CHLITINA HOLDING LIMITED
AND SUBSIDIARIES

Consolidated Interim Financial Statements

June 30, 2016 and 2015
(With Independent Auditors' Review Report Thereon)

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Independent Auditors' Review Report

The Board of Directors
CHLITINA HOLDING LIMITED:

We have reviewed the accompanying consolidated balance sheets of CHLITINA HOLDING LIMITED and subsidiaries (the Group) as of June 30, 2016 and 2015, and the related consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2016 and 2015, changes in equity and cash flows for the six-month periods then ended. These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews.

We conducted our reviews in accordance with Statement of Auditing Standards No.36, "Engagements to Review Financial Statements". A review consists principally of inquiries of the Company's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards, the objective of which is the expression of an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modification that should be made to the accompanying consolidated financial statements referred to in the first paragraph in order for them to be in conformity with International Accounting Standard 34 "Interim Financial Reporting" and "Order No. Financial-Supervisory-Securities-Auditing-10200546801".

KPMG

August 12, 2016
KPMG

Note to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations, and consolidated cash flows in accordance with the Regulations Governing the Preparation of Financial Report by Securities Issuers and IAS 34 Interim Reporting as endorsed by the Financial Supervisory Commissions in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language auditors' report and financial statements, the Chinese version shall prevail.

Reviewed only, not audited in accordance with the generally accepted auditing standards on June 30, 2016 and 2015

CHLITINA HOLDING LIMITED and subsidiaries

Consolidated Balance Sheets

June 30, 2016, December 31, and June 30, 2015

(All amounts expressed in thousands dollars)

Assets	June 30, 2016 CNY	June 30, 2016 TWD	%	December 31, 2015 CNY	December 31, 2015 TWD	%	June 30, 2015 CNY	June 30, 2015 TWD	%
Current assets:									
Cash and cash equivalents (note 6(a))	$ 829,194	4,017,445	66	679,967	3,396,435	58	538,086	2,675,902	56
Financial assets at fair value through profit or loss—current (note 6(b))	-	-	-	2	9	-	-	-	-
Accounts receivable, net (note 6(c))	335	1,624	-	220	1,099	-	167	830	-
Accounts receivable—related parties, net (notes 6(c) and 7)	6,768	32,791	1	133,131	664,989	11	37,967	188,809	4
Other receivables (note 6(c))	2,249	10,897	-	4,399	21,973	-	1,504	7,481	-
Other receivables—related parties (notes 6(c) and 7)	756	3,661	-	946	4,725	-	1,165	5,794	-
Inventories (note 6(d))	93,242	451,757	8	87,443	436,778	7	59,464	295,714	6
Prepayments (note 7)	15,414	74,681	1	17,231	86,069	1	18,491	91,955	2
Other current financial assets (note 6(e))	1,500	7,268	-	22,736	113,567	2	43,238	215,023	5
Other current assets	5,007	24,259	-	2,065	10,315	-	2,332	11,597	-
Total current assets	954,465	4,624,383	76	948,140	4,735,959	79	702,414	3,493,105	73
Non-current assets:									
Investment accounted for using equity method (note 6(f))	39,961	193,611	3	15,854	79,191	1	16,252	80,821	2
Property, plant and equipment (note 6(g))	209,542	1,015,231	17	213,521	1,066,537	18	219,756	1,092,847	23
Intangible assets (notes 6(h) and 7)	10,228	49,555	1	7,885	39,385	1	11,171	55,553	1
Deferred income tax assets	6,063	29,375	1	10,767	53,781	1	8,947	44,493	1
Other non-current assets(note 6(g))	29,237	141,653	2	-	-	-	456	2,268	-
Total non-current assets	295,031	1,429,425	24	248,027	1,238,894	21	256,582	1,275,982	27
Total assets	$ 1,249,496	6,053,808	100	1,196,167	5,974,853	100	958,996	4,769,087	100

Liabilities and Stockholders' Equity	June 30, 2016 CNY	June 30, 2016 TWD	%	December 31, 2015 CNY	December 31, 2015 TWD	%	June 30, 2015 CNY	June 30, 2015 TWD	%
Current liabilities:									
Accounts payable	$ 6,328	30,659	1	29,259	146,148	3	18,222	90,618	2
Accounts payable—related parties (note 7)	1,589	7,699	-	4,451	22,233	-	2,385	11,861	-
Dividends payable (note 6(m))	164,071	794,924	13	-	-	-	111,893	556,446	12
Other payables (note 6(p))	18,625	90,238	1	24,411	121,933	3	19,158	95,273	2
Other payables—related parties (note 7)	1,607	7,786	-	2,604	13,007	-	3,143	15,630	-
Current income tax liabilities	11,509	55,761	1	12,941	64,640	1	5,357	26,640	1
Advance receipts	34,693	168,088	3	39,848	199,040	3	58,588	291,358	6
Other current liabilities (note 6(j))	52,354	253,655	4	64,322	321,288	5	53,636	266,732	6
Guarantee deposits	52,506	254,392	4	55,992	279,679	5	58,836	292,591	6
Total current liabilities	343,282	1,663,202	27	233,828	1,167,968	20	331,218	1,647,149	35
Non-current liabilities:									
Financial liability at fair value through profit or loss (note 6(i))	3,307	16,020	-	613	3,060	-	-	-	-
Bonds payable (note 6(i))	176,945	857,300	15	169,914	848,721	14	-	-	-
Net defined benefit liabilities	1,295	6,275	-	1,677	8,375	-	1,619	8,051	-
Total non-current liabilities	181,547	879,595	15	172,204	860,156	14	1,619	8,051	-
Total liabilities	524,829	2,542,797	42	406,032	2,028,124	34	332,837	1,655,200	35
Equity attributable to shareholders of the parent (notes 6(l) and 6(m)):									
Common stock	161,772	794,924	13	161,772	794,924	13	161,772	794,924	16
Capital surplus	294,208	1,456,484	24	294,208	1,456,484	24	286,950	1,419,463	30
Retained earnings:									
Legal reserve	60,972	295,114	5	36,908	178,405	3	36,908	178,405	4
Unappropriated retained earnings	182,199	985,527	16	274,640	1,419,680	24	125,091	664,862	14
	243,171	1,280,641	21	311,548	1,598,085	27	161,999	843,267	18
Other equities:									
Financial statements translation differences for foreign operations	25,516	(21,038)	-	22,607	97,236	2	15,438	56,233	1
Total equity	724,667	3,511,011	58	790,135	3,946,729	66	626,159	3,113,887	65
Total liabilities and stockholders' equity	$ 1,249,496	6,053,808	100	1,196,167	5,974,853	100	958,996	4,769,087	100

See accompanying notes to financial statements.

Reviewed only, not audited in accordance with the generally accepted auditing standards

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three-month and the six-month periods ended June 30, 2016 and 2015

(All amounts expressed in thousands dollars)

	Three-month periods ended June 30						Six-month periods ended June 30					
	2016			2015			2016			2015		
	CNY	TWD	%	CNY	TWD	%	CNY	TWD	%	CNY	TWD	%
Operating revenue (notes 6(o) and 7)	$ 148,092	729,769	100	199,435	991,833	100	366,625	1,832,575	100	362,652	1,816,016	100
Operating costs (notes 6(d), (g), (k), 7 and 12)	22,324	109,025	15	47,127	234,258	24	75,767	378,721	21	88,395	442,647	24
Gross profit	125,768	620,744	85	152,308	757,575	76	290,858	1,453,854	79	274,257	1,373,369	76
Operating expenses (notes 6(g), (h), (k), (p), 7 and 12):												
Selling expenses	64,244	318,519	44	68,945	342,825	34	118,640	593,023	32	126,667	634,298	35
Administrative expenses	24,162	119,541	16	27,235	135,404	14	49,915	249,501	14	50,515	252,959	14
Total operating expenses	88,406	438,060	60	96,180	478,229	48	168,555	842,524	46	177,182	887,257	49
Operating profit	37,362	182,684	25	56,128	279,346	28	122,303	611,330	33	97,075	486,112	27
Non-operating income and expenses (notes 6(f), 6(i) and (q)):												
Other income	7,562	37,727	5	1,874	9,251	1	9,069	45,332	2	5,027	25,172	1
Other gains and losses	(1,123)	(5,598)	(1)	782	3,934	-	(1,434)	(7,168)	-	341	1,707	-
Finance costs	(868)	(4,299)	-	-	-	-	(1,716)	(8,578)	-	-	-	-
Share of profit (loss) of associates accounted for under equity method	(177)	(874)	-	53	286	-	(393)	(1,964)	-	(456)	(2,284)	-
Total non-operating income and expenses	5,394	26,956	4	2,709	13,471	1	5,526	27,622	2	4,912	24,595	1
Net income before tax	42,756	209,640	29	58,837	292,817	29	127,829	638,952	35	101,987	510,707	28
Less: income tax expenses (note 6(l))	11,413	56,049	8	11,266	56,059	5	32,304	161,472	9	19,707	98,683	5
Net income	31,343	153,591	21	47,571	236,758	24	95,525	477,480	26	82,280	412,024	23
Other comprehensive income (loss) (note 6(m)):												
Items that may be reclassified subsequently to profit or loss:												
Financial statement translation differences for foreign operations	5,653	(81,677)	(11)	4,533	(45,077)	(5)	2,909	(118,274)	(6)	5,511	(71,274)	(4)
Income tax expense relating to components of other comprehensive income (loss)	-	-	-	-	-	-	-	-	-	-	-	-
Total Items that may be reclassified subsequently to profit or loss	5,653	(81,677)	(11)	4,533	(45,077)	(5)	2,909	(118,274)	(6)	5,511	(71,274)	(4)
Other comprehensive income (loss), net of tax	5,653	(81,677)	(11)	4,533	(45,077)	(5)	2,909	(118,274)	(6)	5,511	(71,274)	(4)
Total comprehensive income	$ 36,996	71,914	10	52,104	191,681	19	98,434	359,206	20	87,791	340,750	19
Earnings per share (note 6(n)):												
Basic earnings per share (in dollars)	$ 0.39	1.93		0.60	2.98		1.20	6.01		1.04	5.18	
Diluted earnings per share (in dollars)	$ 0.39	1.93		0.60	2.98		1.20	6.00		1.03	5.18	

See accompanying notes to financial statements.

