeited	(137)	41.65
Options outstanding at end of the period	2,211	57.87
Options exercisable at end of the period	461	83.40

	For the three-month period ended March 31, 2015	
	Number of options (in thousand units)	Weighted-average exercise price (in dollars)
Options outstanding at beginning of the period	1,000	$ 91.70
Options granted	-	-
Options outstanding at end of the period	1,000	91.70
Options exercisable at end of the period	-	-

C. The exercise prices of the employee stock options outstanding on the balance sheet date is as follows:

		March 31, 2016		December31,2015	
Grant date	Expire date	No. of stocks (unit in thousands)	Exercise price (in dollars)	No. of stocks (unit in thousands)	Exercise price (in dollars)
12.3.2013	12.2.2023	859	$ 83.40	859	$ 83.40
11.6.2015	11.5.2025	1,352	41.65	1,489	41.65

		March 31, 2015	
Grant date	Expire date	No. of stocks (unit in thousands)	Exercise price (in dollars)
12.3.2013	12.2.2023	1,000	$ 91.70

D. The fair value of the Company's employee stock option on Grant Date was evaluated using the combination of Hull & White and the Ritchken trinomial option valuation model. Related information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Price volatility	Option life	Expected dividends	Interest rate	Fair value per unit (in dollars)
Employee stock options	12. 3. 2013	$91. 70	$ 91. 70	28. 50% (Note)	10 years	1. 5%	1. 7145%	$ 26. 045
Employee stock options	11. 6. 2015	41. 65	41. 65	37. 63% (Note)	10 years	1. 5%	1. 2936%	13. 799

Note: According to daily returns of the Company's stock for the previous year, the annualized volatility is 28.5% and 37.63%, respectively.

(15) RETAINED EARNINGS

A. Pursuant to the R.O.C. Company Act, the current year's after-tax earnings should be used initially to cover any accumulated deficit; thereafter 10% of the remaining earnings should be set aside as legal reserve until the balance of legal reserve is equal to that of paid-in capital. The legal reserve shall be exclusively used to cover accumulated deficit, to issue new stocks, or to distribute cash to shareholders in proportion to their share ownership. The use of legal reserve for the issuance of stocks or cash dividends to shareholders in proportion to their share ownership is permitted provided that the balance of such reserve exceeds 25% of the Company's paid-in capital.

B. Since the Company is in a changeable industry environment and the life cycle of the Company is in a stable growth, the appropriation of earnings should consider fund requirements and capital budget to decide how much earnings will be kept or distributed and how much cash dividends will be distributed. According to the Company's Articles of Incorporation, 10% of the annual net income, after offsetting any loss of prior years and paying all taxes and dues, shall be set aside as legal reserve. The remaining net income and the unappropriated retained earnings from prior years can be distributed in accordance with a resolution passed during a meeting of the Board of Directors and approved at the stockholders' meeting. Of the amount to be distributed by the Company, stockholders' dividends shall comprise 50% to 100% of the unappropriated retained earnings, and the percentage of cash dividends shall not be less than 30% of dividends distributed.

C. In accordance with the regulations, the Company shall set aside special reserve for the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings. The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

D. The Company recognized cash dividends and stock dividends distributed to owners amounting to $140,592 ($0.20 (in dollars) per share) and $281,186 ($0.40 (in dollars) per share) for the year ended December 31, 2015. On March 25, 2016, the Board of Directors during its meeting proposed cash dividends and stock dividends of $219,325 ($0.30 (in dollars) per share) and $292,433 ($0.40 (in dollars) per share) for the year ended December 31, 2015. Such dividend payable is not included in this consolidated financial report.

(16) OTHER EQUITY ITEMS

	For the three-month periods ended March 31, 2016	2015
At January 1	$ 69,095	$ 100,674
Currency translation differences—group	(4,457)	(14,058)
Disposal (Note)	-	(4,824)
At March 31	$ 64,638	$ 81,792

Note: The Group lost significant influence in the associate investment after a share swap transaction with the controlling shareholder of the associate. Such share swap transaction was deemed as disposal of associates accounted for under the equity method and amounts previously recognized as other equity items were derecognized accordingly. Please refer to Note 6 (5) for details.

