

JHL BIOTECH, INC. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
FOR THE YEARS ENDED DECEMBER 31
(Expressed in US dollars/NT thousand dollars)

	Assets	2016/12/31		2015/12/31	
		USD	NTD (in thousand)	USD	NTD (in thousand)
Current assets					
1100	Cash and cash equivalents	\$ 80,211,220	\$ 2,586,812	\$ 47,918,187	\$ 1,572,915
1147	Debt investment without active market	34,040,647	1,097,811	10,000,000	328,250
1170	Accounts receivable, net	878,651	28,336	754,304	24,760
1200	Other receivables	183,216	5,909	102,035	3,349
130X	Inventories	6,002,170	193,570	-	-
1410	Prepayments	8,554,672	275,888	5,662,571	185,874
1476	Other current financial assets	6,831,688	220,322	-	-
11XX	Current Assets	136,702,264	4,408,648	64,437,097	2,115,148
Non-current assets					
1600	Property, plant and equipment	70,163,626	2,262,777	41,085,419	1,348,629
1780	Intangible assets	897,465	28,943	886,244	29,091
1915	Prepayments for business facilities	208,154	6,713	190,125	6,241
1920	Guarantee deposits paid	126,000	4,064	122,157	4,009
1980	Other non-current financial assets	12,840,878	414,118	12,893,343	423,224
1990	Other non-current assets, others	3,401,080	109,685	-	-
15XX	Non-current assets	87,637,203	2,826,300	55,177,288	1,811,194
1XXX	Total assets	\$ 224,339,467	\$ 7,234,948	\$ 119,614,385	\$ 3,926,342
Liabilities and Equity					
Current liabilities					
2100	Short-Term Borrowings	\$ 9,738,849	\$ 314,078	\$ 1,539,978	\$ 50,550
2170	Accounts payable	1,715,836	55,336	-	-
2200	Other payables	7,930,036	255,744	4,139,611	135,882
2300	Other current liabilities	24,992,909	806,021	595,954	19,562
21XX	Current Liabilities	44,377,630	1,431,179	6,275,543	205,994
Non-current liabilities					
2540	Long-term debt payable	9,666,666	311,750	7,290,000	239,294
2670	Other non-current liabilities, others	19,242,341	620,564	2,525,564	82,902
25XX	Non-current liabilities	28,909,007	932,314	9,815,564	322,196
2XXX	Total Liabilities	73,286,637	2,363,493	16,091,107	528,190
Equity					
Share capital					
3110	Share capital - common stock	70,069,779	2,193,686	60,756,942	1,895,858
3140	Capital collected in advance	213	7	-	-
Capital surplus					
3200	Capital surplus	115,962,693	3,687,696	60,589,323	1,912,284
Retained earnings					
3350	Total unappropriated retained earnings (accumulated deficit)	(34,300,810)	(1,106,544)	(18,285,443)	(580,379)
Other equity interest					
3400	Other equity interest	(4,406,288)	(23,594)	(3,762,406)	31,708
3XXX	Equity attributable to owners of the parent	147,325,587	4,751,251	99,298,416	3,259,471
36XX	Non-controlling interest	3,727,243	120,204	4,224,862	138,681
Total equity		151,052,830	4,871,455	103,523,278	3,398,152
Total liabilities and equity		\$ 224,339,467	\$ 7,234,948	\$ 119,614,385	\$ 3,926,342

JHL BIOTECH, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Expressed in US dollars/NT thousand dollars)

Items	2016/1/1~2016/12/31		2015/1/1~2015/12/31	
	USD	NTD (in thousand)	USD	NTD (in thousand)
4000 Sales revenue	\$ 7,650,409	\$ 248,006	\$ 937,396	\$ 29,753
5000 Operating costs	(4,486,822)	(145,949)	(764,055)	(24,251)
5900 Net operating margin	3,163,587	102,057	173,341	5,502
Operating expenses				
6100 Selling expenses	(616,397)	(19,885)	(165,138)	(5,241)
6200 General & administrative expenses	(7,193,326)	(232,056)	(5,262,623)	(167,036)
6300 Research and development expenses	(28,558,645)	(921,302)	(15,051,463)	(477,733)
6000 Total operating expenses	(36,368,368)	(1,173,243)	(20,479,224)	(650,010)
6900 Operating loss	(33,204,781)	(1,071,186)	(20,305,883)	(644,508)
Non-operating income and expenses				
7010 Other income	1,275,358	41,143	1,128,768	35,827
7020 Other gains and losses	(1,839,578)	(59,345)	662,750	21,036
7050 financial cost	(762,055)	(24,584)	-	-
7000 Total non-operating revenue and expenses	(1,326,275)	(42,786)	1,791,518	56,863
8200 Loss for the year	(\$ 34,531,056)	(\$ 1,113,972)	(\$ 18,514,365)	(\$ 587,645)
Other comprehensive income				
8310 Financial statements translation differences of foreign operations	(\$ 911,311)	(\$ 66,353)	(\$ 2,155,813)	\$ 119,437
8500 Total comprehensive income for the year	(35,442,367)	(1,180,325)	(20,670,178)	(468,208)
Profit (loss), attributable to:				
8610 Owners of the parent	(\$ 34,300,809)	(\$ 1,106,544)	(\$ 18,285,443)	(\$ 580,379)
8620 Non-controlling interest	(230,247)	(7,428)	(228,922)	(7,266)
Comprehensive income attributable to:				
8710 Owners of the parent	(\$ 34,944,748)	(\$ 1,161,848)	(\$ 20,242,812)	(\$ 459,646)
8720 Non-controlling interest	(497,619)	(18,477)	(427,366)	(8,562)
	(\$ 35,442,367)	(\$ 1,180,325)	(\$ 20,670,178)	(\$ 468,208)