Reviewed only, not audited in accordance with the generally accepted auditing standards

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the six-month periods ended June 30, 2016 and 2015

(All amounts expressed in thousands dollars)

	Equity attributable to shareholders of the parent													
					Retained earnings									
	Common stock		Capital surplus		Legal reserve		Unappropriated earnings		Total		Financial statement translation differences for foreign operations		Total equity	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
Balance at January 1, 2015	$ 161,772	794,924	286,950	1,419,463	21,217	102,821	174,019	884,868	195,236	987,689	9,927	127,507	653,885	3,329,583
Appropriations and distributions:														
Legal reserve	-	-	-	-	15,691	75,584	(15,691)	(75,584)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(115,517)	(556,446)	(115,517)	(556,446)	-	-	(115,517)	(556,446)
Net income	-	-	-	-	-	-	82,280	412,024	82,280	412,024	-	-	82,280	412,024
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	-	-	5,511	(71,274)	5,511	(71,274)
Total comprehensive income (loss)	-	-	-	-	-	-	82,280	412,024	82,280	412,024	5,511	(71,274)	87,791	340,750
Balance at June 30, 2015	$ 161,772	794,924	286,950	1,419,463	36,908	178,405	125,091	664,862	161,999	843,267	15,438	56,233	626,159	3,113,887
Balance at January 1, 2016	$ 161,772	794,924	294,208	1,456,484	36,908	178,405	274,640	1,419,680	311,548	1,598,085	22,607	97,236	790,135	3,946,729
Appropriations and distributions:														
Legal reserve	-	-	-	-	24,064	116,709	(24,064)	(116,709)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(163,902)	(794,924)	(163,902)	(794,924)	-	-	(163,902)	(794,924)
Net income	-	-	-	-	-	-	95,525	477,480	95,525	477,480	-	-	95,525	477,480
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	-	-	2,909	(118,274)	2,909	(118,274)
Total comprehensive income (loss)	-	-	-	-	-	-	95,525	477,480	95,525	477,480	2,909	(118,274)	98,434	359,206
Balance at June 30, 2016	$ 161,772	794,924	294,208	1,456,484	60,972	295,114	182,199	985,527	243,171	1,280,641	25,516	(21,038)	724,667	3,511,011

See accompanying notes to financial statements.

Reviewed only, not audited in accordance with the generally accepted auditing standards

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the six-month periods ended June 30, 2016 and 2015

(All amounts expressed in thousands dollars)

		Six-month periods ended June 30			
		2016		2015	
		CNY	TWD	CNY	TWD
Cash flows from operating activities:					
Consolidated net income before tax	$	127,829	638,952	101,987	510,707
Adjustments:					
Adjustments to reconcile profit and loss					
Depreciation		9,075	45,361	8,803	44,082
Amortization		1,397	6,982	1,282	6,420
Net gains on financial assets at fair value through profit or loss		205	1,024	(1,681)	(8,418)
Interest expenses		1,716	8,578	-	-
Interest income		(2,497)	(12,482)	(4,879)	(24,431)
Share of loss of associates accounted for under equity method		393	1,964	456	2,284
Losses on disposal of property, plant and equipment		57	285	15	73
Total adjustments to reconcile profit and loss		10,346	51,712	3,996	20,010
Changes in assets / liabilities relating to operating activities:					
Net changes in operating assets:					
Accounts receivable		(115)	(573)	(148)	(736)
Accounts receivable—related parties		126,363	631,625	(32,573)	(161,986)
Other receivable		2,122	10,607	46	229
Other accounts receivable—related parties		190	950	5,216	25,939
Inventories		(5,799)	(28,986)	(12,443)	(61,879)
Prepayments		1,817	9,082	(9,555)	(47,517)
Other current assets		(2,942)	(14,706)	301	1,497
Total changes in operating assets, net		121,636	607,999	(49,156)	(244,453)
Net changes in operating liabilities:					
Accounts payable		(22,931)	(114,621)	11,451	56,946
Accounts payable—related parties		(2,862)	(14,306)	807	4,013
Other payables		(5,786)	(28,921)	(3,612)	(17,962)
Other payables—related parties		(997)	(4,984)	(568)	(2,825)
Advance receipts		(5,155)	(25,767)	18,578	92,388
Other current liabilities		(11,968)	(59,822)	(2,717)	(13,512)
Net defined benefit liabilities		(420)	(2,099)	16	82
Guarantee deposits		(3,486)	(17,425)	5,261	26,163
Total changes in operating liabilities, net		(53,605)	(267,945)	29,216	145,293
Total changes in operating assets / liabilities, net		68,031	340,054	(19,940)	(99,160)
Total adjustments		78,377	391,766	(15,944)	(79,150)
Cash provided by operating activities		206,206	1,030,718	86,043	431,557
Income tax paid		(29,032)	(145,116)	(26,143)	(130,009)
Net cash provided by operating activities		177,174	885,602	59,900	301,548
Cash flows from investing activities:					
Acquisition of financial assets at fair value through profit or loss		(1,607,220)	(7,786,982)	(523,034)	(2,601,048)
Proceeds from disposal of financial assets at fair value through profit or loss		1,609,610	7,798,560	524,721	2,609,437
Acquisition of investments accounted for under equity method		(24,500)	(122,084)	(156)	(776)
Acquisition of property, plant and equipment		(4,283)	(20,751)	(2,333)	(11,602)
Acquisition of intangible assets		(3,654)	(18,170)	-	-
Decrease in other financial assets		21,236	106,148	(656)	(3,262)
Increase in other non-current assets		(29,237)	(146,141)	-	-
Interest received		2,525	12,621	5,079	25,434
Net cash provided by (used in) investing activities		(35,523)	(176,799)	3,621	18,183
Effects of changes in exchange rates		7,576	(87,793)	1,224	(54,081)
Increase in cash and cash equivalents		149,227	621,010	64,745	265,650
Cash and cash equivalents at beginning of period		679,967	3,396,435	473,341	2,410,252
Cash and cash equivalents at end of period	$	829,194	4,017,445	538,086	2,675,902

See accompanying notes to financial statements.

(All amounts expressed in thousands dollars unless otherwise stated)

(1) Company history

CHLITINA HOLDING LIMITED (the Company) was incorporated in Cayman Islands on July 3, 2012, as a corporation limited by shares in accordance with the Companies Act, Cap 22 of the Cayman Islands. In order to publish the stock in Taiwan Stock Exchange, the subsidiaries were reorganized by changing the stocks. This is a holding company with no corporate income tax that should be imposed according to the local law and has limited liability. The Company and its subsidiaries (the Group) are mainly engaged in the manufacture and sale of cosmetics, instead of professional investment. On November 27, 2013, the Company was approved and listed on Taiwan Stock Exchange (TWSE).

(2) Financial statements authorization date and authorization process

The consolidated financial statements were reported to the Board of Directors on August 12, 2016.

(3) New standards and interpretations not yet adopted

A summary of the new standards and amendments issued by the International Accounting Standards Board ("IASB") but not yet endorsed by the Financial Supervisory Commissions R.O.C. as of the end of reporting date is as follows:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	Effective date to be determined by IASB
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
IFRS 16 "Leases"	January 1, 2019
IFRS 2 (clarifications of classification and measurement of share-based payment transactions.)	January 1, 2018
IFRS 15 (clarifications to IFRS 15)	January 1, 2018
Amendment to IAS 7 "Disclosure Initiative"	January 1, 2017
Amendment to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Losses"	January 1, 2017

(Continued)

The Group is still currently determining the potential impact of the standards listed below:

Issuance / Release Dates	Standards or Interpretations	Content of amendment
May 28, 2014 April 12, 2016	IFRS 15 "Revenue from Contracts with Customers"	IFRS 15 establishes a five-step model for recognizing revenue that applies to all contracts with customers, and will supersede IAS 18 "Revenue," IAS 11 "Construction Contracts," and a number of revenue-related interpretations. Final amendments issued on April 12, 2016, clarify how to (i) identify performance obligations in a contract; (ii) determine whether a company is a principal or an agent; (iii) account for a license for intellectual property (IP); and (iv) apply transition requirements.
November 19, 2013 July 24, 2014	IFRS 9 "Financial Instruments"	The standard will replace IAS 39 "Financial Instruments: Recognition and Measurement", and the main amendments are as follows: • Classification and measurement: Financial assets are measured at amortized cost, fair value through profit or loss, or fair value through other comprehensive income, based on both the entity's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial liabilities are measured at amortized cost or fair value through profit or loss. Furthermore, there is a requirement that "own credit risk" adjustments be measured at fair value through other comprehensive income. • Impairment: The expected credit loss model is used to evaluate impairment. • Hedge accounting: Hedge accounting is more closely aligned with risk management activities, and hedge effectiveness is measured based on the hedge ratio.

(Continued)

Issuance / Release Dates	Standards or Interpretations	Content of amendment
January 13, 2016	IFRS 16 "Leases"	The new standard of accounting for lease is amended as follows: • For a contract that is, or contains, a lease, the lessee shall recognize a right-of-use asset and a lease liability in the balance sheet. In the statement of profit or loss and other comprehensive income, a lessee shall present interest expense on the lease liability separately from the depreciation charge for the right-of use asset during the lease term. • A lessor classifies a lease as either a finance lease or an operating lease, and therefore, the accounting remains similar to IAS 17.

The Group is currently evaluating the impact from the above mentioned standards and amendments on its financial position and operating results. Any related impact will be disclosed when the evaluation is completed.

(4) Significant accounting policies

Except for the following, the significant accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2015 and the related information referred to note 4 of the consolidated financial statement for the year ended December 31, 2015.

(a) Statement of compliance

In order to follow the requirements of an entity being listed for the first time in Taiwan, these consolidated interim financial statements have been prepared in accordance with the comparison table of account codes for general industries announced by the Taiwan security authorities, IAS 34 "Interim Financial Reporting", "Order No. Financial-Supervisory-Securities-Auditing-10200546801", and do not include all of the information required by the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations (hereinafter referred to as the IFRSs) for a complete set of the consolidated financial statements.

