Stock Code:4105

(English Translation of Consolidated Interim Financial Statements and Report Originally Issued in Chinese)

TTY BIOPHARM COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Interim Financial Statements

September 30, 2017 and 2016
(With Independent Auditors' Review Report Thereon)

Address: 3F., No. 3-1, Park St., Nangang Dist., Taipei City 115, Taiwan
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The auditors' report and the accompanying consolidated interim 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' review report and consolidated interim financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of TTY Biopharm Company Limited:

We have reviewed the accompanying consolidated interim balance sheets of TTY Biopharm Company Limited and its subsidiaries ("the Group") as of September 30, 2017 and 2016, and the related consolidated statements of comprehensive income, for the three-month and the nine-month periods then ended, and of changes in equity and cash flows for the nine months ended September 30, 2017 and 2016. These consolidated interim financial statements are the responsibility of the Group's management. Our responsibility is to issue a report on these consolidated interim financial statements based on our review. We did not review the investments in other companies accounted for using the equity method of NT$646,626 thousand and NT$612,989 thousand, representing 6.83% and 6.85% of the related consolidated total assets, as of September 30, 2017 and 2016, respectively, and the related share of profit (loss) of associates and joint ventures accounted for using the equity method of NT$(687) thousand, NT$(17,675) thousand, NT$(31,735) thousand and NT$14,099 thousand, representing (0.40)%, (10.09)%, (7.28)% and 1.93% of consolidated net income, for the three months and the nine months ended September 30, 2017 and 2016, respectively. The financial statements of the investee accounted for using the equity method were reviewed by other auditors, whose report has been furnished to us, and our review, insofar as it relates to the amounts included for this company, is based solely on the report of the other auditors.

Except as described in paragraphs 3 and 4, 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 Group's management and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the consolidated interim financial statements taken as a whole. Accordingly, we do not express such an opinion.

Included in the accompanying consolidated financial statements are the financial statements of certain consolidated subsidiaries, which were not reviewed by independent auditors. The total assets of these subsidiaries amounted to NT$294,297 thousand, representing 3.29% of the related consolidated total assets, and the total liabilities amounted to NT$26,528 thousand, representing 0.78% of the related consolidated total liabilities, as of September 30, 2016. The comprehensive loss of these subsidiaries amounted to NT$4,791 thousand and NT$11,077 thousand, representing (2.73)%and (1.52)% of the related consolidated comprehensive income the three months and the nine months ended September 30, 2016, respectively.

Furthermore, long-term investments in these investee companies amounted to NT$278,375 thousand and NT$284,787 thousand as of September 30, 2017 and 2016, respectively, and the related investment gains amounted to NT$5,486 thousand, NT$8,027 thousand, NT$20,772 thousand and NT$22,729 thousand for the three months and the nine months ended September 30, 2017 and 2016, respectively, were recognized based upon unreviewed financial statements of investee companies by independent auditors.

Based on our reviews and the reports of other auditors, except for the effects of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity-accounted investees been reviewed by independent auditors as described in paragraphs 3 and 4, we are not aware of any material modifications that should be made to the consolidated interim financial statements referred to in the first paragraph for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting", which are endorsed by the Financial Supervisory Commission in the Republic of China (R.O.C.).

KPMG

Taipei, Taiwan (Republic of China)
November 13, 2017

Notes to Readers

The accompanying consolidated interim financial statements are intended only to present the consolidated interim statement of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated interim financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying consolidated interim 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 consolidated interim financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Interim Financial Statements and Report Originally Issued in Chinese)

Reviewed only, not audited in accordance with the generally accepted auditing standards as of September 30, 2017 and 2016

TTY BIOPHARM COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2017, December 31, 2016, and September 30, 2016

(Expressed in Thousands of New Taiwan Dollars)

	Assets	September 30, 2017 Amount	%	December 31, 2016 Amount	%	September 30, 2016 Amount	%
	Current assets:						
1100	Cash and cash equivalents (notes 6(a) and (v))	$ 2,796,296	30	2,108,713	23	2,526,364	28
1150	Notes receivable, net (notes 6(c) and (v))	62,077	1	62,278	1	52,934	1
1170	Accounts receivable, net (notes 6(c) and (v))	809,170	9	783,373	8	767,726	9
1180	Accounts receivable due from related parties, net (notes 6(c), (v) and 7)	19,820	-	13,668	-	12,091	-
1200	Other receivables, net (notes 6(c), (v) and 7)	37,861	-	46,309	-	40,054	-
130X	Inventories (note 6(d))	719,469	7	565,683	7	608,071	7
1410	Prepayments	86,738	1	26,884	-	16,292	-
1476	Other financial assets-current (notes 6(a), (v) and 8)	500,155	5	1,057,186	12	554,016	6
1470	Other current assets	7,553	-	4,186	-	11,082	-
		5,039,139	53	4,668,280	51	4,588,630	51
	Non-current assets:						
1523	Available-for-sale financial assets-noncurrent (notes 6(b) and (v))	315,690	3	539,205	6	383,960	4
1543	Financial assets carried at cost-noncurrent (notes 6(b) and (v))	-	-	-	-	26,250	-
1550	Investments accounted for using equity method, net (notes 6(f) and (g))	925,001	10	1,007,758	11	897,776	11
1600	Property, plant and equipment (note 6(h))	2,542,460	27	2,585,575	28	2,291,848	27
1760	Investment property, net (notes 6(i) and 8)	89,150	1	77,999	1	78,088	1
1780	Intangible assets (note 6(j))	144,138	2	29,648	-	31,219	-
1840	Deferred tax assets	30,308	-	31,760	-	6,367	-
1915	Prepayments for equipment	162,588	2	181,472	2	483,363	5
1920	Refundable deposits paid (notes 6(v) and 7)	30,750	-	24,001	-	26,043	-
1981	Cash surrender value of life insurance (note 6(v))	5,198	-	5,198	-	3,121	-
1984	Other financial assets-noncurrent (notes 6(a), (v) and 8)	124,746	1	126,816	1	124,987	1
1990	Other assets-noncurrent	58,962	1	12,593	-	6,496	-
		4,428,991	47	4,622,025	49	4,359,518	49
	Total assets	$ 9,468,130	100	9,290,305	100	8,948,148	100