JHL BIOTECH, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in US dollars/NT thousand dollars)

	2016/1/1~2016/12/31		2015/1/1~2015/12/31	
	USD	NTD (in thousand)	USD	NTD (in thousand)
CASH FLOWS FROM OPERATING ACTIVITIES				
Consolidated loss before tax for the year	(\$ 34,531,056)	(\$ 1,113,972)	(\$ 18,514,365)	(\$ 587,645)
Adjustments to reconcile net income to net cash (used in) provided by operating activities				
Income and expenses having no effect on cash flows				
Depreciation expense	4,249,504	137,089	2,386,526	75,748
Amortization	275,635	8,892	627,512	19,918
Rent expense of Long-term prepaidment	38,531	1,243	0	0
Gain(loss) on valuation of financial liability	0	0	(743,478)	(23,598)
Amortization of employee stock options	2,844,219	92,235	2,547,476	79,899
Amortization of restricted stocks	87	2	105	3
Interest income	(364,414)	(11,756)	(634,184)	(20,129)
Financial cost	762,058	24,584	0	0
Proceeds from sale of property, plant and equipment	558	18	0	0
Expense from transfer of property, plant, equipment and prepayment	16,832	543	7,624	242
Changes in assets/liabilities relating to operating activities				
Net changes in assets relating to operating activities				
Accounts receivable	(124,347)	(3,576)	(533,950)	(17,786)
Other receivables	(81,181)	(2,759)	57,647	1,904
Inventories	(6,002,170)	(193,570)	0	0
Prepayments	(2,892,101)	(90,014)	(4,663,172)	(154,243)
Other assets – other	0	0	13,710	434
Net changes in liabilities relating to operating activities				
Accounts payable	1,715,836	55,336	0	0
Other payables	2,585,617	83,412	1,852,647	58,803
Other current liabilities	3,948,636	127,383	417,040	13,899
Other non-current liabilities, others	16,666,553	537,663	678,369	24,438
Cash used in operations	(10,891,203)	(347,247)	(16,500,494)	(528,113)
Interest revenue	370,583	11,955	627,914	19,930
Interest Expense	(26,131)	(843)	0	0
Net cash used in operating activities	(10,546,751)	(336,135)	(15,872,580)	(508,183)
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase of Debts investment without active market	(23,862,357)	(769,561)	(10,000,000)	(328,250)
Increase of Other current financial assets	(6,831,690)	(220,322)	0	0
Acquisition of fixed assets	(22,058,698)	(711,393)	(17,816,573)	(584,829)
Increase of intangible assets	(268,620)	(8,663)	(993,176)	(32,601)
Guarantee deposits paid	(1,705)	(55)	(17,001)	(681)
Other non-current financial assets	282,357	9,106	228,590	(7,915)
Net cash used in investing activities	(52,740,713)	(1,700,888)	(28,598,160)	(954,276)
CASH FLOWS FROM FINANCING ACTIVITIES				
Short-Term Borrowings	8,171,411	263,528	1,539,978	50,550
Issuance of preferred stocks	0	0	13,698,551	434,792
Long-term debt payable	7,080,031	228,331	7,290,000	239,294
Issuance of common stock for cash	80,000,000	2,557,360	44,804,537	1,422,096
Employee stock options exercise	127,614	4,031	257,435	8,171
Net cash provided by financing activities	95,379,056	3,053,250	67,590,501	2,154,903
Changes in translation differences	201,441	(2,330)	(373,644)	83,775
Increase in cash and cash equivalents	32,293,033	1,013,897	22,746,117	776,219
Cash and cash equivalents at beginning of year	47,918,187	1,572,915	25,172,070	796,696
Cash and cash equivalents at end of year	80,211,220	2,586,812	47,918,187	1,572,915