(17) OPERATING REVENUE

	For the three-month periods ended March 31, 2016	2015
Sales revenue	$ 1,000,896	$ 945,329
Less: Sales discounts	-	(67)
Technical service revenue	20,860	33,796
	$ 1,021,756	$ 979,058

(18) OTHER INCOME

	For the three-month periods ended March 31, 2016	2015
Interest income from bank deposits	$ 6,823	$ 3,613
Others	2,062	2,402
	$ 8,885	$ 6,015

(19) OTHER GAINS AND LOSSES

	For the three-month periods ended March 31,	
	2016	2015
Net gain on financial assets/liabilities at fair value through profit or loss	$ 4,242	$ 3,875
Impairment loss	(243)	-
Loss on disposal of property, plant, and equipment	(58)	(68)
Net currency exchange loss	(1,860)	(13,765)
Miscellaneous	(7,444)	(2,153)
	($ 5,363)	($ 12,111)

(20) FINANCE COSTS

	For the three-month periods ended March 31,	
	2016	2015
Interest expense:		
Bank loans	$ 7,844	$ 2,285
Less: capitalization of qualifying assets	-	(874)
	$ 7,844	$ 1,411

(21) EXPENSES BY NATURE

	For the three-month period ended March 31, 2016		
	Operating costs	Operating expenses	Total
Employee benefit expenses	$ 111,754	$ 94,871	$ 206,625
Depreciation	85,845	26,876	112,721
Amortization	788	1,664	2,452
	$ 198,387	$ 123,411	$ 321,798

	For the three-month period ended March 31, 2015		
	Operating costs	Operating expenses	Total
Employee benefit expenses	$ 112,661	$ 70,106	$ 182,767
Depreciation	91,896	25,972	117,868
Amortization	474	2,431	2,905
	$ 205,031	$ 98,509	$ 303,540

(22) EMPLOYEE BENEFIT EXPENSES

	For the three-month period ended March 31, 2016		
	Operating costs	Operating expenses	Total
Salaries and wages	$ 94,497	$ 83,549	$ 178,046
Labor and health insurance expenses	8,357	4,882	13,239
Pension costs	5,563	3,367	8,930
Other personnel expenses	3,337	3,073	6,410
	$ 111,754	$ 94,871	$ 206,625

	For the three-month period ended March 31, 2015		
	Operating costs	Operating expenses	Total
Salaries and wages	$ 94,970	$ 58,683	$ 153,653
Labor and health insurance expenses	8,852	4,583	13,435
Pension costs	5,539	3,384	8,923
Other personnel expenses	3,300	3,456	6,756
	$ 112,661	$ 70,106	$ 182,767

A. According to the Articles of Incorporation of the Company, when distributing earnings, the Company shall distribute bonus to the employees and pay remuneration to the directors that account for 0.2% and 2%, respectively, of the total distributed amount. However, in accordance with the Company Act amended on May 20, 2015, a company shall distribute employee compensation, based on the current year's profit condition, in a fixed amount or a proportion of profits. If a company has accumulated deficit, earnings should be channeled to cover losses. Aforementioned employee remuneration could be paid by cash or stocks. Specifics of the compensation are to be determined in a board meeting that registers two-thirds of directors in attendance, and the resolution must receive support from half of participating members. The resolution should be reported in the shareholders' meeting. Qualification requirements of employees, including the employees of subsidiaries of the Company meeting certain specific requirements, entitled to receive aforementioned stock or cash may be specified in the Articles of Incorporation. The board of directors of the Company has approved the amended Articles of Incorporation of the Company on December 18, 2015. According to the amended articles, a ratio of profit of the current year distributable, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 2% for employees' compensation and shall not be higher than 2% for directors' remuneration. The amended articles will be resolved in the shareholders' meeting in 2016.

B. For the three-month periods ended March 31, 2016 and 2015, the employees' compensation was accrued at $30,152 and $203, respectively, while the directors' remuneration was accrued at $3,208 and $2,031, respectively. The aforementioned amounts were recognized in salary expenses. The expenses recognized for the period were accrued based on the earnings of current year and the percentage specified in the Articles of Incorporation of the Company. The actual amount approved at the Board of Directors' meeting for employees' compensation and directors' remuneration for 2015 was $88,554, which was different from the estimated amount of $78,940 recognized in the 2015 financial statements by $9,614. Such difference was mainly resulted from estimation, and recognized in profit or loss for the three-month period ended March 31, 2016. The employees' compensation and directors' remuneration for 2015 has not yet been distributed as of March 31, 2016.