(b) Basis of consolidation

List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Primary business	The creating location/date	Percentage of ownership of the Company Direct	Indirect	Issuing and paid-in /authorized capital
The Company	Chlitina Group Limited (Chlitina Group)	Investing	British Virgin IS. November 8, 2011	100%		USD32,067,073/ USD32,067,073

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Primary business	The creating location/date	Percentage of ownership of the Company Direct	Indirect	Issuing and paid-in /authorized capital
Chlitina Group	Chlitina International Limited (Chlitina International)	Investing	British Virgin IS. June 25, 2007	-	100%	USD17,000,001/ USD17,000,001
Chlitina International	Chlitina Marketing Limited(Chlitina Marketing)	Investing	British Virgin IS. November 8, 2012	-	100%	USD11,622,882/ USD11,622,882
Chlitina International	Hong Kong Chlitina International Limited (Hong Kong Chlitina)	Investing and trading of skincare products	Hong Kong December 15, 2009	-	100%	HKD62,150,001/ HKD62,150,001
Chlitina Group	Chlitina Intelligence Limited (Chlitina Intelligence)	Investing	British Virgin IS. April 3, 2012	-	100%	USD1/ USD1
Chlitina International	Centre de Recherche et de Developpement de CHLITINA FRANCE EURL (Chlitina France EURL)	Research and development center	France June 9, 2008	-	100%	EUR5,000/ EUR5,000
Hong Kong Chlitina	Chlitina (Shanghai)Trade Limited (Chlitina Shanghai)	Dealer of skincare products	China November 14, 2006	-	100%	USD8,570,000/ USD8,570,000
Hong Kong Chlitina	Weishuo (Shanghai) Daily Product Limited (Weishuo)	Production and trading of skincare products	China February 28, 2007	-	100%	USD2,150,000/ USD2,150,000
Chlitina Marketing	British Virgin IS. Chlitina Marketing Limited Taiwan Branch (Chlitina Marketing Taiwan Branch)	Trading of skincare products and research and development center	Republic of China December 27, 2012	-	100%	Working Capital TWD348,084 thousand
Chlitina Intelligence	British Virgin IS. Chlitina Intelligence Limited Taiwan Branch (Chlitina Intelligence Taiwan Branch)	Holder of intelligence	Republic of China February 23, 2016	-	100%	Working Capital TWD12,000 thousand
Chlitina Group	W-Amber International Limited (W-Amber International) (Formerly called as Crystal Asia International Limited)	Investing	British Virgin IS. May 7, 2014	-	100%	USD12,000,000/ USD12,000,000
W-Amber International	W-Amber Marketing Limited (W-Amber Marketing) (Formerly called as Crystal Asia Marketing Limited)	Investing	British Virgin IS. May 7, 2014	-	100%	USD12,000,000/ USD12,000,000
W-Amber Marketing	Hong Kong Crystal Asia International Limited	Investing	Hong Kong July 11, 2014	-	100%	HKD92,800,000/ HKD92,800,000
Hong Kong Crystal Asia International	Wuguan (Shanghai)Trade Limited (Wuguan)	Dealer of skincare products and supplementary health care products	China November 14, 2014	-	100%	USD2,000,000/ USD2,000,000
Hong Kong Crystal Asia International	Weihu (Shanghai)Trade Limited (Weihu)	Investing, dealer of skincare products and supplementary health care products	China November 6, 2014	-	100%	USD8,000,000/ USD8,000,000
Hong Kong Crystal Asia International	Crystal Asia Shanghai Limited (Crystal Asia Shanghai)	Dealer of skincare products	China August 14, 2015	-	100%	USD200,000/ USD200,000

(Continued)

Name of investor	Name of subsidiary	Primary business	The creating location/date	Percentage of ownership of the Company Direct	Indirect	Issuing and paid-in /authorized capital
Chlitina Group	W-Champion International Limited (W-Champion International)	Investing	British Virgin IS. March 11, 2016	-	100%	USD3,000,000/ USD3,000,000
W-Champion International	W-Champion Marketing Limited (W-Champion Marketing)	Investing	British Virgin IS. March 11, 2016	-	100%	USD3,000,000/ USD3,000,000
W-Champion Marketing	Hong Kong W-Champion International Limited (Hong Kong W-Champion International)	Investing	British Virgin IS. April 8, 2016	-	100%	USD2,950,000/ USD2,950,000

(c) Defined benefit plans

The pension cost in the condensed consolidated interim financial statements is calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other one off events.

(d) Income taxes

Tax expense in the interim financial statements is measured and disclosed according to paragraph B12 of IAS 34 "Interim Financial Reporting".

Income tax expense for the year is best estimated by multiplying pretax income for the interim reporting period with the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the effective tax rate at time of realization or liquidation, and recognized directly in equity or other comprehensive income as tax expense.

(5) Significant accounting judgments, estimations, assumptions, and sources of estimation uncertainty

The preparation of the condensed consolidated interim financial statements in conformity with IFRSs (in accordance with IAS 34 "Interim Financial Reporting") requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparation of the condensed consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2015. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2015.

(6) Explanation of significant accounts

(a) Cash and Cash equivalents

	June 30, 2016 CNY	June 30, 2016 TWD	December 31, 2015 CNY	December 31, 2015 TWD	June 30, 2015 CNY	June 30, 2015 TWD
Cash on hand	$ 469	2,272	334	1,668	397	1,974
Savings deposits	677,100	3,280,550	354,990	1,773,175	347,486	1,728,048
Time deposits	100,892	488,822	24,959	124,670	70,932	352,745
Cash equivalents	50,733	245,801	299,684	1,496,922	119,271	593,135
Cash and cash equivalents per consolidated statements of cash flows	$ 829,194	4,017,445	679,967	3,396,435	538,086	2,675,902

As of June 30, 2016, December 31 and June 30, 2015, cash equivalents referred to fixed rate financial instruments registered by Shanghai Stock Exchange with maturities of 7, 14 and 28 days, respectively.

Time deposits with maturity days beyond 3 months were recorded under "Other current financial assets". Please refer to note 6(e) for further information.

The disclosure of sensitivity analysis of the Group's financial assets and liabilities were recorded under note 6 (r).

(b) Financial assets at fair value through profit or loss—current

	June 30, 2016 CNY	June 30, 2016 TWD	December 31, 2015 CNY	December 31, 2015 TWD	June 30, 2015 CNY	June 30, 2015 TWD
Fund	$ -	-	2	9	-	-

Please refer to 6(q) for net gains or losses on disposal of financial assets and liabilities remeasured at fair value through profit and loss.

(c) Accounts receivable and other receivables (include related party)

	June 30, 2016 CNY	June 30, 2016 TWD	December 31, 2015 CNY	December 31, 2015 TWD	June 30, 2015 CNY	June 30, 2015 TWD
Accounts receivable	$ 335	1,624	220	1,099	167	830
Accounts receivable—related parties	6,768	32,791	133,131	664,989	37,967	188,809
Other receivables	2,249	10,897	4,399	21,973	1,504	7,481
Other receivables—related parties	756	3,661	946	4,725	1,165	5,794
	$ 10,108	48,973	138,696	692,786	40,803	202,914

The accounts receivable and other receivables of the Group, net, were not pledged as collateral.

The carrying amounts of notes and accounts receivable of the Group with short maturity were not discounted under the assumption that the carrying amount approximates the fair value.

The Group had no aging analysis of overdue accounts receivable and other receivables.

(d) Inventories

The components of the Group's inventories were as follows:

		June 30, 2016		December 31, 2015		June 30, 2015	
		CNY	TWD	CNY	TWD	CNY	TWD
Finished goods	$	57,295	277,594	56,886	284,146	40,011	198,974
Work in progress		3,614	17,510	5,593	27,937	4,190	20,837
Raw materials and supplies		32,333	156,653	24,964	124,695	15,263	75,903
	$	93,242	451,757	87,443	436,778	59,464	295,714

As of June 30, 2016, December 31 and June 30, 2015, the inventories of the Group were not pledged as collateral.

The analysis of the amount of inventories recognized as costs and included in profit or loss was as follows:

		Three-month periods ended June 30			
		2016		2015	
		CNY	TWD	CNY	TWD
Inventory costs	$	22,930	112,101	46,389	230,565
Loss on market value of inventory		(606)	(3,076)	738	3,693
Total	$	22,324	109,025	47,127	234,258

		Six-month periods ended June 30			
		2016		2015	
		CNY	TWD	CNY	TWD
Inventory costs	$	75,411	376,942	87,596	438,646
Loss on market value of inventory		356	1,779	799	4,001
Total	$	75,767	378,721	88,395	442,647

(e) Other financial assets—current

The components of other financial assets-current at reporting date were time deposits with a maturity of three months and above.

(f) Investments accounted for using equity method

		June 30, 2016		December 31, 2015		June 30, 2015	
		CNY	TWD	CNY	CNY	CNY	TWD
Associate	$	39,961	193,611	15,854	79,191	16,252	80,821

i) Associate

The Group's Board of Directors approved to participate in the capital increase of its associates based on the percentage of ownership of the Group amounting to CNY24,500 thousand (TWD122,084 thousand). The amount had been fully paid on April 1, 2016.

(Continued)

The associate accounted for using the equity method in the consolidated financial statements was not individually significant. The summarized financial information of the associate was as follows, and the amounts were included in financial information of the associate in the consolidated interim financial statements:

	June 30, 2016		December 31, 2015		June 30, 2015	
	CNY	TWD	CNY	TWD	CNY	TWD
Carrying amounts of the equity of associate which not individually significant	$ 39,961	193,611	15,854	79,191	16,252	80,821

	Three-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Aggregate amounts of the Group's share of the associate:				
Net loss from continuing operations	$ 177	874	53	286
Other comprehensive loss	-	-	-	-
Total comprehensive income	$ 177	874	53	286

	Six-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Aggregate amounts of the Group's share of the associate:				
Net loss from continuing operations	$ 393	1,964	456	2,284
Other comprehensive loss	-	-	-	-
Total comprehensive income	$ 393	1,964	456	2,284

ii) Collateral

As of June 30, 2016, December 31 and June 30, 2015, the investment accounted for using equity method of the Group was not pledged as collateral.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(g) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the six month periods ended were June 30, 2016 and 2015 as follows:

Unit: CNY thousand

		Land	Buildings	Machinery	Transportation	Furniture and fixtures and other equipment	Construction in progress	Total
Cost or deemed cost:								
Balance at January 1, 2016	$	21,161	183,714	13,134	5,048	51,900	3,000	277,957
Additions		-	-	-	-	1,663	2,620	4,283
Disposal		-	-	-	-	(478)	-	(478)
Reclassification		-	-	-	-	3,176	(3,176)	-
Effect of movements in exchange rates		655	-	-	-	291	32	978
Balance at June 30, 2016	$	21,816	183,714	13,134	5,048	56,552	2,476	282,740
Balance at January 1, 2015	$	20,757	183,243	10,750	5,048	46,527	4,176	270,501
Additions		-	676	-	-	1,067	590	2,333
Disposal		-	-	-	-	(79)	-	(79)
Reclassification		-	-	-	-	2,122	(2,122)	-
Effect of movements in exchange rates		497	-	-	-	166	33	696
Balance at June 30, 2015	$	21,254	183,919	10,750	5,048	49,803	2,677	273,451
Depreciation and impairment loss:								
Balance at January 1, 2016	$	-	25,471	3,468	2,615	32,882	-	64,436
Depreciation		-	2,963	1,810	416	3,886	-	9,075
Reclassification		-	-	-	-	(421)	-	(421)
Effect of changes in exchange rates		-	-	-	-	108	-	108
Balance at June 30, 2016	$	-	28,434	5,278	3,031	36,455	-	73,198
Balance at January 1, 2015	$	-	17,197	2,408	1,778	23,540	-	44,923
Depreciation		-	4,216	413	421	3,753	-	8,803
Disposal		-	-	-	-	(64)	-	(64)
Effect of movements in exchange rates		-	-	(1)	1	33	-	33
Balance at June 30, 2015	$	-	21,413	2,820	2,200	27,262	-	53,695
Carrying value:								
Balance at January 1, 2016	$	21,161	158,243	9,666	2,433	19,018	3,000	213,521
Balance at June 30, 2016	$	21,816	155,280	7,856	2,017	20,097	2,476	209,542
Balance at January 1, 2015	$	20,757	166,046	8,342	3,270	22,987	4,176	225,578
Balance at June 30, 2015	$	21,254	162,506	7,930	2,848	22,541	2,677	219,756

Unit: TWD thousand

	Land	Buildings	Machinery	Transportation	Furniture and fixtures and other equipment	Construction in progress	Total
Cost or deemed cost:							
Balance at January 1, 2016	$ 105,699	917,651	65,604	25,215	259,242	14,985	1,388,396
Additions	-	-	-	-	8,057	12,694	20,751
Disposal	-	-	-	-	(2,389)	-	(2,389)
Reclassification	-	-	-	-	15,388	(15,388)	-
Effect of movements in exchange rates	-	(27,557)	(1,970)	(757)	(6,304)	(295)	(36,883)
Balance at June 30, 2016	$ 105,699	890,094	63,634	24,458	273,994	11,996	1,369,875
Balance at January 1, 2015	$ 105,695	933,074	54,739	25,704	236,915	21,265	1,377,392
Additions	-	3,362	-	-	5,306	2,934	11,602
Disposal	-	-	-	-	(391)	-	(391)
Reclassification	-	-	-	-	10,553	(10,553)	-
Effect of movements in exchange rates	1	(21,807)	(1,280)	(600)	(4,711)	(333)	(28,730)
Balance at June 30, 2015	$ 105,696	914,629	53,459	25,104	247,672	13,313	1,359,873
Depreciation and impairment loss:							
Balance at January 1, 2016	$ -	127,228	17,323	13,062	164,246	-	321,859
Depreciation	-	14,811	9,047	2,079	19,424	-	45,361
Reclassification	-	-	-	-	(2,104)	-	(2,104)
Effect of changes in exchange rates	-	(4,276)	(798)	(456)	(4,942)	-	(10,472)
Balance at June 30, 2016	$ -	137,763	25,572	14,685	176,624	-	354,644
Balance at January 1, 2015	$ -	87,567	12,262	9,059	119,861	-	228,749
Depreciation	-	21,112	2,068	2,108	18,794	-	44,082
Disposal	-	-	-	-	(318)	-	(318)
Effect of movements in exchange rates	-	(2,192)	(306)	(226)	(2,763)	-	(5,487)
Balance at June 30, 2015	$ -	106,487	14,024	10,941	135,574	-	267,026
Carrying value:							
Balance at January 1, 2016	$ 105,699	790,423	48,281	12,153	94,996	14,985	1,066,537
Balance at June 30, 2016	$ 105,699	752,331	38,062	9,773	97,370	11,996	1,015,231
Balance at January 1, 2015	$ 105,695	845,507	42,477	16,645	117,054	21,265	1,148,643
Balance at June 30, 2015	$ 105,696	808,142	39,435	14,163	112,098	13,313	1,092,847

The Group has entered into an agreement with its non-related parties to buy a building in Sichuan, China, on March 17, 2016. The amount of the contract was CNY27,431 thousand (TWD136,387 thousand). The Group had paid the full amount and recognized it as other non current asset, which will be reclassified to property, plant and equipment after the title of the building has been transferred to the Group.

(h) Intangible assets

	Computer software		Others		Total	
	CNY	TWD	CNY	TWD	CNY	TWD
Cost:						
Balance at January 1, 2016	$ 10,097	50,435	167	834	10,264	51,269
Additions	-	-	3,654	18,170	3,654	18,170
Effect of movements in exchange rates	-	(1,515)	98	(17)	98	(1,532)
Balance at June 30, 2016	$ 10,097	48,920	3,919	18,987	14,016	67,907
Balance at January 1, 2015	$ 21,487	109,340	-	-	21,487	109,340
Disposal (note 7)	(8,646)	(43,610)	-	-	(8,646)	(43,610)
Reclassification	(157)	(781)	157	781	-	-
Effect of changes in exchange rates	38	(1,683)	-	-	38	(1,683)
Balance at June 30, 2015	$ 12,722	63,266	157	781	12,879	64,047
Amortization and impairment loss:						
Balance at January 1, 2016	$ 2,361	11,794	18	90	2,379	11,884
Amortization	1,010	5,048	387	1,934	1,397	6,982
Effect of changes in exchange rates	-	(510)	12	(4)	12	(514)
Balance at June 30, 2016	$ 3,371	16,332	417	2,020	3,788	18,352
Balance at January 1, 2015	$ 426	2,096	-	-	426	2,096
Amortization	1,274	6,380	8	40	1,282	6,420
Reclassification	(1)	(5)	1	5	-	-
Effect of changes in exchange rates	-	(22)	-	-	-	(22)
Balance at June 30, 2015	$ 1,699	8,449	9	45	1,708	8,494
Carrying value:						
Balance at January 1, 2016	$ 7,736	38,641	149	744	7,885	39,385
Balance at June 30, 2016	$ 6,726	32,588	3,502	16,967	10,228	49,555
Balance at January 1, 2015	$ 21,061	107,244	-	-	21,061	107,244
Balance at June 30, 2015	$ 11,023	54,817	148	736	11,171	55,553

(i) Bonds payable

The Company issued unsecured convertible bonds as follows:

	June 30, 2016		December 31, 2015		June 30, 2015	
	CNY	TWD	CNY	TWD	CNY	TWD
Bonds payable of ending balance	$ 176,945	857,300	169,914	848,721	-	-
Embedded Derivatives—put option and call option (financial liability at fair value through profit or loss—non-current)	$ 3,307	16,020	613	3,060	-	-
Equity component—conversion options (Capital surpluses— Share options)	$ 7,258	37,021	7,258	37,021	-	-

(Continued)

	Three-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Embedded Derivatives—put option and call option measured at fair value through profit or loss (reported in other gains and losses)	$ (1,933)	(9,630)	-	-
Interest expenses (financial costs)	$ 868	4,299	-	-

	Six-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Embedded Derivatives—put option and call option measured at fair value through profit or loss (reported in other gains and losses)	$ (2,593)	(12,960)	-	-
Interest expenses (financial costs)	$ 1,716	8,578	-	-

The Group did not have any significant change on the information and regulation of the convertible bonds. For relative information, please refers to note 6(i) of the consolidated financial statements for the year ended December 31, 2015.

(j) Other current liabilities

The components of other current liabilities of the Group at the reporting date were as follows:

	June 30, 2016		December 31, 2015		June 30, 2015	
	CNY	TWD	CNY	TWD	CNY	TWD
Accrued expense	$ 41,715	202,109	51,072	255,104	35,387	175,980
Tax payable	7,028	34,051	9,647	48,187	14,061	69,925
Deferred income	3,611	17,495	3,603	17,997	4,188	20,827
	$ 52,354	253,655	64,322	321,288	53,636	266,732

(k) Employee benefits

i) Defined benefit plans

In the prior fiscal year, there was no material volatility of the market, material reimbursement and settlement or other material one-time events. As a result, pension cost in the condensed consolidated interim financial statements was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate as of December 31, 2015 and 2014.

The Group's expenses recognized in profit or loss were as follows:

	Three-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
General and administrative expenses	$ -	-	8	40

	Six-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
General and administrative expenses	$ -	-	16	80

ii) Defined contribution plans

The Group's expenses (under pension plan cost) to the Bureau of Labor Insurance and the local government were as follows:

	Three-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Operating costs	$ 205	1,016	183	911
Selling expenses	1,370	6,786	1,469	7,300
General and administrative expenses	883	4,374	785	3,902
Research and development expenses	13	64	12	59
	$ 2,471	12,240	2,449	12,172

	Six-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Operating costs	$ 375	1,874	334	1,673
Selling expenses	2,677	13,382	2,801	14,026
General and administrative expenses	1,693	8,461	1,493	7,476
Research and development expenses	25	125	24	120
	$ 4,770	23,842	4,652	23,295

(l) Income tax

The amounts of the Group's income tax were as follows:

	Three-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Current income tax expense				
Current period	$ 8,920	43,715	8,032	39,856
Adjustment for prior periods	70	350	(151)	(757)
	8,990	44,065	7,881	39,099
Deferred income tax benefit				
Origination and reversal of temporary differences	2,423	11,984	3,385	16,960
Income tax expenses on continuing operations	$ 11,413	56,049	11,266	56,059

	Six-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Current income tax expense				
Current period	$ 27,128	135,599	16,697	83,611
Adjustment for prior periods	70	350	(151)	(757)
	27,198	135,949	16,546	82,854
Deferred income tax benefit				
Origination and reversal of temporary differences	5,106	25,523	3,161	15,829
Income tax expenses on continuing operations	$ 32,304	161,472	19,707	98,683

(Continued)

(m) Capital and other equity

Except for the following disclosure, there was no significantly change for capital and other equity for the periods from January 1 to June 30, 2016 and 2015. For the related information, please refer to note 6(m) of the consolidated financial statements for the year ended December 31, 2015.

i) Retained earnings

In accordance with the final settlement, earns profits in a fiscal year shall first be used to pay the applicable taxes, offset losses, set aside for legal reserve pursuant to the laws and regulations, unless the legal reserve has reached total paid-up capital. The remaining profits, if any, shall be set aside for special reserve in accordance with the laws, regulations, or business requirements. Any further remaining profits, plus, unappropriated earnings shall be distributed to the shareholders. The total amount of dividend to distribute to the shareholders must not be less than 10% of the distributable earnings of the current year. Furthermore, cash dividends distributed must not be less than 10% of the total dividends.