	Liabilities and Equity	September 30, 2017 Amount	%	December 31, 2016 Amount	%	September 30, 2016 Amount	%
	Current liabilities:						
2100	Short-term loans (notes 6(k) and (v))	$ 1,950,000	21	1,249,010	13	1,924,010	22
2150	Notes payable (note 6(v))	40,807	-	16,572	-	36,785	-
2170	Accounts payable (note 6(v))	122,436	1	84,671	1	99,031	1
2230	Current tax liabilities	84,812	1	193,201	2	95,510	1
2250	Current provisions	5,327	-	5,327	-	5,327	-
2200	Other payables (notes 6(v) and 7)	454,055	5	483,329	6	442,768	5
2300	Other current liabilities	37,833	-	48,548	1	55,036	1
2320	Long-term loans, current portion (note 6(l))	-	-	200,000	3	200,000	2
		2,695,270	28	2,280,658	26	2,858,467	32
	Non-Current liabilities:						
2540	Long-term loans (notes 6(l) and (v))	830,000	9	630,000	7	200,000	2
2570	Deferred tax liabilities	314,729	3	314,729	3	296,259	3
2640	Net defined benefit liability-noncurrent	44,602	-	44,621	-	42,160	-
2645	Guarantee deposits received (note 6(v))	10,085	-	9,985	-	1,936	-
		1,199,416	12	999,335	10	540,355	5
	Total liabilities	3,894,686	40	3,279,993	36	3,398,822	37
	Equity attributable to owners of parent (note 6(p)):						
	Share capital:						
3100	Share capital	2,486,500	27	2,486,500	27	2,486,500	28
	Capital surplus:						
3200	Capital surplus	409,439	4	405,368	4	404,020	5
	Retained earnings:						
3310	Legal reserve	722,945	8	603,613	6	603,613	7
3320	Special reserve	110,154	1	110,154	1	110,154	1
3350	Total unappropriated retained earnings	1,166,426	13	1,487,805	16	1,145,034	13
3400	Other equity interest	46,198	-	285,088	3	242,912	3
	Equity attributable to the parent company:	4,941,662	53	5,378,528	57	4,992,233	57
36XX	Non-controlling interests (note 6(p))	631,782	7	631,784	7	557,093	6
	Total equity	5,573,444	60	6,010,312	64	5,549,326	63
	Total liabilities and equity	$ 9,468,130	100	9,290,305	100	8,948,148	100

See accompanying notes to consolidated interim financial statements.

(English Translation of Consolidated Interim Financial Statements and Report Originally Issued in Chinese)

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

TTY BIOPHARM COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and nine months ended September 30, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		For the three months ended September 30				For the nine months ended September 30			
		2017		2016		2017		2016	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenue (notes 6(r) and 7)**	$ 1,044,967	100	935,583	100	2,921,535	100	2,808,168	100
5000	**Cost of sales (notes 6(d) and 7)**	324,532	31	285,724	31	932,836	32	862,493	30
	Gross profit	720,435	69	649,859	69	1,988,699	68	1,945,675	70
5910	Less:Unrealized profit (loss) from sales	1,284	-	(3,826)	-	6,394	-	3,686	-
5920	Add: Realized profit (loss) from sales	-	-	(3,064)	-	4,132	-	6,408	-
	Gross profit, net	719,151	69	650,621	69	1,986,437	68	1,948,397	70
6000	**Operating expenses (notes 7 and 12):**								
6100	Selling expenses	205,074	20	184,601	20	599,563	21	528,934	19
6200	General and administrative expenses	75,998	7	78,075	8	209,658	7	221,140	8
6300	Research and development expenses	84,745	8	83,638	9	234,364	8	254,359	9
		365,817	35	346,314	37	1,043,585	36	1,004,433	36
	Net operating income	353,334	34	304,307	32	942,852	32	943,964	34
	Non-operating income and expenses (notes 6(t) and 7):								
7010	Other income	8,607	1	6,785	1	25,081	1	19,278	1
7020	Other gains and losses, net	(1,041)	-	(35,744)	(4)	1,108	-	84,479	3
7050	Finance costs, net	(6,697)	(1)	(5,960)	(1)	(18,090)	(1)	(16,715)	(1)
7070	Share of loss of associates accounted for using equity method, net (note 6(f))	4,799	-	(9,648)	(1)	(10,963)	-	36,848	2
		5,668	-	(44,567)	(5)	(2,864)	-	123,890	5
	Profit before tax	359,002	34	259,740	27	939,988	32	1,067,854	39
7950	Less: Income tax expense (note 6(o))	73,997	7	46,020	5	176,709	6	161,445	6
	Profit for the period	285,005	27	213,720	22	763,279	26	906,409	33
8300	**Other comprehensive income:**								
8360	**Other components of other comprehensive income that may be reclassified to profit or loss**								
8361	Exchange differences on translation	(1,331)	-	(11,935)	(1)	(95,764)	(3)	(18,436)	(1)
8362	Unrealized losses on valuation of available-for-sale financial assets	(105,439)	(10)	(36,540)	(4)	(223,515)	(8)	(165,273)	(6)
8370	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(7,832)	(1)	9,957	1	(8,265)	-	7,009	-
8399	Less: Income tax relating to components of other comprehensive income	-	-	-	-	-	-	-	-
	Components of other comprehensive income that may be reclassified to profit or loss	(114,602)	(11)	(38,518)	(4)	(327,544)	(11)	(176,700)	(7)
8300	**Other comprehensive income, net**	(114,602)	(11)	(38,518)	(4)	(327,544)	(11)	(176,700)	(7)
	Total comprehensive income	$ **170,403**	**16**	**175,202**	**18**	**435,735**	**15**	**729,709**	**26**
	Profit attributable to:								
	Owners of parent	$ 277,936	26	212,587	22	742,823	25	848,271	31
	Non-controlling interests	7,069	1	1,133	-	20,456	1	58,138	2
		$ **285,005**	**27**	**213,720**	**22**	**763,279**	**26**	**906,409**	**33**
	Comprehensive income attributable to:								
	Owners of parent	$ 202,818	19	185,634	19	503,933	17	731,172	26
	Non-controlling interests	(32,415)	(3)	(10,432)	(1)	(68,198)	(2)	(1,463)	-
		$ **170,403**	**16**	**175,202**	**18**	**435,735**	**15**	**729,709**	**26**
	Earnings per share (note 6(q))								
	Basic earnings per share	$	**1.12**		**0.85**		**2.99**		**3.41**
	Diluted earnings per share	$	**1.12**		**0.85**		**2.98**		**3.41**

See accompanying notes to consolidated interim financial statements.