Information about the appropriation of employees' compensation (bonus) and directors' remuneration by the Company as proposed by the Board of Directors and resolved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(23) INCOME TAX

A. Income tax expense

Components of income tax expense:

	For the three-month periods ended March 31,	
	2016	2015
Current income tax:		
Income tax occurred in current year	$ 39,191	$ 32,437
Under provision of prior year's income tax	1,460	-
Deferred income tax:		
Origination and reversal of temporary differences	(21,515)	(10,930)
Income tax expense	$ 19,136	$ 21,507

B. The Company's income tax returns through 2014 have been assessed and approved by the Tax Authority, and there were no disputes existing between the Company and the Authority as of May 9, 2016.

C. The Company's unappropriated retained earnings listed on the balance sheet as of March 31, 2016, December 31, 2015 and March 31, 2015 were all generated after the year 1998.

D. As of March 31, 2016, December 31, 2015 and March 31, 2015, the balance of the Company's imputation tax credit account was $180,052, $180,052 and $193,284, respectively. The earnings distribution for 2014 was approved at the stockholders' meeting on June 23, 2015, and the dates of dividend distribution were set by the Board of Directors on August 14, 2015. The creditable tax rate for 2014 was 23.48% and the creditable tax rate for 2015 is expected to be 23.13%. The Company's imputation tax credit distributed to the stockholders shall be calculated on the basis of the balance of each stockholder on the date of dividend distribution.

As a result, the applicable creditable tax rate for the dividend distributed for the year 2015 shall be adjusted which accounts for the imputation tax credits under the Tax Law before the day of dividend distribution.

(24) EARNINGS PER SHARE ("EPS")

	For the three-month period ended March 31, 2016		
	Amount after tax	Weighted average number of shares outstanding (shares in thousands)	EPS (in dollars)
Basic earnings per share			
Profit attributable to ordinary stockholders of the parent	$ 171,922	731,083	$ 0.24
Diluted earnings per share			
Profit attributable to ordinary stockholders of the parent	$ 171,922	731,083	
Assumed conversion of all dilutive potential ordinary shares			
Employees' stock option	-	136	
Employees' bonus	-	2,077	
Profit attributable to ordinary stockholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 171,922	733,296	$ 0.23

	For the three-month period ended March 31, 2015		
	Amount after tax	Weighted average number of shares outstanding (shares in thousands)	EPS (in dollars)
Basic earnings per share			
Profit attributable to ordinary stockholders of the parent	$ 112,791	731,083	$ 0.15
Diluted earnings per share			
Profit attributable to ordinary stockholders of the parent	$ 112,791	731,083	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	47	
Profit attributable to ordinary stockholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 112,791	731,130	$ 0.15

A. The abovementioned stock options issued in 2013 are anti-dilutive; therefore were not included in the EPS calculation.

B. As employees' compensation could be distributed in the form of stock, the diluted EPS computation shall include those estimated shares that would increase from employees' stock compensation issuance in the weighted-average number of common shares outstanding during the reporting year, taking into account the dilutive effect of stock compensation on potential common shares; whereas, basic EPS shall be calculated based on the weighted-average number of common shares outstanding during the reporting year that include the shares of employees' stock compensation for the appropriation of prior year earnings, which have already been resolved at the stockholders' meeting held in the reporting year. Since capitalization of employees' bonus no longer belongs to distribution of stock dividends (or retained earnings and capital reserve capitalized), the calculation of basic EPS and diluted EPS for all years presented shall not be adjusted retrospectively.

C. The above mentioned weighted average numbers of ordinary shares outstanding have been adjusted to unappropriated retained earnings as proportional increase in capital for the year ended December 31, 2014.

(25) Supplemental cash flow information

A. Investing activities with partial cash payments

	For the three-month periods ended March 31,	
	2016	2015
Purchase of property, plant and equipment	$ 198,544	$ 160,253
Add: Beginning balance of payable on equipment	44,817	226,863
Less: Ending balance of payable on equipment	(12,719)	(94,812)
Capitalization of interest	-	(874)
Cash paid for acquisition of property, plant and equipment	$ 230,642	$ 291,430

B. Investing activities with no cash flow effects

	For the three-month periods ended March 31,	
	2016	2015
a. Investment accounted for under the equity method reclassified to financial assets measured at cost	$ -	$ 75,853

	For the three-month periods ended March 31,	
	2016	2015
b. Prepayments for equipment reclassified to property, plant and equipment	$ 114,154	$ 16,440

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The ultimate parent and the ultimate controlling party of the Company is Uni-President Enterprises Corp. For names and relations of other related parties with substantive control, please refer to Note 13(2).

(2) Significant transactions and balances with related parties

A. Sales revenues

	For the three-month periods ended March 31,	
	2016	2015
Sales of services:		
－Associates	$ -	$ 2,396

The terms of providing technical services to related parties were the same with regular customers. The collection period for related parties was 60 days after sales, which is the same with regular customers.