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The Board of Directors proposed the amendments on December 17, 2015, which will be approved at the 2016 annual shareholders—meeting. Please refer to employee benefits expense in Note 6(p).

Earning distribution for 2015 and 2014 were approved by the board of directors on June 28, 2016, and is subject to the shareholders' approval on June 17, 2015. The relevant dividend distributions to shareholders were as follows:

	2015			2014		
	Amount per share (New Taiwan dollars)	Amount CNY	Amount TWD	Amount per share (New Taiwan dollars)	Amount CNY	Amount TWD
Dividends distributed to common shareholders:						
Cash	$ 10.00	163,902	794,924	7.00	115,517	556,446

ii) Other equities (net of tax)

	Foreign exchange differences arising from foreign operation CNY	Foreign exchange differences arising from foreign operation TWD
Balance at January 1, 2016	$ 22,607	97,236
Foreign exchange differences arising from net assets of foreign operation	2,909	(118,274)
Balance at June 30, 2016	$ 25,516	(21,038)
Balance at January 1, 2015	$ 9,927	127,507
Foreign exchange differences arising from net assets of foreign operation	5,511	(71,274)
Balance at June 30, 2015	$ 15,438	56,233

(Continued)

(n) Earnings per share

The calculation of the Group's basic earnings per share and diluted earnings per share was as follows:

i) Basic earnings per share

	Three-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Profit attributable to ordinary shareholders of the Company	$ 31,343	153,591	47,571	236,758
Weighted-average number of ordinary shares	79,492	79,492	79,492	79,492
Basic earnings per share (in dollars)	$ 0.39	1.93	0.60	2.98

	Six-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Profit attributable to ordinary shareholders of the Company	$ 95,525	477,480	82,280	412,024
Weighted-average number of ordinary shares	79,492	79,492	79,492	79,492
Basic earnings per share (in dollars)	$ 1.20	6.01	1.04	5.18

ii) Diluted earnings per share

	Three-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Profit attributable to ordinary shareholders of the Company (diluted)	$ 31,343	153,591	47,571	236,758
Weighted-average number of ordinary shares	79,492	79,492	79,492	79,492
Impact of potential common shares				
Effect of employee stock bonus	65	65	91	91
Weighted-average number of ordinary shares (diluted)	79,557	79,557	79,583	79,583
Diluted earnings per share (in dollars)	$ 0.39	1.93	0.60	2.98

(Continued)

	Six-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Profit attributable to ordinary shareholders of the Company (diluted)	$ 95,525	477,480	82,280	412,024
Weighted-average number of ordinary shares	79,492	79,492	79,492	79,492
Impact of potential common shares				
Effect of employee stock bonus	97	97	86	86
Weighted-average number of ordinary shares (diluted)	79,589	79,589	79,578	79,578
Diluted earnings per share (in dollars)	$ 1.20	6.00	1.03	5.18

(o) Revenue

The details of the Group's revenue for the three months ended June 30, 2016 and 2015 and the six months periods ended June 30, 2016 and 2015 were as follows:

	Three-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Net sale of goods	$ 131,483	648,488	180,249	896,264
Trademark right income	11,211	54,518	13,462	67,025
Special affiliate income	2,782	13,757	3,835	19,134
Skin care service from direct retail outlets and other income	2,616	13,006	1,889	9,410
	$ 148,092	729,769	199,435	991,833

	Six-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Net sale of goods	$ 313,708	1,568,069	331,436	1,659,699
Trademark right income	42,967	214,771	22,666	113,502
Special affiliate income	5,869	29,336	5,510	27,592
Skin care service from direct retail outlets and other income	4,081	20,399	3,040	15,223
	$ 366,625	1,832,575	362,652	1,816,016

(Continued)

(p) Employees' and directors' emoluments

In accordance with the Group's article of incorporation, if there is profit for the year, the Group should contribute 1%~5% of the profit as employee compensation and less than 3% as directors' and supervisors' remuneration when there is profit for the year. However, if the Group has accumulated deficits, the profit should be reserved to offset the deficit. Employees entitled to receive the above mentioned employee compensation, in shares or cash, includes the employees of the subsidiaries of the Group who meet certain specific requirements. The requirements shall be promulgated by the Board.

For the three month and six month periods ended June 30, 2016, the Company accrued the estimated employees' bonuses of CNY486 thousand (TWD2,350 thousand) and CNY2,186 thousand (TWD10,929 thousand), respectively, and directors' remuneration of CNY42 thousand (TWD171 thousand) and CNY893 thousand (TWD4,464 thousand) , respectively. The estimated amounts mentioned above were according to the Company's articles of incorporation. The estimations are reported under operating expenses or operating cost. The differences between the estimated amounts and those recognized in financial statements approved by the Board of Directors and published to the public, if any, shall be accounted for as a change in accounting estimates and recognized in 2017.

For the three month and six month periods ended June 30, 2015, the Company accrued the estimated employees' bonuses of CNY720 thousand (TWD3,586 thousand) and CNY1,192 thousand (TWD5,969 thousand), respectively, and directors' remuneration of CNY338 thousand (TWD1,686 thousand) and CNY574 thousand (TWD2,877 thousand) , respectively. Such amounts were estimated by the previous articles of the Company, and recorded as operating expenses in the three month and six month periods ended June 30, 2015. The above information can be accessed in note 6(m) to the consolidated financial statements for the year ended December 31, 2015.

In its financial statements for the year ended December 31, 2015, the Company accrued employees' bonuses and directors' remuneration amounting to CNY5,736 thousand (TWD28,870 thousand) and CNY2,749 thousand (TWD13,833 thousand), respectively, which was identical to the actual distribution. The information mentioned above can be accessed on the Market Observation Post System.

(q) Non-operating income and expenses

i) Other income

		Three-month periods ended June 30			
		2016		2015	
		CNY	TWD	CNY	TWD
Government allowance revenue	$	5,550	27,742	-	-
Interest income-bank deposits		1,053	5,195	1,860	9,187
Other		959	4,790	14	64
	$	7,562	37,727	1,874	9,251

	Six-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Government allowance revenue	$ 5,550	27,742	-	-
Interest income-bank deposits	2,497	12,482	4,879	24,431
Other	1,022	5,108	148	741
	$ 9,069	45,332	5,027	25,172

ii) Other gains and losses

	Three-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Net loss on foreign exchange	$ (452)	(2,225)	(634)	(3,147)
Net gains on financial assets at fair value through profit or loss	(650)	(3,270)	1,421	7,105
Losses on disposal of property, plant and equipment	(21)	(103)	(5)	(24)
	$ (1,123)	(5,598)	782	3,934

	Six-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Net losses on foreign exchange	$ (1,172)	(5,859)	(1,325)	(6,638)
Net gains on financial assets at fair value through profit or loss	(205)	(1,024)	1,681	8,418
Losses on disposal of property, plant and equipment	(57)	(285)	(15)	(73)
	$ (1,434)	(7,168)	341	1,707

iii) Finance expenses

	Three-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Interest expenses	$ 868	4,299	-	-

	Six-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Interest expenses	$ 1,716	8,578	-	-

(Continued)

(r) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and in the degree of exposure to credit risk, liquidity risk—interest rate risk and market risk arising from financial instruments. For the related information, please refer to note 6(r) of the consolidated financial statements for the year ended December 31, 2015.

i) Liquidity risk

The following table shows the contract maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

Unit: CNY thousand

	Carrying amount	Contractual cash flows	Within a year	1-2 years	2-5 years	Over 5 years
June 30, 2016						
Non-derivative financial liabilities						
Bonds payable	$ 176,945	180,180	-	-	180,180	-
Financial liability at fair value through profit or loss	3,307	3,307	-	-	3,307	-
Accounts payable (including related parties)	7,917	7,917	7,917	-	-	-
Accrued expenses	17,572	17,572	17,572	-	-	-
Other payables (including related parties)	20,232	20,232	20,232	-	-	-
Guarantee deposits	52,506	52,506	52,506	-	-	-
	$ 278,479	281,714	98,227	-	183,487	-
December 31, 2015						
Non-derivative financial liabilities						
Bonds payable	$ 169,914	180,180	-	-	180,180	-
Financial liability at fair value through profit or loss	613	613	-	-	613	-
Accounts payable (including related parties)	33,710	33,710	33,710	-	-	-
Accrued expenses	20,178	20,178	20,178	-	-	-
Other payables (including related parties)	27,015	27,015	27,015	-	-	-
Guarantee deposits	55,992	55,992	55,992	-	-	-
	$ 307,422	317,688	136,895	-	180,793	-
June 30, 2015						
Non-derivative financial liabilities						
Accounts payable (including related parties)	$ 20,607	20,607	20,607	-	-	-
Dividend payables	111,893	111,893	111,893	-	-	-
Accrued expenses	35,387	35,387	35,387	-	-	-
Other payables (including related parties)	22,301	22,301	22,301	-	-	-
Guarantee deposits	58,836	58,836	58,836	-	-	-
	$ 249,024	249,024	249,024	-	-	-

Unit: TWD thousand

	Carrying amount	Contractual cash flows	Within a year	1-2 years	2-5 years	Over 5 years
June 30, 2016						
Non-derivative financial liabilities						
Bonds payable	$ 857,300	900,000	-	-	900,000	-
Financial liability at fair value through profit or loss	16,020	16,020	-	-	16,020	-
Accounts payable (including related parties)	38,358	38,358	38,358	-	-	-
Accrued expenses	85,136	85,136	85,136	-	-	-
Other payables (including related parties)	98,024	98,024	98,024	-	-	-
Guarantee deposits	254,392	254,392	254,392	-	-	-
	$1,349,230	1,391,930	475,910	-	916,020	-
December 31, 2015						
Non-derivative financial liabilities						
Bonds payable	$ 848,721	900,000	-	-	900,000	-
Financial liability at fair value through profit or loss	3,060	3,060	-	-	3,060	-
Accounts payable (including related parties)	168,381	168,381	168,381	-	-	-
Accrued expenses	100,788	100,788	100,788	-	-	-
Other payables (including related parties)	134,940	134,940	134,940	-	-	-
Guarantee deposits	279,679	279,679	279,679	-	-	-
	$1,535,569	1,586,848	683,788	-	903,060	-
June 30, 2015						
Non-derivative financial liabilities						
Accounts payable (including related parties)	$ 102,479	102,479	102,479	-	-	-
Dividend payables	556,446	556,446	556,446	-	-	-
Accrued expenses	175,980	175,980	175,980	-	-	-
Other payables (including related parties)	110,903	110,903	110,903	-	-	-
Guarantee deposits	292,591	292,591	292,591	-	-	-
	$1,238,399	1,238,399	1,238,399	-	-	-