(English Translation of Consolidated Interim Financial Statements and Report Originally Issued in Chinese)

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

TTY BIOPHARM COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
	Share capital		Retained earnings			Total other equity interest					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Total other equity interest	Owners of parent company	Non-controlling interests	Total equity
Balance at January 1, 2016	$ 2,486,500	373,985	482,511	110,154	1,288,140	16,160	343,851	360,011	5,101,301	593,649	5,694,950
Profit for the period	-	-	-	-	848,271	-	-	-	848,271	58,138	906,409
Other comprehensive income for the period	-	-	-	-	-	(18,483)	(98,616)	(117,099)	(117,099)	(59,601)	(176,700)
Total comprehensive income for the period	-	-	-	-	848,271	(18,483)	(98,616)	(117,099)	731,172	(1,463)	729,709
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	121,102	-	(121,102)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(870,275)	-	-	-	(870,275)	(35,093)	(905,368)
Other changes in capital surplus:											
Changes in equity of associates accounted for using equity method	-	30,035	-	-	-	-	-	-	30,035	-	30,035
Balance at September 30, 2016	$ 2,486,500	404,020	603,613	110,154	1,145,034	(2,323)	245,235	242,912	4,992,233	557,093	5,549,326
Balance at January 1, 2017	$ 2,486,500	405,368	603,613	110,154	1,487,805	(2,362)	287,450	285,088	5,378,528	631,784	6,010,312
Profit for the period	-	-	-	-	742,823	-	-	-	742,823	20,456	763,279
Other comprehensive income for the period	-	-	-	-	-	(95,678)	(143,212)	(238,890)	(238,890)	(88,654)	(327,544)
Total comprehensive income for the period	-	-	-	-	742,823	(95,678)	(143,212)	(238,890)	503,933	(68,198)	435,735
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	119,332	-	(119,332)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(944,870)	-	-	-	(944,870)	(51,804)	(996,674)
Other changes in capital surplus:											
Changes in equity of associates accounted for using equity method	-	4,071	-	-	-	-	-	-	4,071	-	4,071
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	120,000	120,000
Balance at September 30, 2017	$ 2,486,500	409,439	722,945	110,154	1,166,426	(98,040)	144,238	46,198	4,941,662	631,782	5,573,444

See accompanying notes to consolidated interim financial statements.

(English Translation of Consolidated Interim Financial Statements and Report Originally Issued in Chinese)

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

TTY BIOPHARM COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months and nine months ended September 30, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2017	2016
Cash flows from (used in) operating activities:		
Profit before tax	$ 939,988	1,067,854
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	100,628	71,965
Amortization expense	6,209	19,845
Interest expense	18,090	16,715
Interest income	(15,407)	(10,193)
Share of loss (gain) of associates accounted for using equity method	10,963	(36,848)
Loss on disposal of property, plant and equipment	2,006	96
Allocation of deferred income	(757)	(757)
Gain on disposal of investments	-	(104,924)
Unrealized profit (loss) from sales	6,394	4,191
Realized loss (profit) from sales	(4,132)	(6,408)
Total adjustments to reconcile profit (loss)	123,994	(46,318)
Changes in operating assets and liabilities:		
Notes receivable	201	(3,804)
Accounts receivable	(31,871)	174,436
Other receivable	9,420	(10,803)
Inventories	(153,990)	(76,055)
Prepayments	(59,879)	28,173
Other current assets	(3,253)	(10,157)
Total changes in operating assets	(239,372)	101,790
Notes payable	24,235	16,017
Accounts payable	38,676	(53,055)
Other payable	(34,732)	(13,295)
Other current liabilities	(5,657)	23,850
Net defined benefit liability	(19)	(315)
Total changes in operating liabilities	22,503	(26,798)
Net changes in operating assets and liabilities	(216,869)	74,992
Total adjustments	(92,875)	28,674
Cash flows from operating activities	847,113	1,096,528
Interest received	14,455	10,193
Dividends received	66,502	47,280
Interest paid	(17,687)	(16,584)
Income taxes paid	(284,084)	(265,057)
Net cash flows from operating activities	626,299	872,360
Cash flows from (used in) investing activities:		
Proceeds from disposal of available-for-sale financial assets	-	64,028
Proceeds from disposal of financial assets carried at cost	-	83,748
Acquisition of investments accounted for using equity method	-	(25,059)
Proceeds from disposal of investments accounted for using equity method	-	455,398
Acquisition of property, plant and equipment	(46,165)	(66,961)
Proceeds from disposal of property, plant and equipment	2	220
Increase in refundable deposits	(6,752)	(2,058)
Acquisition of intangible assets	(700)	(384)
Decrease (increase) in other financial assets	531,386	(61,191)
Increase in prepayments for equipment	(6,022)	(14,786)
(Increase) decrease in other non-current assets	(46,384)	5,550
Net cash flows from investing activities	425,365	438,505
Cash flows from (used in) financing activities:		
Increase in short-term loans	6,269,000	4,774,020
Decrease in short-term loans	(5,568,010)	(4,050,010)
Increase in long-term debt	200,000	-
Repayments of long-term debt	(200,000)	(300,000)
Increase (decrease) in guarantee deposits received	100	(160)
Cash dividends paid	(944,870)	(870,275)
Dividends paid to non-controlling interests	(51,804)	(35,093)
Net cash flows used in financing activities	(295,584)	(481,518)
Effect of exchange rate changes on cash and cash equivalents	(68,497)	(13,507)
Net increase in cash and cash equivalents	687,583	815,840
Cash and cash equivalents at beginning of period	2,108,713	1,710,524
Cash and cash equivalents at end of period	$ 2,796,296	2,526,364

See accompanying notes to consolidated interim financial statements.

TTY BIOPHARM COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements

September 30, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

TTY Biopharm Company Limited (the "Company") was established on July 22, 1960. The Company's registered office address is 3F., No. 3-1, Park St., Nangang Dist., Taipei City 115, Taiwan. The main activities of the Company and its subsidiaries (the "Group") are producing a variety of pharmaceuticals and chemical drugs. Please refer to Note 14.

(2) Approval date and procedures of the consolidated financial statements:

The accompanying consolidated interim financial statements were authorized for issuance by the Board of Directors on November 13, 2017.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning on or after January 1, 2017:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"	January 1, 2016
Amendments to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016
Amendment to IAS 1 "Presentation of Financial Statements-Disclosure Initiative"	January 1, 2016
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	January 1, 2016
Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"	January 1, 2016
Amendments to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 27 "Equity Method in Separate Financial Statements"	January 1, 2016
Amendments to IAS 36 " Impairment of Non-Financial Assets-Recoverable Amount Disclosures for Non-Financial Assets"	January 1, 2014

TTY BIOPHARM COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Interim Financial Statements

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IAS 39 " Financial Instruments-Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
Annual Improvements to IFRSs 2010-2012 Cycle and 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016
IFRIC 21 "Levies"	January 1, 2014

The Group believes that the adoption of the above IFRSs would not have any material impact on its consolidated interim financial statements.