B. Management consultancy fees

	For the three-month periods ended March 31,	
	2016	2015
－Ultimate parent company	$ 1,060	$ 1,060

C. Other payables

	March 31, 2016	December31,2015	March 31, 2015
An entity controlled by key management individuals	$ -	$ 2,231	$ -

(3) Key management compensation

	For the three-month periods ended March 31,	
	2016	2015
Salaries and other short-term employee benefits	$ 10, 147	$ 10, 359

8. PLEDGED ASSETS

Details of the Group's assets pledged as collateral are as follows:

Assets	March 31, 2016	December31,2015	March 31, 2015	Purpose of collateral
Time deposits (Note)	$ 52, 865	$ 24, 734	$ 24, 734	Customs duty and performance guarantee

Note: Recorded as "other financial assets- current" and "other financial assets-non-current".

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) As of March 31, 2016, December 31, 2015 and March 31, 2015, the Group's unused letters of credit amounted to $ —, $7,508 and $ —, respectively.

(2) As of March 31, 2016, December 31, 2015 and March 31, 2015, the Group's remaining balance due for construction in progress and prepayments for equipment was $385,195, $547,190 and $484,395, respectively.

(3) The Company entered into a non-cancellable operating lease agreement for the period from June 1, 2011 to February 28, 2018 for the land in Tainan Science Park. The lease period of the lease agreement cannot be over 20 years and is renewable at the end of the lease term. The Company pays monthly rent. If the announced land values, state-owned land rent rate, or other factors change, the monthly rent paid by the Company will be adjusted accordingly on the following month. The Company may have to pay additional rent or get a refund on its last rental payment because of such adjustment. The rent expense of $5,790 and $5,323 (listed as "operating costs" and "operating expenses") was recognized in profit or loss for the three-month periods ended March 31, 2016 and 2015, respectively. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	March 31, 2016	December31,2015	March 31, 2015
Within one year	$ 23, 159	$ 21, 291	$ 21, 291
Later than one year but not exceeding five years	21, 229	24, 840	40, 808
	$ 44, 388	$ 46, 131	$ 62, 099

10. SIGNIFICANT DISASTER LOSS: None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE: None.

12. OTHERS

(1) Capital management

The Group's objectives on managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, to maintain an optimal capital structure, to reduce the cost of capital and to maintain an adequate capital structure to enable the expansion and enhancement of equipment. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return of capital to shareholders, and issue new shares or sell assets to reduce debts.

(2) Financial instruments

A. Fair value information of financial instruments

Except those in the table below, the Group's financial instruments which are not measured at fair value (including cash and cash equivalents, accounts receivable, other receivables, other financial assets-current, other financial assets-non-current, short-term borrowings, notes payable, accounts payable, other payables and guarantee deposits received) is approximate to their fair value. Please refer to Note 12 (3) for details of fair value information of financial instruments measured at fair value.

B. Financial risk management policies

(a)The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and financial performance.

(b)Group treasury identifies, evaluates and hedges financial risks closely with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

I. Foreign exchange rate risk

i)The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

ii)To manage their foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, entities in the Group are required to hedge their foreign exchange risk exposure using forward foreign exchange contracts. However, hedge accounting is not applied as transactions did not meet all criteria of hedge accounting. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

iii)The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other subsidiaries' functional currency: CNY). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	March 31, 2016		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 26,070	32.19	$ 839,193
EUR:NTD	1,277	36.51	46,623
CNY:NTD	2,237	4.972	11,122
Financial liabilities			
Monetary items			
USD:NTD	1,465	32.19	47,158
EUR:NTD	44	36.51	1,606

	December 31, 2015		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 34,821	32.83	$1,143,173
EUR:NTD	1,664	35.88	59,704
CNY:NTD	2,723	4.995	13,601
Financial liabilities			
Monetary items			
USD:NTD	644	32.83	21,143
EUR:NTD	16	35.88	574

	March 31, 2015		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 23,964	31.30	$ 750,073
CNY:NTD	4,483	5.044	22,612
EUR:NTD	67	33.65	2,255
Financial liabilities			
Monetary items			
USD:NTD	3,244	31.30	101,537
EUR:NTD	38	33.65	1,279

iv)As of March 31, 2016 and 2015, if the NTD:USD exchange rate appreciates/depreciates by 5% with all other factors remaining constant, the Group's net profit after tax for the three-month periods ended March 31, 2016 and 2015 would increase/decrease by $39,602 and $32,427, respectively. If the NTD:EUR exchange rate appreciates/depreciates by 5% with all other factors remaining constant, the Group's net profit after tax for the three-month periods ended March 31, 2016 and 2015 would increase/decrease by $2,251 and $49, respectively. If the NTD:CNY exchange rate appreciates/depreciates by 5% with all other factors remaining constant, the Group's net profit after tax for the three-month periods ended March 31, 2016 and 2015 would increase/decrease by $556 and $1,131, respectively.

v)Total exchange loss including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the three-month periods ended March 31, 2016 and 2015 amounted to $1,860 and $13,765, respectively.