The Group is not expecting the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

ii) Currency risk

i. Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

		Foreign currency	Exchange rate	CNY	TWD
June 30, 2016					
Financial assets:					
Monetary items:					
USD	$	36,058	6.6615	240,200	1,163,769
HKD	$	1,420	0.8584	1,219	5,906
CNY	$	5,123	1.0000	5,123	24,821
Financial liabilities:					
Monetary items:					
CNY	$	5,135	1.0000	5,135	24,879
December 31, 2015					
Financial assets:					
Monetary items:					
USD	$	35,435	6.5716	232,865	1,163,161
CNY	$	2,007	0.8478	1,702	8,501
TWD	$	23,321	1.0000	23,321	116,488
Financial liabilities:					
Monetary items:					
USD	$	31	6.5716	204	1,019
CNY	$	4,678	1.0000	4,678	23,367
June 30, 2015					
Financial assets:					
Monetary items:					
USD	$	745	6.2055	4,623	22,990
HKD	$	2,021	0.8003	1,617	8,041
CNY	$	44,405	1.0000	44,405	220,826
Financial liabilities:					
Monetary items:					
USD	$	80	6.2055	496	2,467
CNY	$	3,023	1.0000	3,023	15,033

(Continued)

ii. Sensitivity analysis

The Group's exposure to foreign currency risk arose from the translation of the foreign currency exchange gains and losses on cash and cash equivalents that were denominated in foreign currency. A strengthening (weakening) 3% of appreciation (depreciation) of the TWD against the USD, HKD, CNY and the TWD for the six months periods ended June 30, 2016 and 2015, with all other variables held constant, would have increased (decreased) the net profit after tax by CNY7,117 thousand (TWD34,482 thousand) and CNY1,399 thousand (TWD6,957 thousand), respectively.

Due to the different functional currencies used by the Group, a summary information on its gain (loss) on foreign exchange had been disclosed in its financial statements. The realized and unrealized gain (loss) on foreign exchanged for the six months periods ended June 30, 2016 and 2015 amounted to CNY1,172 thousand (TWD5,859 thousand) and CNY1,325 thousand (TWD6,638 thousand), respectively.

iii) Information for fair value

i. Categories and fair value of financial instruments

Except for the followings, carrying amount of the Group's financial assets and liabilities are valuated approximately to their fair value, and are not based on observable market date and the value measurements which are not reliable. No additional fair value disclosure is required in accordance to the Regulations.

Unit: CNY thousand

	June 30, 2016				
	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Receivables					
Cash and cash equivalents	$ 829,194	-	-	-	-
Accounts receivable and other receivables (including related parties)	10,108	-	-	-	-
Other financial assets	1,500	-	-	-	-
Total	$ 840,802	-	-	-	-

(Continued)

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	June 30, 2016				
	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Derivative financial instruments	$ 3,307	-	3,307	-	3,307
Financial liabilities measured at amortized cost					
Bond payables	176,945	-	176,945	-	176,945
Accounts payable and other payables (including related parties)	28,149	-	-	-	-
Accrued expense	17,572	-	-	-	-
Guarantee deposits	52,506	-	-	-	-
Subtotal	275,172	-	176,945	-	176,945
Total	$ 278,479	-	180,252	-	180,252

	December 31, 2015				
	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Available-for-sale and non-derivative financial assets	$ 2	2	-	-	2
Receivables					
Cash and cash equivalents	679,967	-	-	-	-
Accounts receivable and other receivables (including related parties)	138,696	-	-	-	-
Other financial assets	22,736	-	-	-	-
Subtotal	841,399	-	-	-	-
Total	$ 841,401	2	-	-	2

(Continued)

	December 31, 2015				
	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Derivative financial instruments	$ 613	-	613	-	613
Financial liabilities measured at amortized cost					
Bond payables	169,914	-	169,914	-	169,914
Accounts payable and other payables (including related parties)	60,725	-	-	-	-
Dividend payables	20,178	-	-	-	-
Guarantee deposits	55,992	-	-	-	-
Subtotal	306,809	-	169,914	-	169,914
Total	$ 307,422	-	170,527	-	170,527

	June 30, 2015				
	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Receivables					
Cash and cash equivalents	$ 538,086	-	-	-	-
Accounts receivable and other receivables (including related parties)	40,803	-	-	-	-
Other financial assets	43,238	-	-	-	-
Total	$ 622,127	-	-	-	-
Financial liabilities measured at amortized cost					
Accounts payable and other payables (including related parties)	$ 42,908	-	-	-	-
Dividend payables	111,893	-	-	-	-
Accrued expense	35,387	-	-	-	-
Guarantee deposits	58,836	-	-	-	-
Total	$ 249,024	-	-	-	-

(Continued)

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Unit: TWD thousand

	June 30, 2016				
	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Receivables					
Cash and cash equivalents	$ 4,017,445	-	-	-	-
Accounts receivable and other receivables (including related parties)	48,973	-	-	-	-
Other financial assets	7,268	-	-	-	-
Total	$ 4,073,686	-	-	-	-
Financial liabilities at fair value through profit or loss					
Derivative financial instruments	$ 16,020	-	16,020	-	16,020
Financial liabilities measured at amortized cost					
Bond payables	857,300	-	857,300	-	857,300
Accounts payable and other payables (including related parties)	136,382	-	-	-	-
Accrued expense	85,136	-	-	-	-
Guarantee deposits	254,392	-	-	-	-
Subtotal	1,333,210	-	857,300	-	857,300
Total	$ 1,349,230	-	873,320	-	873,320

	December 31, 2015				
	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Available-for-sale and non-derivative financial assets	$ 9	9	-	-	9
Receivables					
Cash and cash equivalents	3,396,435	-	-	-	-
Accounts receivable and other receivables (including related parties)	692,786	-	-	-	-
Other financial assets	113,567	-	-	-	-
Subtotal	4,202,788	-	-	-	-
Total	$ 4,202,797	9	-	-	9

(Continued)

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	Carrying amount	December 31, 2015 Fair value Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Derivative financial instruments	$ 3,060	-	3,060	-	3,060
Financial liabilities measured at amortized cost					
Bond payables	848,721	-	848,721	-	848,721
Accounts payable and other payables (including related parties)	303,321	-	-	-	-
Accrued expense	100,788	-	-	-	-
Guarantee deposits	279,679	-	-	-	-
Subtotal	1,532,509	-	848,721	-	848,721
Total	$ 1,535,569	-	851,781	-	851,781

	Carrying amount	June 30, 2015 Fair value Level 1	Level 2	Level 3	Total
Receivables					
Cash and cash equivalents	$ 2,675,902	-	-	-	-
Accounts receivable and other receivables (including related parties)	202,914	-	-	-	-
Other financial assets	215,023	-	-	-	-
Total	$ 3,093,839	-	-	-	-
Financial liabilities measured at amortized cost					
Accounts payable and other payables (including related parties)	$ 213,382	-	-	-	-
Dividend payables	556,446	-	-	-	-
Accrued expense	175,980	-	-	-	-
Guarantee deposits	292,591	-	-	-	-
Total	$ 1,238,399	-	-	-	-

(Continued)

ii. Valuation techniques in financial instruments measured at fair value—Non-derivative financial instruments

If there are quoted prices in the active markets for financial instruments, the fair value of those prices may be based on the quoted market prices.

The fair value of financial assets and liabilities traded in the active markets will be based on the quoted market prices when the quoted prices can be obtained from the exchanges, brokers, underwriters, industrial unions, pricing service agencies or authorities, as well as if they can represent as the one usually traded in fair market transaction in practice. If the requirements above-mentioned don't actually accomplish, the market ought to be seen inactive condition. Generally speaking, the index of inactive market are based on the large difference of the price between buying and selling transaction, the difference of the price between buying and selling transaction distinctively increasing or little quantity of trading volume.

iii. Fair value hierarchy

The Group considers the carrying amounts of its financial assets and financial liabilities based on the observable market data .The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows：

1) Level 1: quoted prices (unadjusted) in the active markets for identified assets or liabilities.

2) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

3) Level 3: inputs for the assets or liability that are not based on the observable market data (unobservable inputs).

iv. Transfers between Level 1 and Level 2

During the six months periods ended June 30, 2016 and 2015, there were no significant transfers between Level 1 and Level 2.

(s) Financial risk management

There was no significant change in the Group's objective and policies for the financial risk management in the consolidated interim financial statements for the six months periods ended June 30, 2016 and 2015 as compared with the consolidated financial statements for the year ended December 31, 2015. For the related information, please refer to note 6(s) of the consolidated financial statements for the year ended December 31, 2015.

(t) Capital management

The Group's objective, policies, and process of capital management of the condensed consolidated interim financial statements for the six months periods ended June 30, 2016 and 2015 were the same as those of the consolidated financial statements for the year ended December 31, 2015. There was no significant change on the summary of quantitative date of capital management as compared with the consolidated financial statements for the year ended December 31, 2015. For the related information, please refer to note 6(t) of the consolidated financial statements for the year December 31, 2015.

(7) Related-party transactions

(a) Parent Company and ultimate controlling party

The Company is the ultimate controlling party of the Group.

(b) Significant related party transactions

i) Operating revenue

The amounts of significant sales transactions between the Group and the related parties were as follows:

	Three-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Other related parties	$ 14,568	69,434	34,243	170,684

	Six-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Other related parties	$ 85,304	426,395	53,140	266,103

There were no significant differences in the price between the related parties and other customers. The collection term for related parties was two months. For other customers, advance payment was required. Likewise, the trademark right income for related parties was a period of six months and two months for the three months periods ended June 30, 2016 and 2015, and was to be disbursed in two months after the payment request.

ii) Purchases

The amount of purchase transactions between the Group and the related parties were as follows:

	Three-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Other related parties	$ 2,457	11,886	6,210	30,931

	Six-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Other related parties	$ 10,741	53,691	10,170	50,927

The selling price was the agreed price between the Group and each related party, and the payment term was two months, which was similar to those of the non-related suppliers.

iii) Receivables from related parties

The receivables due from related parties were as follows:

Accounts	Type of related parties	June 30, 2016 CNY	June 30, 2016 TWD	December 31, 2015 CNY	December 31, 2015 TWD	June 30, 2015 CNY	June 30, 2015 TWD
Accounts receivable	Other related parties	$ 6,768	32,791	133,131	664,989	37,967	188,809
Other receivable	Other related parties	756	3,661	946	4,725	1,165	5,794
		$ 7,524	36,452	134,077	669,714	39,132	194,603

Receivables from related parties were unsecured and interest-free.

iv) Payables to related parties

The payables to related parties were as follows:

Accounts	Categories of related parties	June 30, 2016 CNY	June 30, 2016 TWD	December 31, 2015 CNY	December 31, 2015 TWD	June 30, 2015 CNY	June 30, 2015 TWD
Accounts payable	Other related parties	$ 1,589	7,699	4,451	22,233	2,385	11,861
Other payable	Other related parties	1,607	7,786	2,604	13,007	3,143	15,630
		$ 3,196	15,485	7,055	35,240	5,528	27,491

Payables to related parties were unsecured and interest-free.