(b) The impact of IFRS endorsed by FSC but not yet effective

The following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning on or after January 1, 2018 in accordance with Ruling No. 1060025773 issued by the FSC on July 14, 2017:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendment to IFRS 2 "Classification and Measurement of Share-based Payment Transactions"	January 1, 2018
Amendments to IFRS 4 "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts"	January 1, 2018
IFRS 9 "Financial Instruments"	January 1, 2018
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
Amendment to IAS 7 "Statement of Cash Flows-Disclosure Initiative"	January 1, 2017
Amendment to IAS 12 "Income Taxes-Recognition of Deferred Tax Assets for Unrealized Losses"	January 1, 2017
Amendments to IAS 40 "Transfers of Investment Property"	January 1, 2018
Annual Improvements to IFRS Standards 2014-2016 Cycle:	
Amendments to IFRS 12	January 1, 2017
Amendments to IFRS 1 and Amendments to IAS 28	January 1, 2018
IFRIC 22 "Foreign Currency Transactions and Advance Consideration"	January 1, 2018

Except for the following items, the Group believes that the adoption of the above IFRSs would not have any material impact on its consolidated interim financial statements. The extent and impact of signification changes are as follows:

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(i) IFRS 9 "Financial Instruments"

IFRS 9 replaces IAS 39 " Financial Instruments: Recognition and Measurement" which contains classification and measurement of financial instruments, impairment and hedge accounting. The actual impact of adopting IFRS 9 on the Group' s consolidated financial statements in 2018 can only be determined and reliably estimated depending on the financial instruments that the Group holds and economic conditions at that time, as well as the accounting selections and judgments that it will make in the future. The new standard will require the Group to revise its accounting processes and internal controls related to reporting financial instruments. However, the Group has performed a preliminary assessment of the potential impact of the adoption of IFRS 9 based on its positions at September 30, 2017 and hedging relationships designated under during the first half of 2017 under IAS 39.

1) Classification- Financial assets

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the underlying is a financial assets in the scope of the standard are never bifurcated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Based on its preliminary assessment, the Group does not believe that the new classification requirements, if applied at September 30, 2017, would have had a material impact on its accounting for trade receivables, loans, investments in debt securities and investments in equity securities that are managed on a fair value basis. At September 30, 2017, the Group had equity investments classified as available-for-sale with a fair value of $315,690 thousand that are held for long-term strategic purposes. If these investments continue to be held for the same purpose at initial application of IFRS 9, the Group may select then to classify them as FVOCI or FVTPL. The Group has not yet made a decision in this regard. In the former case, all fair value gains and losses would be reported in other comprehensive income, no impairment losses would be recognized in profit or loss and no gains or losses would be reclassified to profit or loss on disposal. In the latter case, all fair value gains and losses would be recognized in profit or loss as they arise, increasing volatility in the Group's profits.

2) Impairment-Financial assets and contact assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. This will require considerable judgment as to how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model will apply to financial assets measured at amortized cost or FVOCI, except for investments in equity instruments, and to contract assets.

Under IFRS 9, loss allowances will be measured on either of the following bases:

- 12-month ECLs. These are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs. These are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement always applies for trade receivables and contract assets without a significant financing component; an entity may choose to apply this policy also for trade receivables and contract assets with a significant financing component.

The Group believes that impairment losses are likely to increase and become more volatile for assets in the scope of the IFRS 9 impairment model. The Group's preliminary assessment indicated that application of IFRS 9's impairment requirements at September 30, 2017 and 2016 would not have a material impact on the consolidated financial statements.

3) Disclosures

IFRS 9 will require extensive new disclosures, in particular about hedge accounting, credit risk and expected credit losses. The Group's preliminary assessment included an analysis to identify data gaps against current processes and the Group plans to implement the system and controls changes that it believes will be necessary to capture the required data.

4) Transition

Changes in accounting policies resulting from the adoption of IFRS 9 will generally be applied retrospectively, except as described below.

- The Group plans to take advantage of the exemption allowing it not to restate comparative information for prior periods with respect to classification and measurement (including impairment) changes. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 generally will be recognized in retained earnings and reserves as at 1 January 2018.
- The following assessments have to be made on the basis of the facts and circumstances that exist at the date of initial application.
  - The determination of the business model within which a financial asset is held.

(Continued)

- The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.
- The designation of certain investments in equity instruments not held for trading as at FVOCI.

(ii) IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 "Revenue" and IAS 11 "Construction Contracts".

1) Sales of goods

For the sales of products, revenue is currently recognized based on the individual terms of each sales agreement when (i) related risks and rewards of ownership are transferred (ii) sales and costs can be measured reliably and their recoverability is probable (iii) and there is no continuing management involvement with the goods. Under IFRS 15, revenue is recognized when a customer obtains control over the goods.

Under IFRS 15, revenue will be recognized when a customer obtains control of the goods. The Group' s preliminary assessment indicated that the application of IFRS 15 would not have any material impact on the consolidated financial statements.

2) Transition

The Group plans to adopt IFRS 15 in its consolidated interim financial statements using the retrospective approach. As a result, the Group will apply all of the requirements of IFRS 15 to each comparative period presented and adjust its consolidated interim financial statements.

The Group plans to use the practical expedients for completed contracts. This means that completed contracts that began and ended in the same comparative reporting period, as well as the contracts that are completed contracts at the beginning of the earliest period presented, are not restated.

The Group is currently performing a detailed assessment of the impact resulting from the application of IFRS 15 and expects to disclose additional quantitative information before adoption of IFRS 15.

(iii) Amendments to IAS 7 "Disclosure Initiative"

The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

To satisfy the new disclosure requirements, the Group intends to present a reconciliation between the opening and closing balance for liabilities with changes arising from financing activities.

(Continued)

(iv) Amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Loss"

The amendments clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value.

The Group is assessing the potential impact on its consolidated financial statements resulting from the amendments. So far, the Group does not expect any significant impact.

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

As of the date the following IFRSs that have been issued by the IASB, but not yet endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
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 16 "Leases"	January 1, 2019
IFRS 17 "Insurance Contracts"	January 1, 2021
IFRIC 23 "Uncertainty over Income Tax Treatments"	January 1, 2019
Amendments to IFRS 9 "Prepayment features with negative compensation"	January 1, 2019
Amendments to IAS 28 "Investments in associates and joint ventures"	January 1, 2019

Those which may be relevant to the Group are set out below:

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 evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

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(4) Summary of significant accounting policies:

The following significant accounting policies have been applied consistently to all periods presented in the consolidated financial statements.

(a) Statement of compliance

The consolidated interim 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 consolidated interim financial statements, the Chinese version shall prevail.

The accompanying interim consolidated financial statements have been prepared in accordance with the revised Regulations Governing the Preparation of Financial Reports by Securities Issuers in the Republic of China (hereinafter referred to the Regulations) and the guidelines of IAS 34 "Interim Financial Reporting" endorsed by the FSC. Such consolidated interim financial statements, however, do not include all of the information required for full annual financial statements by International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and released to be effective by the FSC (hereinafter referred to as "IFRS endorsed by the FSC").

Except for the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated interim financial statements are the same as those in the consolidated financial statements for the year ended December 31, 2016. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2016.

(b) Basis of consolidation

Except as disclosed in Note 3, the principles in preparing the consolidated financial statements were consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2016. Please refer to Note 4(c) of the consolidated financial statements for the year ended December 31, 2016, for related information. A list of subsidiaries included in the consolidated financial statements.