II. Price risk

The Group has investments classified as financial assets and liabilities at fair value through profit or loss and available-for-sale financial assets (shown in 'financial assets measured at cost-non-current'). Therefore, the Group is exposed to price risk on equity instruments investments. To manage this risk, the Group has set stop-loss amounts for these instruments. The Group expects no significant market risk.

III. Interest rate risk

The Group analyses its interest rate exposure on a dynamic basis. Thus, the interest rate of the Group's liabilities fluctuates accordingly with the market interest rate, creating divergence in the Group's future cash flow. However, as the Group's liabilities bear little significance and a small range of interest rate, the Group does not bear significant interest rate risk.

(b) Credit risk

I. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors with limits set by the board of directors. The utilization of credit limits is regularly monitored. Credit risk arises from cash and cash equivalents, and outstanding receivables. The Group also transacts with many different banks and financial institutions to diversify risk.

II. No credit limits were exceeded during the three-month periods ended March 31, 2016 and 2015.

III.For more information regarding the Group's credit ratings on its financial assets, please refer to detailed explanation of financial assets in Note 6.

(c) Liquidity risk

I. Cash flow forecasting is performed by the Group's treasury department which monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

II. The following table comprises the Group's non-derivative financial liabilities and derivative financial liabilities with gross-amount settlement that are grouped by their maturity.

Non-derivative financial liabilities are analyzed from the balance sheet date to the contract maturity date, and derivative financial liabilities are analyzed from the balance sheet date to the expected maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

March 31, 2016	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 1,698,627	$ -	$ -	$ -
Notes payable	50,121	-	-	-
Accounts payable	154,397	-	-	-
Other payables	311,811	-	-	-
Guarantee deposits received	26,124	-	-	-

December 31, 2015	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 1,711,850	$ -	$ -	$ -
Notes payable	995	-	-	-
Accounts payable	91,060	-	-	-
Other payables	336,932	-	-	-
Guarantee deposits received	23,397	-	-	-
Derivative financial liabilities:				
Forward exchange contracts	145	-	-	-

March 31, 2015	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 1,371,166	$ -	$ -	$ -
Notes payable	33,107	-	-	-
Accounts payable	163,104	-	-	-
Other payables	362,100	-	-	-
Guarantee deposits received	21,656	-	-	-

(3) Fair value estimation

A. Details of the fair value of the Group's financial assets and liabilities not measured at fair value are provided in Note 12(2) A.

B. The table below analyses financial instruments measured at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities. A market is regarded as active if it meets all the following conditions: the items traded in the market are homogeneous; willing buyers and sellers can normally be found at any time; and prices are available to the public.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). The fair value of the Group's investment in foreign exchange contracts is included in Level 2.

Level 3: Inputs for the asset or liability that are not based on observable market data.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at March 31, 2016, December 31, 2015 and March 31, 2015 is as follows:

March 31, 2016	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets at fair value through profit or loss – forward foreign contracts	$ -	$ 5,314	$ -	$ 5,314

December31,2015	Level 1	Level 2	Level 3	Total
Liabilities:				
Financial liabilities at fair value through profit or loss – forward foreign contracts	$ -	$ 145	$ -	$ 145

March 31, 2015	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets at fair value through profit or loss – forward foreign contracts	$ -	$ 1,846	$ -	$ 1,846

D. The methods and assumptions the Group used to measure fair value are as follows:

(a)Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

(b)When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

(c)Forward foreign exchange contracts are usually valued based on the current forward exchange rate.

E. For the three-month periods ended March 31, 2016 and 2015, there was no transfer between Level 1 and Level 2.

F. The Group did not have financial instruments that meet the definition of level 3 instruments as of March 31, 2016, December 31, 2015 and March 31, 2015.

13. SUPPLEMENTARY DISCLOSURES

According to the policies, only the financial information of the investee for the three-month period ended March 31, 2016 is required to be disclosed, which was based on the unreviewed financial statements prepared by the investee companies. Instead of the adjustments taking into account the consolidation, the financial information is presented in every consolidated entity.