(Continued)

v) Prepayments

The prepayments to related parties (recorded under prepayments) were as follows:

	June 30, 2016		December 31, 2015		June 30, 2015	
	CNY	TWD	CNY	TWD	CNY	TWD
Other related parties	$ 1,096	5,310	2,663	13,302	2,955	14,695

vi) Property exchange

The Group purchased from non-related parties intangible assets—computer software amounting to CNY21,487 thousand(TWD109,340 thousand). On March 12, 2015, the Board of Director passed a resolution to grant its other related parties part of the rights to access the software. Based on the proportion of the rights granted, each member of the Group was to assume its part of liability on the cost of acquisition amounting to CNY8,646 thousand(TWD43,610 thousand). As of June 30, 2015, all liabilities mentioned above had been paid off.

vii) Services expense

	Three-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Other related parties	$ 3,259	16,192	326	1,620

	Six-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Other related parties	$ 5,539	27,698	619	3,100

For the services provided by the related parties, price and terms were determined in accordance with mutual agreements.

viii) Leases

	Three-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Other related parties	$ 1,842	9,117	2,007	9,956

	Six-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Other related parties	$ 3,709	18,540	4,260	21,332

The lease contract was signed in which the rental fee was determined based on the ongoing market rate and mutual agreements.

(c) Key management personnel compensations

Key management personnel compensation comprised the following:

	Three-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Short-term employee benefits	$ 1,233	6,047	1,890	9,368
Post-employment benefits	20	99	20	99
Termination benefits	-	-	911	4,562
	$ 1,253	6,146	2,821	14,029

	Six-month periods ended June 30			
	2016		2015	
	CNY	TWD	CNY	TWD
Short-term employee benefits	$ 3,693	18,460	4,264	21,354
Post-employment benefits	41	205	39	195
Termination benefits	-	-	911	4,562
	$ 3,734	18,665	5,214	26,111

(8) Pledged assets: None.

(9) Commitments and contingencies

(a) Capital expenditure

	June 30, 2016		December 31, 2015		June 30, 2015	
	CNY	TWD	CNY	TWD	CNY	TWD
Contact signed	$ 1,767	8,561	5,409	27,018	5,828	28,983
Contract approved yet not been signed	57,757	279,833	4,923	24,590	4,359	21,677
	$ 59,524	288,394	10,332	51,608	10,187	50,660

(b) Operating lease commitments

As of June 30, 2016, December 31 and June 30, 2015, the Group's future minimum lease payments under the non-cancellable operating leases are as follows:

		June 30, 2016		December 31, 2015		June 30, 2015	
		CNY	TWD	CNY	TWD	CNY	TWD
Not later than 1 year	$	5,479	26,546	4,386	21,908	4,255	21,160
Not later than 1 year and not later than 2 years		745	3,610	662	3,307	1,378	6,853
Later than 2 years		-	-	-	-	1,893	9,414
	$	6,224	30,156	5,048	25,215	7,526	37,427

The duration of the Group's operating lease is from 1 to 10 years. The contract can be renewed upon expiration. Lease asset does not generate any contingent expense.

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

(12) Other

(a) The employee benefit expenses, depreciation, depletion, and amortization categorized by function, were as follows:

By function	Three-month periods ended June 30, 2016					
	Operating costs		Operating expenses		Total	
By item	CNY	TWD	CNY	TWD	CNY	TWD
Employee benefits						
Salary	575	2,829	19,995	99,128	20,570	101,957
Labor and health insurance	133	660	1,426	7,051	1,559	7,711
Pension	205	1,016	2,266	11,224	2,471	12,240
Others	53	261	2,142	10,658	2,195	10,919
Depreciation	278	1,377	4,295	21,265	4,573	22,642
Amortization	57	283	539	2,657	596	2,940

By function	Three-month periods ended June 30, 2015					
	Operating costs		Operating expenses		Total	
By item	CNY	TWD	CNY	TWD	CNY	TWD
Employee benefits						
Salary	964	4,798	21,838	108,534	22,802	113,332
Labor and health insurance	122	607	1,574	7,819	1,696	8,426
Pension	183	911	2,274	11,301	2,457	12,212
Others	56	279	2,991	14,929	3,047	15,208
.Depreciation	233	1,157	4,169	20,701	4,402	21,858
Amortization	55	273	586	2,910	641	3,183

By function / By item	Six-month periods ended June 30, 2016					
	Operating costs		Operating expenses		Total	
	CNY	TWD	CNY	TWD	CNY	TWD
Employee benefits						
Salary	1,517	7,583	37,051	185,199	38,568	192,782
Labor and health insurance	238	1,190	3,021	15,100	3,259	16,290
Pension	375	1,874	4,395	21,968	4,770	23,842
Others	133	665	3,165	15,820	3,298	16,485
Depreciation	534	2,669	8,541	42,692	9,075	45,361
Amortization	114	570	1,283	6,412	1,397	6,982

By function / By item	Six-month periods ended June 30, 2015					
	Operating costs		Operating expenses		Total	
	CNY	TWD	CNY	TWD	CNY	TWD
Employee benefits						
Salary	1,665	8,338	41,411	207,370	43,076	215,708
Labor and health insurance	230	1,152	3,093	15,489	3,323	16,641
Pension	334	1,673	4,334	21,702	4,668	23,375
Others	105	526	4,133	20,696	4,238	21,222
Depreciation	479	2,399	8,324	41,683	8,803	44,082
Amortization	109	546	1,173	5,874	1,282	6,420

(b) Seasonality or cyclicality of interim operations

The business segment of the Group is neither seasonal nor cyclical.

(13) Other disclosures

(a) Information on significant transactions

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group:

i) Loans extended to other parties:

Unit: thousand dollars

No.	Name of Lenders	Name of borrowers	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrowers	Transaction amount of business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limitation on fund financing
													Name	Value		
0	The Company	Hong Kong Chlitina (Note 3)	Other receivable	Yes	560,000	560,000	532,575	Lower 10% of loan market rate	2	-	Operating capital	-		-	351,101 (Note 1)	1,404,404 (Note 1)
0	The Company	Chlitina Shanghai (Note 3)	Other receivable	Yes	560,000	560,000	-	Lower 10% of loan market rate	2	-	Operating capital	-		-	351,101 (Note 1)	1,404,404 (Note 1)
0	The Company	Weishuo (Note 3)	Other receivable	Yes	560,000	560,000	-	Lower 10% of loan market rate	2	-	Operating capital	-		-	351,101 (Note 1)	1,404,404 (Note 1)
0	The Company	Weihu (Note 3)	Other receivable	Yes	560,000	560,000	-	Lower 10% of loan market rate	2	-	Operating capital	-		-	351,101 (Note 1)	1,404,404 (Note 1)
0	The Company	Hong Kong Crystal Asia International (Note 3)	Other receivable	Yes	560,000	560,000	-	Lower 10% of loan market rate	2	-	Operating capital	-		-	351,101 (Note 1)	1,404,404 (Note 1)
0	The Company	Wuguan (Note 3)	Other receivable	Yes	560,000	560,000	-	Lower 10% of loan market rate	2	-	Operating capital	-		-	351,101 (Note 1)	1,404,404 (Note 1)
1	Hong Kong Chlitina	Chlitina Shanghai (Note 4)	Other receivable	Yes	560,000	560,000	-	Lower 10% of loan market rate	2	-	Operating capital	-		-	3,065,189 (Note 2)	3,065,189 (Note 2)
1	Hong Kong Chlitina	Weishuo (Note 4)	Other receivable	Yes	560,000	560,000	-	Lower 10% of loan market rate	2	-	Operating capital	-		-	3,065,189 (Note 2)	3,065,189 (Note 2)
2	Chlitina Shanghai	Weihu	Other receivable	Yes	249,750	242,250	-	Lower 10% of loan market rate	2	-	Operating capital	-		-	1,896,973 (Note 2)	1,896,973 (Note 2)
3	Hong Kong Crystal Asia International	Weihu (Note 5)	Other receivable	Yes	24,975	24,225	-	Lower 10% of loan market rate	2	-	Operating capital	-		-	350,541 (Note 2)	350,541 (Note 2)
3	Hong Kong Crystal Asia International	Wuguan (Note 5)	Other receivable	Yes	24,975	24,225	-	Lower 10% of loan market rate	2	-	Operating capital	-		-	350,541 (Note 2)	350,541 (Note 2)

Note 1: The allowable aggregate amount of financing provided to others cannot exceed 40% of the Company's stockholders' equity; the maximum financing provided to an individual counterparty cannot exceed 20% of the Company's stockholders' equity. The loans in installments or revolving credit line granted to a specific counterparty by the chairman should not exceed 10% of the net worth announced in the latest financial statement. As of June 30, 2016, the actual loans used amounted to TWD532,575 thousand, which exceeded the individual funding loan limits of TWD351,101 thousand. As of July 4, 2016, the Company has reimbursed the amount of TWD371,200 thousand.

Note 2: Based on the Company's guidelines, when the Group directly or indirectly owns 100% of the controlling power, the allowable aggregate of financing provided to others cannot exceed 40% of the Company's stockholders' equity; the maximum financing provided to an individual counterparty cannot be exceed 100% of the Company's stockholders' equity.

Note 3: The shared line of credit to Hong Kong Chlitina, Chlitina Shanghai, Weishuo, Hong Kong Crystal Asia International Limited, Weihu, and Wuguan amounted to TWD560,000 thousand.

Note 4: The shared line of credit to Chlitina Shanghai and Weishuo amounted to TWD560,000 thousand.

Note 5: The shared line of credit to Weihu and Wuguan amounted to CNY5,000 thousand.

Note 6: For the purpose of lending, the numbering are classified as follows:

(1) Business relationship is 1.