			Shareholding ratio		
Investor	**Subsidiary**	**Nature of business**	**September 30, 2017**	**December 31, 2016**	**September 30, 2016**
The Company	Xudong Haipu International Co., Ltd.	Investing activities	100.00 %	100.00 %	100.00 %
The Company	American Taiwan Biopharma Phils Inc.	Selling medicine	87.00 %	87.00 %	87.00 %
The Company	TSH Biopharm Co., Ltd.	Selling medicine	56.48 %	56.48 %	56.48 %
The Company	Worldco International Co., Ltd.	Investing activities and selling medicine	100.00 %	100.00 %	100.00 %
The Company	Enhanx Inc.	Developing medicine	29.41 % (Note)	- %	- %

(Continued)

Investor	Subsidiary	Nature of business	Shareholding ratio September 30, 2017	December 31, 2016	September 30, 2016
Worldco International Co., Ltd	Worldco Biotech Pharmaceutical Ltd	Marketing consulting regarding medicine	100.00 %	100.00 %	100.00 %
Worldco International Co., Ltd	Worldco Biotech (Chengdu) Pharmaceutical Co., Ltd.	Selling medicine	100.00 %	100.00 %	100.00 %

(Note) In August 2017, the Group and 2-BBB Medicines BV registered in the Netherlands, established Enhanx Inc., wherein the Group holds more than one half of its directors' positions; therefore, Enhanx Inc. became a subsidiary of the Group.

(c) 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 period is best estimated by multiplying pretax income for the interim reporting period by the effective annual tax rate as forecasted by management. It is charged to profit or loss as income tax expense.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases are measured based on the tax rates that have been enacted or substantively enacted at the time the asset or liability is recovered or settled, and recognized directly in equity or other comprehensive income as tax expense.

(d) Employee benefits

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

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

The preparation of the consolidated interim financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 "Interim Financial Reporting" and endorsed by the FSC) 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.

The preparation of the 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, 2016. For the related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2016.

(Continued)

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	September 30, 2017	December 31, 2016	September 30, 2016
Cash on hand	$ 2,785	4,155	6,612
Cash in banks	1,764,634	1,687,420	1,619,535
Time deposits	1,028,877	417,138	900,217
	$ 2,796,296	**2,108,713**	**2,526,364**

(i) The above cash and cash equivalents were not pledged as collateral.

(ii) Time deposits which do not meet the definition of cash equivalents are accounted for under other financial assets—current and noncurrent.

(iii) Refer to Note 6(v) for the fair value sensitivity analysis and interest rate risk of the financial assets and liabilities of the Group.

(b) Investment in financial assets

	September 30, 2017	December 31, 2016	September 30, 2016
Available-for-sale financial assets—noncurrent:			
Stocks listed on domestic markets —Lumosa Therapeutics Co., Ltd.	$ 184,440	256,650	383,960
Stocks emerged on domestic markets —Pharmira Laboratories, Inc.	131,250	282,555	-
Financial assets carried at cost—noncurrent:			
Stock of unlisted on domestic markets —Pharmira Laboratories, Inc.	-	-	26,250
	$ 315,690	**539,205**	**410,210**

(i) 31.82% of Pharmira Laboratories, Inc. owned by TSH Biopharm Co., Ltd. was accounted for using the equity method. The Group's shareholding ratio in Pharmira Laboratories, Inc. dropped to 5.93%, and the Group lost its significant influence over the investments because of a cash capital increase in February 2016 launched by Pharmira Laboratories, Inc. Therefore, the investments were reclassified from investments accounted for using the equity method and noncurrent assets classified as held for sale to financial assets carried at cost. Pharmira Laboratories, Inc. shares were listed on the emerging market on December 28, 2016, so the investments were reclassified from financial assets carried at cost to available-for-sale financial assets. Please refer to Notes 6(e) and 6(f) for details.

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(ii) Please refer to Notes 6(p) and 6(u) for recognition in other comprehensive income due to changes in fair value and further discussion on reclassification from equity to profit or loss.

(iii) Please refer to Note 6(t) for gains on disposal of the investments in Lumosa Therapeutics Co., Ltd. and Pharmira Laboratories, Inc. of $50,528 and $57,498, respectively.

(iv) As of September 30, 2017 and 2016, the aforesaid financial assets were not pledged as collateral.

(v) If the stock price changes at the reporting date, the changes in other comprehensive income of the Group are estimated as follows (The analysis was made on the same basis for both periods, assuming that all other variables remain constant and that any impact on forecasted sales and purchases is ignored.):

	For the nine months ended September 30			
	2017		2016	
Stock Price	**Other comprehensive income, net of tax**	**Profit, net of tax**	**Other comprehensive income, net of tax**	**Profit, net of tax**
Increase by 10%	$ 31,569	-	38,396	-
Decrease by 10%	$ (31,569)	-	(38,396)	-

(c) Notes receivable, accounts receivable, and other receivables (including related parties)

	September 30, 2017	December 31, 2016	September 30, 2016
Notes receivables	$ 62,077	62,278	52,934
Accounts receivables	862,329	835,380	826,601
Other receivables	37,861	46,309	40,054
Less: Allowance for impairment	(33,339)	(38,339)	(46,784)
	$ 928,928	905,628	872,805

Aging analysis of notes and accounts receivable and other receivables which were overdue but not impaired was as follows:

	September 30, 2017	December 31, 2016	September 30, 2016
Past due less than 90 days	$ 5,519	2,783	3,778
Past due 91-180 days	55	1,487	82
Past due 181-365 days	34	10	118
Past due more than 366 days	-	-	88
	$ 5,608	4,280	4,066

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The movements in the allowance for impairment with respect to the receivables during the period were as follows:

	Individually assessed impairment	Collectively assessed impairment	Total
Balance on January 1, 2017	$ 20,394	17,945	38,339
Reversal of impairment loss	-	(5,000)	(5,000)
Balance on September 30, 2017	$ 20,394	12,945	33,339
Balance on January 1, 2016	$ 20,539	31,268	51,807
Amounts written off	-	(23)	(23)
Reversal of impairment loss	-	(5,000)	(5,000)
Balance on September 30, 2016	$ 20,539	26,245	46,784

(i) The average credit terms granted for notes and accounts receivable pertaining to sales transactions ranged from one to six months. To determine the probability of collection, the Group considers any change in the credit quality from origination date to reporting date. Past experience indicates that notes receivable that are more than 180 days past due are dishonored and uncollectible. Thus, a 100% impairment loss is recognized in the allowance account. For those notes and accounts receivable which are past due within 180 days, an allowance account is recognized after analyzing the payment history of customer accounts, the current financial situation, and the evaluation of the uncollectible amount.

(ii) As of September 30, 2017, December 31, 2016 and September 30, 2016, notes receivable and accounts receivable were not pledged as collateral.