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: Please refer to table 4.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(2).

J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 8.

14. SEGMENT INFORMATION

(1) General information

The management of the Group has identified the operating segments based on how the Company's chief operating decision maker regularly reviews information in order to make decisions. The chief operating decision maker manages the Group's business from geographical and functional perspectives. Geographically, the Group focuses on its sales business in the U.S., Europe and Asia. In addition, the Group categorized its business units into manufacture, sales, research and development and investment management functions, and combines its segments that meet the disclosure threshold as "Others".

(2) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	For the three-month period ended March 31, 2016		
	ScinoPharm Taiwan, Ltd.	Others	Total
Segment revenue	$ 1,005,238	$ 69,157	$ 1,074,395
Revenue from internal customers	-	52,639	52,639
Revenue from external customers	1,005,238	16,518	1,021,756
Interest income	2,806	4,017	6,823
Depreciation and amortization	89,924	25,249	115,173
Interest expense	11	7,833	7,844
Income (loss) from segment before income tax	206,518	(62,998)	143,520
Segment assets	10,678,412	2,983,146	13,661,558
Other acquisition of non-current assets	120,438	112,640	233,078
Segment liabilities	651,319	1,834,223	2,485,542

	For the three-month period ended March 31, 2015		
	ScinoPharm Taiwan, Ltd.	Others	Total
Segment revenue	$ 976,039	$ 76,684	$ 1,052,723
Revenue from internal customers	-	73,665	73,665
Revenue from external customers	976,039	3,019	979,058
Interest income	2,734	879	3,613
Depreciation and amortization	100,288	20,485	120,773
Interest expense	-	1,411	1,411
Income (loss) from segment before income tax	142,830	(32,104)	110,726
Segment assets	10,118,825	2,970,371	13,089,196
Other acquisition of non-current assets	75,879	84,562	160,441
Segment liabilities	642,293	1,511,116	2,153,409

(3) Reconciliation for segment

A. The sales between segments were at arms' length. The external revenues reported to the chief operating decision maker adopt the same measurement basis for revenues in statement of comprehensive income. The reconciliations of pre-tax income between reportable segments and continuing operations were as follows:

	For the three-month periods ended March 31,	
	2016	2015
Reportable segments profit before income tax	$ 206,518	$ 142,830
Other segments loss before income tax	(62,998)	(32,104)
Internal segments profit	47,538	23,572
Profit before income tax	$ 191,058	$ 134,298

B. The amount of total assets provided to the chief operating decision-maker adopts the same measurement for assets in the Group's financial statements. A reconciliation of assets of reportable segments and total assets is as follows:

	March 31, 2016	March 31, 2015
Assets of reportable segments	$ 10,678,412	$ 10,118,825
Assets of other operating segments	2,983,146	2,970,371
Internal segment transaction elimination	(1,170,513)	(1,518,102)
Total assets	$ 12,491,045	$ 11,571,094

C. The amount of total liabilities provided to the chief operating decision-maker adopts the same measurement for liabilities in the Group's financial statements. A reconciliation of liabilities of reportable segments and total liabilities is as follows:

	March 31, 2016	March 31, 2015
Liabilities of reportable segments	$ 651, 319	$ 642, 293
Liabilities of other operating segments	1, 834, 223	1, 511, 116
Internal segment transaction elimination	(21, 588)	(58, 847)
Total liabilities	$ 2, 463, 954	$ 2, 094, 562

ScinoPharm Taiwan, Ltd. and Subsidiaries

Loans to others

For the three-month period ended March 31, 2016

Table 1

Expressed in thousands of NTD

Number	Name	Name of counterparty	Account	Related parties	Maximum balance	Ending balance	Actual amount drawn down	Interest rate	Nature of financial activity (Note 1)	Total transaction amount	Reason for financing	Allowance for doubtful accounts	Assets pledged Item	Assets pledged Value	Loan limit per entity	Maximum amount available for loan	Footnote
1	ScinoPharm (Kunshan) Biochemical Technology Co., Ltd.	ScinoPharm (Changshu) Pharmaceuticals, Ltd.	Other receivables	Y	$ 96,596	$ 94,468	$ 94,468	2.00	2	$ -	Additional operating capital	$ -	—	$ -	$ 94,491	$ 188,982	(Note 2)

Note 1: The code represents the nature of financing activities as follows:

1.Trading partner.

2.Short-term financing.