(2) Short-term financing is 2.

ii) Guarantees and endorsements for other parties: None.

iii) Information regarding securities held at balance sheet date (Investment in subsidiaries, associates and joint ventures were excluded): None.

iv) Accumulated holding amount of a single security in excess of $300 million or 20% of the paid-in capital:

Unit: thousand dollars

Name of company	Name of security	Account name	Counterparts	Relationship with the Company	Beginning balance		Purchases		Sales				Ending balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Disposal gain	Shares	Amount
Chlitina Shanghai	Bosera Yuxiang money fund	Financial assets at fair value through profit or loss	-	-	-	-	140,087,000	678,722	140,087,000	679,603	678,722	910	-	-
Chlitina Shanghai	Industrial and Commercial Bank of China Ruei Xin money fund	Financial assets at fair value through profit or loss			-	-	390,000,000	1,889,550	390,000,000	1,892,709	1,889,550	3,259	-	-
Chlitina Shanghai	Chinese cash	Financial assets at fair value through profit or loss	-	-	-	-	198,945,000	963,889	198,945,000	965,148	963,889	1,300	-	-
Chlitina Shanghai	GF Honey Market Fund B	Financial assets at fair value through profit or loss	-	-	-	-	299,962,000	1,453,316	299,962,000	1,455,438	1,453,316	2,189	-	-
Chlitina Shanghai	Southern cash Zengli money B	Financial assets at fair value through profit or loss	-	-	-	-	70,000,000	339,150	70,000,000	339,649	339,150	515	-	-
Weishuo	Industrial and Commercial Bank of China Ruei Xin money fund	Financial assets at fair value through profit or loss	-	-	-	-	185,000,000	896,325	185,000,000	897,706	896,325	1,425	-	-
Weishuo	China Universal money fund(519888)	Financial assets at fair value through profit or loss	-	-	188,902	9	20,432,600,000	989,959	20,432,788,902	991,408	989,968	1,485	-	-
Weishuo	Chinese cash	Financial assets at fair value through profit or loss	-	-	-	-	68,900,000	333,821	68,900,000	334,290	333,821	485	-	-

(Continued)

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Note 1: Including the units of profit distribution by Mutual Fund Company.

v) Acquisition of real estate in excess of $300 million or 20% of the paid-in capital: None.

vi) Disposal of real estate in excess of $300 million or 20% of the paid-in capital: None.

vii) Sales to and purchases from related parties in excess of $100 million or 20% of the paid-in capital:

Unit: thousand dollars

Name of Company	Counter-party	Relationship	Transaction details				The status and reason for deviation from arm's-length transaction		Account / note receivable (payable)		Remarks
			Purchase / Sale	Amount	Percentage of total purchases / sales	Credit period	Unit price	Credit period	Balance	Percentage of total accounts / notes receivable (payable)	
Chlitina Shanghai	Weishuo	Subsidiary	Purchase	292,780	87	Credit period 60 days	-	-	(86,255)	(97)	Note1
Weishuo	Chlitina Shanghai	Subsidiary	(Sale)	(292,780)	(59)	Credit period 60 days	-	-	86,255	92	Note1
Weishuo	Kelti(China)Daily Product Co.,Ltd	Related parties	(Sale)	(201,580)	(41)	Credit period 60 days	-	-	6,444	7	
Chlitina Intelligence	Kelti(China)Daily Product Co.,Ltd	Related parties	(Sale)	(214,773)	(75)	Note 2	-	-	25,558	56	

Note 1 : The transactions have been eliminated upon consolidation.

Note 2: The collection term for related parties was a period of two months, and was to be disbursed in two months after the payment request.

viii) Receivables from related parties in excess of $100 million or 20% of the paid-in capital: None.

ix) Financial derivative instruments transactions: None.

x) Business relationships and significant intercompany transactions:

Unit: thousand dollars

No.	Name of the Company	Name of counter-parties	Existing relationship with the counter-parties	Transaction details			
				Account name	Amount	Terms of trading	Percentage of the total consolidated revenue or total assets
1	Weishuo	Chlitina Shanghai	3	Sales	292,780	Credit period 60 days	15.98 %
1	Weishuo	Hong Kong Chlitina	2	Purchases	31,364	Credit period 60 days	1.71 %
1	Weishuo	Chlitina Shanghai	3	Accounts receivable	86,255	Credit period 60 days	1.42 %
2	Chlitina Shanghai	Wuguan	3	Sales	36,231	Credit period 60 days	1.98 %
3	Hong Kong Chlitina	Chlitina Marketing Taiwan Branch	3	Purchases	30,801	Credit period 60 days	1.68 %
3	Chlitina Intelligence	Chlitina Shanghai	3	Sales	70,905	In accordance with mutual agreements	3.87 %

Note 1: Company numbering is as follows:

(1) Parent company is 0.

(2) Subsidiary starts from 1.

Note 2: The numbering below represents the relationships on the business transactions with counterparties:

(1) 1 represents downstream transactions.

(2) 2 represents upstream transactions.

(3) 3 represents sidestream transactions.

(b) Information on investees:

The following is the information on investees for the the six months ended June 30, 2016:

Unit: thousand dollars

Name of the investor	Name of investee	Location	Major operations	Initial investment (Amount)		Ending balance			Net income of investee	Investment income (losses)	Notes
				June 30, 2016	December 31, 2015	Shares	Ratio of shares	Book value			
Chlitina Holding	Chlitina Group	British Virgin IS.	Investing	988,328	650,383	3,206,707,348	100	4,456,741	523,748	523,748	Note
Chlitina Group	Chlitina Intelligence	British Virgin IS.	Investing	-	-	1	100	265,714	217,145	217,145	〃
〃	Chlitina International	British Virgin IS.	Investing	511,274	511,274	17,000,001	100	3,289,019	318,914	318,914	〃
〃	W-Amber International	British Virgin IS.	Investing	377,464	136,074	12,000,000	100	353,263	(12,376)	(12,376)	〃
〃	W-Champion International	British Virgin IS.	Investing	96,825	-	3,000,000	100	96,600	(200)	(200)	〃
Chlitina International Limited	Chlitina France EURL	France	Research and development center	188	188	500	100	-	-	-	〃
〃	Hong Kong Chlitina	Hong Kong	Investing and trading of skincare products	245,947	245,947	62,150,001	100	3,065,189	341,193	341,193	〃
〃	Chlitina Marketing	British Virgin IS.	Investing, trading of skincare products and research and development	349,851	320,781	11,622,882	100	191,072	(22,858)	(22,858)	〃
W-Amber International	W-Amber Marketing	British Virgin IS.	Investing	382,863	137,808	12,000,000	100	353,099	(12,261)	(12,261)	〃
W-Amber Marketing	Hong Kong W-Amber International	Hong Kong	Investing	387,279	147,068	92,800,000	100	350,541	(12,171)	(12,171)	〃
W-Champion International	W-Champion Marketing	British Virgin IS.	Investing	94,090	-	3,000,000	100	96,600	(200)	(200)	〃
W-Champion Marketing	Hong Kong W-Champion International	Hong Kong	Investing	92,520	-	2,950,000	100	95,083	(150)	(150)	〃

Note: The transactions have been eliminated upon consolidation.

(Continued)

(c) Information on investment in Mainland China:

i) Information on investment in Mainland China:

Unit: thousand dollars

Name of investee in Mainland China	Scope of business	Issued capital	Method of investment (Note 1)	Cumulative investment (amount) from Taiwan as of January 1, 2016	Investment flow during current period: Remittance amount	Investment flow during current period: Repatriation amount	Cumulative investment (amount) from Taiwan as of June 30, 2016	Net income on investee	Direct / indirect Investment holding percentage	Investment income (loss) (Note 2)	Book value	Accumulated remittance of earnings in current period
Chlitina Shanghai	Dealer of skincare products and wealth food	255,923	(3)	-	-	-	-	208,088	100 %	208,088 (1)	1,896,973	-
Weishuo	Production and trading of skincare products	64,207	(3)	-	-	-	-	121,239	100 %	121,239 (1)	1,005,875	-
Wuguan	Dealer of wealth products and wealth food	64,193	(3)	-	-	-	-	(12,451)	100 %	(12,451) (2)	44,807	-
Weihu	Investing,dealer of skincare products and wealth food	259,223	(3)	-	-	-	-	(10)	100 %	(10) (2)	243,020	-
Crystal Asia Shanghai	Dealer of skincare products and wealth food	6,455	(3)	-	-	-	-	110	100 %	110 (2)	6,454	-
Yujia	Service in medical and beauty treatment	445,930	(3)	-	-	-	-	(4,004)	49 %	(1,964) (2)	193,611	-

Note 1: The method of investment is divided into the following four categories

(1) Remittance from third region companies to invest in Mainland China.

(2) Through the establishment of third region companies then investing in Mainland China.

(3) Through transferring the investment to third region existing companies then investing in Mainland China.

(4) Other methods: EX: delegated investments.

Note 2: Amounts of investment income (loss) were recognized based on:

(1) The financial statements reviewed by an international accounting firm that has a cooperative relationship with accounting firms of the Republic of China.

(2) The financial statements reviewed by the auditors of the parent company.

ii) Limitation on investment in Mainland China:

Aggregate investment amount remitted from Taiwan to Mainland China at the end of the period	**Approved investment (amount) by the Ministry of Economic Affairs Investment Commission**	**Limitation on investment in Mainland China in accordance with the regulations of Ministry of the Economic Affairs Investment Commission**
-	-	- (Note)

Note: For foreign issuers listed on TWSE investments in China need not be limited in accordance with the Investment Commission, MOEA.

iii) Significant transactions with investees in Mainland China:

Please refer to note 13(a) 10.

(14) Segment information

The Group is engaged in the manufacturing, distributing, and business operations of beauty products under the brand of Chlitina.

The Group uses the following channels to endorse their products:

(a) Via direct marketing to its customers

(b) Through direct distribution of merchandise to its skin-care-service centers, wherein, the benchmark of its net profits, required quota, and total assets for the six months periods ended June 30, 2016 and 2015 are below 10% of all the sales channels combined.

Furthermore, the management believes that the second channel mentioned above should not be classified as a separate segment in the financial statements due to insufficiency in value, which thereupon, cannot be used as a reference. Hence, the information on assets, liabilities, and capital expenditures cannot be disclosed.

(15) Total difference illustration between IFRS and the IFRS approved by Financial Supervisory Commission R.O.C

The differences between the IFRS and the IFRS approved by the FSC (ROC) had no material impact on the Group's consolidated balance sheet as of June 30, 2016 and 2015, as well as the consolidated income statement for the three months ended and the six months periods ended June 30, 2016 and 2015.