(d) Inventories

	September 30, 2017	December 31, 2016	September 30, 2016
Merchandise	$ 288,166	151,452	144,746
Finished goods	105,215	114,986	129,056
Work in process	137,513	102,487	90,974
Raw materials	164,805	207,832	224,763
Materials	34,190	31,064	34,748
Subtotal	729,889	607,821	624,287
Goods in transit	25,871	16,689	16,040
Total	755,760	624,510	640,327
Less: Allowance for inventory market decline and obsolescence	(36,291)	(58,827)	(32,256)
Net amount	$ 719,469	565,683	608,071

(Continued)

The cost of inventories recognized as cost of goods sold and expense for the three months and the nine months ended September 30, 2017 and 2016, amounted to $354,520, $278,354, $955,372 and $850,873, respectively. The main item was the costs arising from selling goods. For the three months and the six months ended September 30, 2017 and 2016, the inventory write-down to net realizable value was recognized as an increase in cost of goods sold of $(29,988), $7,370, $(22,536) and $11,620, respectively.

As of September 30, 2017, December 31, 2016 and September 30, 2016, the aforesaid inventories were not pledged as collateral.

(e) Noncurrent assets classified as held for sale

On October 20, 2015, the Board of Directors meeting resolved to sold half of its ownership of Pharmira Laboratories, Inc. totaling 2,625 thousand shares, and signed a share sales agreement on December 7, 2015. The book value of these investments amounted to $27,791 for the years ended December 31, 2015. The aforesaid investments which were previously classified as held for sale were reclassified to noncurrent assets. The investment was sold in June 2016. Please refer to Notes 6(b) and 6(f) for details.

(f) Investments accounted for using equity method

The Group' s financial information for equity-accounted investees at the reporting date was as follows:

	September 30, 2017	December 31, 2016	September 30, 2016
Associates	$ 925,001	1,007,758	897,776

(i) Associates

1) As of September 30, 2017, December 31, 2016 and September 30, 2016, the carrying value of associates which had a quoted market price amounted to $693,072, $792,619 and $673,621, respectively, while fair value amounted to $5,032,040, $4,545,226 and $5,904,449, respectively.

2) Chuang Yi Biotech Co., Ltd.' s shares were listed on the emerging market in January 2016. Chuang Yi Biotech Co., Ltd. launched a cash capital increase and the Group invested $25,059 for 626,465 shares in 2016, resulting in a decrease in ratio from 27.84% to 27.54%. As the Group did not subscribe in proportion to the shareholding ratio in 2016, such increase was credited to capital surplus of $2,068.

3) For the nine months ended September 30, 2017 and 2016, PharmaEngine, Inc. amortized stock compensation cost, exercised employee stock options, and repurchased treasury shares, which led to a change in the shareholding ratio, and such change was credited to capital surplus of $4,071 and $27,967, respectively. As the Group did not subscribe in proportion to the shareholding ratio for the nine months ended September 30, 2017 and 2016, such ratio decreased from 19.30% to 19.28% and 19.32% to 19.30%, respectively.

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4) TSH Biopharm Co., Ltd. paid $70,000 as cash right issue of Pharmira Laboratories, Inc. and acquired 31.82% of ownership in June 2014. Based on the evaluation of significant influence, such investment was accounted for using the equity method. The Group' s shareholding ratio in Pharmira Laboratories, Inc. dropped to 5.93%, and the Group lost its significant influence over the investments because of paid-in-capital increase in February 2016 by Pharmira Laboratories, Inc. Therefore, the investments were reclassified from investments accounted for using the equity method and noncurrent assets classified as held for sale to financial assets carried at cost. The fair value of investments was re-measured during the reclassification. The difference between the fair value and the carrying amount of $3,102 was recognized as disposal loss under other income and loss in the statement of comprehensive income.

(ii) Associates that had materiality were as follows:

			Equity ownership		
Associate	**Nature of relationship**	**Country of registration**	**September 30, 2017**	**December 31, 2016**	**September 30, 2016**
PharmaEngine, Inc.	Research for new drugs and drug development especially for Asian diseases	Taiwan	19.28 %	19.30 %	19.30 %

1) Summary financial information on significant associates

The following is a summary of financial information on the Company' s significant associates. In order to reflect the adjustments for fair value in acquisition of shares and differences in accounting policies, adjustment for the amounts presented on the financial statements of associates in accordance with IFRSs has been made to such financial information.

a) Summary financial information on PharmaEngine, Inc.

	September 30, 2017	**December 31, 2016**	**September 30, 2016**
Current assets	$ 3,357,571	3,935,733	3,147,421
Noncurrent assets	42,605	23,528	49,537
Current liabilities	(46,352)	(150,038)	(18,242)
Noncurrent liabilities	-	(10,445)	(3,322)
Net assets	$ 3,353,824	3,798,778	3,175,394
Net assets attributable to non-controlling interests	$ 646,626	733,329	612,989
Net assets attributable to investee owners	$ 2,707,198	3,065,449	2,562,405

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	For the three months ended September 30		For the nine months ended September 30	
	2017	2016	2017	2016
Revenue	$ 28,992	2,783	69,086	328,848
Profit for the period	$ (3,561)	(91,490)	(164,571)	73,195
Other comprehensive income	134	(107)	240	(226)
Comprehensive income	$ (3,427)	(91,597)	(164,331)	72,969
Comprehensive income attributable to investee owners	$ (3,427)	(91,597)	(164,331)	72,969

	For the nine months ended September 30	
	2017	2016
Net assets attributable to the Group, beginning balance	$ 733,329	610,352
Comprehensive income attributable to the Group	(31,688)	14,057
Cash dividends received from associates	(59,086)	(39,387)
Recognition of capital surplus due to change in associates	4,071	27,967
Net assets attributable to the Group, ending balance	$ 646,626	612,989
Carrying amount of interest in associates, ending balance	$ 646,626	612,989

(iii) Summary financial information on individually insignificant associates

The following is the summary financial information on individually insignificant associates that were accounted for under the equity method:

	September 30, 2017	December 31, 2016	September 30, 2016
Carrying amount of interest in individually insignificant associates	$ 278,375	274,429	284,787

	For the three months ended September 30		For the nine months ended September 30	
	2017	2016	2017	2016
Attributable to the Group:				
Profit for the period	$ 5,486	8,047	20,772	22,749
Other comprehensive income (loss)	(5,128)	6,211	(7,904)	4,511
Comprehensive income	$ 358	14,258	12,868	27,260

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(iv) Collateral

As of September 30, 2017, December 31, 2016, and September 30, 2016, the investments in the aforesaid equity-accounted investees were not pledged as collateral.

(g) Subsidiaries with significant non-controlling interests

Subsidiaries with significant non-controlling interests were as follows:

		Ownership and voting rights ratio		
Subsidiary	**Country of registration**	**September 30, 2017**	**December 31, 2016**	**September 30, 2016**
TSH Biopharm Co., Ltd.	Taiwan	56.48 %	56.48 %	56.48 %
Enhanx Inc.	Taiwan	29.41 %	- %	- %

The financial information below is prepared in accordance with IFRSs and reflects the adjustments for fair value on the acquisition date and difference in accounting policies. The amounts have not yet been eliminated from intra-group transactions. Information on the aforementioned subsidiary is as follows:

(i) Summary financial information on TSH Biopharm Co., Ltd.