Note 2: The maximum amount for total loan is 40% of its net worth; the maximum amount of individual enterprise is as follows: (1) For trading partner: higher of the purchase or sales amount for the most recent year or the current year. (2) For short-term financing: the maximum amount for total loan is 20% of its net worth.

Note 3: The numbers in the table that involves foreign currencies are expressed in New Taiwan Dollars according to the exchange rate posted on the date of the consolidated financial statements (CNY:NTD 1:4.972).

SinoPharm Taiwan, Ltd. and Subsidiaries

Provision of endorsements and guarantees to others

For the three-month period ended March 31, 2016

Table 2

Expressed in thousands of NTD

Number	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor (Note1)	Limit on endorsements/ guarantees provided for a single party (Note 2)	Maximum outstanding endorsement/ guarantee amount as of March 31, 2016	Outstanding endorsement/ guarantee amount at March 31, 2016	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 2)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	ScinoPharm Taiwan, Ltd.	ScinoPharm (Changshu) Pharmaceuticals, Ltd.	1	$ 2,005,418	$ 1,740,200	$ 1,740,200	$ -	$ -	17.35%	$ 4,010,836	Y	N	Y	—

Note 1: The following code represents the relationship with the Company:

The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.

Note 2: 1.The limit of total amount of endorsement is 40% of the Company's net worth, and the limit of endorsement for any single entity is 20% of the Company's net worth.

2. In addition to the aforementioned limit, for any endorsement or guarantee provided by the Company due to business dealings, the amount of endorsement or guarantees shall be limited to the business dealing amount. The business dealing amount is product purchase or sale amount between the entities, whichever is higher.

Note 3: The numbers in the table that involves foreign currencies are expressed in New Taiwan Dollars according to the exchange rate posted on the date of the consolidated financial statements (CNY:NTD 1:4.972).

ScinoPharm Taiwan, Ltd. and Subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

March 31, 2016

Table 3

Expressed in thousands of NTD

				As of March 31, 2016				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares (in thousands)	Book value	Ownership (%)	Fair value	Footnote
ScinoPharm Taiwan, Ltd.	Bill under repurchase agreements:							
	International Bills Finance Co.	–	Cash equivalents	-	$ 204,873	-	$ 204,873	–
	China Bills Finance Co.	–	Cash equivalents	-	57,972	-	57,972	–
	Mega Bills Finance Co., Ltd.	–	Cash equivalents	-	34,985	-	34,985	–
	Stocks:							
	Tanvex Biologics, Inc.	The Company is a director of Tanvex Biologics, Inc.	Financial assets measured at cost-non-current	28,800	167,673	17.00%	-	–
	Syngen, Inc.	–	Financial assets measured at cost-non-current	245	-	7.40%	-	–
	Foresee Pharmaceuticals Co., Ltd.	–	Financial assets measured at cost-non-current	4,358	196,416	6.05%	-	–

SeinoPharm Taiwan, Ltd. and Subsidiaries

Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital

For the three-month period ended March 31, 2016

Table 4

Expressed in thousands of NTD

					Balance as at January 1, 2016		Addition		Disposal				Balance as at March 31, 2016	
Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
ScinoPharm Taiwan, Ltd.	Bill under repurchase agreement:													
	International Bills Finance Co.	Cash equivalents	-	-	-	$ 209, 936	-	$2, 142, 722	-	$2, 147, 993	($2, 147, 785)	$ 208	-	$ 204, 873
	China Bill Finance Co.	Cash equivalents	-	-	-	89, 976	-	481, 223	-	513, 264	(513, 227)	37	-	57, 972
	Mega Bills Finance Co.	Cash equivalents	-	-	-	-	-	319, 757	-	284, 796	(284, 772)	24	-	34, 985

ScinoPharm Taiwan, Ltd. and Subsidiaries

Significant inter-company transactions during the reporting periods

For the three-month period ended March 31, 2016

Table 5

Expressed in thousands of NTD

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
0	ScinoPharm Taiwan, Ltd.	ScinoPharm (Changshu) Pharmaceuticals, Ltd.	1	Purchases	$ 46,521	Closes its accounts 90 days from the end of each month after acceptance	5%
0	ScinoPharm Taiwan, Ltd.	ScinoPharm (Changshu) Pharmaceuticals, Ltd.	1	Technical service revenue	(3,074)	–	–
0	ScinoPharm Taiwan, Ltd.	ScinoPharm (Changshu) Pharmaceuticals, Ltd.	1	Other receivables	8,004	–	–
0	ScinoPharm Taiwan, Ltd.	ScinoPharm (Changshu) Pharmaceuticals, Ltd.	1	Accounts payable	(6,975)	–	–
0	ScinoPharm Taiwan, Ltd.	ScinoPharm (Changshu) Pharmaceuticals, Ltd.	1	Endorsements and guarantees	1,740,200	–	14%
0	ScinoPharm Taiwan, Ltd.	ScinoPharm (Shanghai) Biochemical Technology, Ltd.	1	Management consultancy fees	5,699	–	1%
0	ScinoPharm Taiwan, Ltd.	ScinoPharm (Shanghai) Biochemical Technology, Ltd.	1	Other payables	(5,924)	–	–
1	ScinoPharm (Kunshan) Biochemical Technology Co., Ltd.	ScinoPharm (Changshu) Pharmaceuticals, Ltd.	3	Other receivables	94,468	–	1%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1)Parent company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

(1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

ScinoPharm Taiwan, Ltd. and Subsidiaries

Information on investees

For the three-month period ended March 31, 2016

Table 6

Expressed in thousands of NTD

				Initial investment amount		Shares held as at March 31, 2016				
Investor	Investee	Location	Main business activities	Balance as at March 31, 2016	Balance as at December 31, 2015	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the three-month period ended March 31, 2016	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2016	Footnote
ScinoPharm Taiwan, Ltd.	SPT International, Ltd.	Tortola, British Virgin Islands	Professional investment	$ 1,833,304	$ 1,833,304	60,524,644	100.00	$ 1,112,253	($ 47,549)	($ 29,306)	Subsidary
ScinoPharm Taiwan, Ltd.	ScinoPharm Singapore Pte Ltd.	Singapore	Professional investment	-	-	2	100.00	61	11	11	Subsidary

ScinoPharm Taiwan, Ltd. and Subsidiaries

Information on investments in Mainland China

For the three-month period ended March 31, 2016

Table 7

Expressed in thousands of NTD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2016	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three-month period ended March 31, 2016: Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2016	Net income of investee for the three-month period ended March 31, 2016	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2016 (Note 2)	Book value of investments in Mainland China as of March 31, 2016	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2016	Footnote
ScinoPharm (Kunshan) Biochemical Technology Co., Ltd.	Research, development, and manufacture of API and new drug, etc.	$ 128, 740	(Note 1)	$ 128, 740	$ -	$ -	$ 128, 740	($ 968)	100	($ 968)	$ 471, 502	$ -	Subsidary
ScinoPharm (Changshu) Pharmaceuticals, Ltd.	Research, development, and manufacture of API and new drug, etc.	1, 754, 083	(Note 1)	1, 754, 083	-	-	1, 754, 083	(46, 448)	100	(46, 448)	651, 630	-	Subsidary
ScinoPharm (Shanghai) Biochemical Technology, Ltd.	Import, export and sales of API and intermediates, etc.	38, 622	(Note 1)	38, 622	-	-	38, 622	(44)	100	(44)	21, 231	-	Subsidary

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2016	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 3)
ScinoPharm Taiwan, Ltd.	$ 1, 951, 972	$ 1, 951, 972	$ 6, 016, 255

Note 1: Indirect investment in Mainland China through company set up in a third region, SPT International, Ltd.

Note 2: The investment income (loss) recognized by the Company for the three-month period ended March 31, 2016 was based on unreviewed financial statements of investee companies as of and for the three-month period ended March 31, 2016.

Note 3: The ceiling amount is 60% of the higher of net worth or consolidated net worth.

Note 4: The numbers in the table that involves foreign currencies are expressed in New Taiwan Dollars according to the exchange rate posted on the date of the consolidated financial statements (USD:NTD 1:32.185).

ScinoPharm Taiwan, Ltd. and Subsidiaries

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

For the three-month period ended March 31, 2016

Table 8

Expressed in thousands of NTD

	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				
Investee in Mainland China	Amount	%	Amount	%	Balance at March 31, 2016	%	Balance at March 31, 2016	Purpose	Maximum balance during the three-month period ended March 31, 2016	Balance at March 31, 2016	Interest rate	Interest during the three-month period ended March 31, 2016	Others
ScinoPharm (Changshu) Pharmaceuticals, Ltd.	(46,521)	(13%)	-	-	(6,975)	-	-	-	-	-	-	-	Technical service revenue $ 3,074 Other receivables $ 8,004
ScinoPharm (Shanghai) Biochemical Technology, Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	Management consultancy fee $ 5,699 Other payables $ 5,924