	September 30, 2017	**December 31, 2016**	**September 30, 2016**
Current assets	$ 975,724	1,053,086	1,043,338
Non-current assets	307,110	514,148	350,578
Current liabilities	(105,052)	(116,872)	(115,477)
Net assets	$ 1,177,782	1,450,362	1,278,439
Non-controlling interests	$ 512,463	631,189	556,369

	For the three months ended September 30		For the nine months ended September 30	
	2017	**2016**	**2017**	**2016**
Operating revenue	$ 125,620	103,189	366,780	362,301
Net income for the period	$ 18,427	2,447	50,049	133,395
Other comprehensive loss	(90,720)	(26,460)	(203,595)	(136,809)
Comprehensive income	$ (72,293)	(24,013)	(153,546)	(3,414)
Net income attribute to non-controlling interests	$ 7,920	1,064	21,682	58,053
Comprehensive income attribute to non-controlling interests	$ (31,561)	(10,451)	(66,922)	(1,486)

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	For the nine months ended September 30	
	2017	**2016**
Cash flows from operating activities	$ 80,581	46,553
Cash flows from investing activities	34,462	92,143
Cash flows from financing activities	(119,034)	(80,636)
Net increase in cash	$ (3,991)	58,060

(ii) Summary financial information on Enhanx Inc.

	September 30, 2017
Current assets	$ 50,213
Non-current assets	120,000
Current liabilities	(1,128)
Net assets	$ 169,085
Non-controlling interests	$ 119,354

	For the three months ended September 30	For the nine months ended September 30
	2017	2017
Operating revenue	$ -	-
Net income for the period	$ (915)	(915)
Other comprehensive loss	-	-
Comprehensive income	$ (915)	(915)
Net income attribute to non-controlling interests	$ (646)	(646)
Comprehensive income attribute to non-controlling interests	$ (646)	(646)

	For the nine months ended September 30
	2017
Cash flows from operating activities	$ (107)
Cash flows from financing activities	50,000
Net increase in cash	$ 49,893

In August 2017, the Group, as financial partner, and 2-BBB Medicines BV, as the industrial partner, established Enhanx Inc., wherein the Group invested $50,000 in cash and 2-BBB Medicines BV used its technology and skills amounting to $120,000 as its investment. The Group holds more than one half of its directors' position; therefore, Enhanx Inc. became a subsidiary of the Group.

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(h) Property, plant and equipment

	Land	Building and construction	Machinery and equipment	Trans-portation equipment	Office equipment	Other equipment	Construction in progress	Total
Cost:								
Balance on January 1, 2017	$ 816,169	1,273,278	664,686	3,171	405,557	6,975	126,957	3,296,793
Additions	-	8,645	1,956	-	10,925	119	24,520	46,165
Disposals	-	(2,320)	(497)	-	(9,661)	-	-	(12,478)
Reclassifications	-	10,247	-	-	21,626	-	(18,494)	13,379
Effect of changes in foreign exchange rate	-	(547)	-	-	(66)	(11)	-	(624)
Balance on September 30, 2017	$ 816,169	1,289,303	666,145	3,171	428,381	7,083	132,983	3,343,235
Balance on January 1, 2016	$ 816,169	783,796	403,143	4,371	358,038	6,298	546,098	2,917,913
Additions	-	28,168	4,173	-	8,988	686	24,946	66,961
Disposals	-	(4,575)	(635)	(1,200)	(3,110)	-	-	(9,520)
Reclassifications	-	234,410	249	-	679	-	(233,941)	1,397
Effect of changes in foreign exchange rate	-	-	-	-	(143)	(9)	-	(152)
Balance on September 30, 2016	$ 816,169	1,041,799	406,930	3,171	364,452	6,975	337,103	2,976,599
Depreciation:								
Balance on January 1, 2017	$ -	205,015	240,234	1,234	262,034	2,701	-	711,218
Depreciation for the year	-	44,213	32,585	251	22,620	525	-	100,194
Disposals	-	(2,308)	(497)	-	(7,665)	-	-	(10,470)
Reclassifications	-	(96)	-	-	-	-	-	(96)
Effect of changes in foreign exchange rate	-	2	-	-	(63)	(10)	-	(71)
Balance on September 30, 2017	$ -	246,826	272,322	1,485	276,926	3,216	-	800,775
Balance on January 1, 2016	$ -	173,723	207,709	1,838	237,055	2,061	-	622,386
Depreciation for the year	-	25,515	23,353	297	22,057	477	-	71,699
Disposals	-	(4,572)	(628)	(1,000)	(3,004)	-	-	(9,204)
Reclassifications	-	-	-	-	(3)	-	-	(3)
Effect of changes in foreign exchange rate	-	-	-	2	(120)	(9)	-	(127)
Balance on September 30, 2016	$ -	194,666	230,434	1,137	255,985	2,529	-	684,751
Carrying amounts:								
Balance on January 1, 2017	$ 816,169	1,068,263	424,452	1,937	143,523	4,274	126,957	2,585,575
Balance on September 30, 2017	$ 816,169	1,042,477	393,823	1,686	151,455	3,867	132,983	2,542,460
Balance on January 1, 2016	$ 816,169	610,073	195,434	2,533	120,983	4,237	546,098	2,295,527
Balance on September 30, 2016	$ 816,169	847,133	176,496	2,034	108,467	4,446	337,103	2,291,848

(i) Collateral

As of September 30, 2017, December 31, 2016, and September 30, 2016, the property, plant and equipment were not pledged as collateral.

(ii) Property, plant and equipment under construction

New plant is already under construction. As of the reporting date, expenditures incurred amounted to $132,983, including capitalized loan cost.

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(i) Investment property

	Land	Building and construction	Total
Cost or deemed cost:			
Balance on January 1, 2017	$ 69,152	15,526	84,678
Reclassifications	-	11,527	11,527
Effect of changes in foreign exchange rate	-	158	158
Balance on September 30, 2017	$ 69,152	27,211	96,363
Balance on January 1, 2016	$ 69,152	9,202	78,354
Balance on September 30, 2016	$ 69,152	9,202	78,354
Depreciation and impairment loss:			
Balance on January 1, 2017	$ -	6,679	6,679
Depreciation	-	434	434
Reclassifications	-	96	96
Effect of changes in foreign exchange rate	-	4	4
Balance on September 30, 2017	$ -	7,213	7,213
Balance on January 1, 2016	$ -	-	-
Depreciation	-	266	266
Balance on September 30, 2016	$ -	266	266
Carrying amount:			
Balance on January 1, 2017	$ 69,152	8,847	77,999
Balance on September 30, 2017	$ 69,152	19,998	89,150
Balance on January 1, 2016	$ 69,152	9,202	78,354
Balance on September 30, 2016	$ 69,152	8,936	78,088

(i) There was no significant difference in the fair value of investment property of the Group compared to the fair value disclosed in Note 6(i) of the consolidated financial statements for the year ended December 31, 2016.

(ii) As of September 30, 2017 and December 31, 2016, the Group's investment properties were not pledged as collateral. The Group's investment properties were pledged as collateral for the years ended September 30, 2016, please refer to Note 8 for details.

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(j) Intangible assets

The components of the costs of intangible assets, amortization, and impairment loss thereon for the nine months ended September 30, 2017 and 2016, are as follows:

		Computer software	Patent and franchise	Total
Cost:				
Balance on January 1, 2017	$	36,489	42,386	78,875
Additions		700	120,000	120,700
Disposals		(1,275)	-	(1,275)
Effect of changes in foreign exchange rate		(2)	-	(2)
Balance on September 30, 2017	$	35,912	162,386	198,298
Balance on January 1, 2016	$	37,099	87,392	124,491
Additions		384	-	384
Disposals		(909)	(3,486)	(4,395)
Reclassifications		32	-	32
Effect of changes in foreign exchange rate		(2)	(945)	(947)
Balance on September 30, 2016	$	36,604	82,961	119,565
Amortization and impairment loss:				
Balance on January 1, 2017	$	22,344	26,883	49,227
Amortization for the year		4,396	1,813	6,209
Disposals		(1,275)	-	(1,275)
Effect of changes in foreign exchange rate		(1)	-	(1)
Balance on September 30, 2017	$	25,464	28,696	54,160
Balance on January 1, 2016	$	18,463	55,248	73,711
Amortization for the year		4,505	15,340	19,845
Disposals		(909)	(3,486)	(4,395)
Reclassifications		3	-	3
Effect of changes in foreign exchange rate		(1)	(817)	(818)
Balance on September 30, 2016	$	22,061	66,285	88,346
Carrying amount:				
Balance on January 1, 2017	$	14,145	15,503	29,648
Balance on September 30, 2017	$	10,448	133,690	144,138
Balance on January 1, 2016	$	18,636	32,144	50,780
Balance on September 30, 2016	$	14,543	16,676	31,219

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As of September 30, 2017, December 31, 2016, and September 30, 2016 the aforementioned intangible assets were not pledged as collateral.

(k) Short-term loans

	September 30, 2017	December 31, 2016	September 30, 2016
Secured bank loans	$ 1,950,000	1,249,010	1,924,010
Unused credit line	$ 870,000	1,455,990	780,990
Range of interests rates	0.91%~1.15%	1.01%~1.05%	1.00%~1.15%

(i) For the nine months ended September 30, 2017 and 2016, the Group increased its short-term borrowings by $6,269,000 and $4,774,020, respectively, with an interest rate of 0.91%~1.15% and 1.00%~1.20%, respectively, and the repayments of short-term borrowings amounted to $5,568,010 and $4,050,010, respectively. Please refer to Note 6(t) for details on interest expenses and Note 6(l) of consolidated financial statements for the year ended December 31, 2016, for other related information.

(ii) The Group's assets were pledged as guarantee for the Group's credit loan facility. Please refer to Note 8 for details.

(l) Long-term loans

Terms and condition for the details of long term borrowings are as follows:

	September 30, 2017	December 31, 2016	September 30, 2016
Unsecured bank loans	$ 830,000	830,000	400,000
Less: Current portion	-	(200,000)	(200,000)
	$ 830,000	630,000	200,000
Unused credit line	$ -	-	100,000
Range of interest rate	1.115%~1.298%	1.135%~1.298%	1.107%~1.33%

(i) There were no significant issues, repurchases and repayments of long-term borrowings for the nine months ended September 30, 2017 and 2016. Information on interest expense for the period is discussed in Note 6(t). Please refer to Note 6(t) of consolidated financial statements for the year ended December 31, 2016 for other related information.

(ii) For the collateral for long-term borrowings, please refer to note 8.

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(m) Operating lease

(i) Leases as lessee

Non-cancellable operating lease rentals payable were as follows:

	September 30, 2017	December 31, 2016	September 30, 2016
Less than one year	$ 2,759	3,710	4,435
Between one and five years	6,566	8,530	9,267
	$ 9,325	12,240	13,702

(ii) Leases as lessor

The Group leases out its investment properties (see Note 6(i)). The future minimum lease payments under non-cancellable leases are as follows:

	September 30, 2017	December 31, 2016	September 30, 2016
Less than one year	$ 11,049	7,894	6,581
Between one and five years	16,810	20,099	10,989
More than five years	-	110	34
	$ 27,859	28,103	17,604

(n) Employee benefits

(i) Defined benefit plans

The management believes that there was no material market volatility, material reimbursement and settlement, or other material one-time events. As a result, the pension cost in the accompanying consolidated interim financial statements was measured and disclosed according to the actuarial report as of December 31, 2016 and 2015.

The Group' s pension expenses recognized in profit or loss for the three months and the six months ended September 30, 2017 and 2016, were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2017	2016	2017	2016
Operating costs	$ 163	192	491	573
Selling expenses	118	98	354	295
Administrative expenses	66	45	198	135
Research and development expenses	81	79	241	236
	$ 428	414	1,284	1,239

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(ii) Defined contribution plans

The contributions of the Group to the Bureau of Labor Insurance for the employee pension benefits were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2017	2016	2017	2016
Operating costs	$ 2,009	1,931	6,005	5,659
Selling expenses	1,962	1,576	5,844	4,551
Administrative expenses	1,188	1,334	3,408	3,627
Research and development expenses	1,326	1,197	3,827	3,518
	$ 6,485	6,038	19,084	17,355

(o) Income tax

(i) Income tax expense

The components of income tax expense for the nine months ended September 30, 2017 and 2016, were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2017	2016	2017	2016
Current tax expense				
Current period incurred	$ 61,085	46,020	164,297	161,970
Adjustment for prior periods	-	-	(1,305)	(525)
Undistributed earnings additional tax at 10%	12,912	-	13,717	-
Income tax expense	$ 73,997	46,020	176,709	161,445

(ii) Status of approval of income tax

The Company's income tax returns through 2014 have been examined and approved by the Tax Authority.

(iii) Stockholders' imputation tax credit account and tax rate

	September 30, 2017	December 31, 2016	September 30, 2016
Unappropriated earnings generated in and after 1998	$ 1,166,426	1,487,805	1,145,034
Balance of imputation credit account	$ 97,298	110,951	43,369

	For the nine months ended September 30	
	2016 (Actual)	**2015 (Actual)**
Creditable ratio for earnings distribution to R.O.C. residents	18.57 %	12.93 %

The above stated information was prepared in accordance with information letter No. 10204562810 issued by the Taxation Administration, Ministry of Finance, R.O.C., on October 17, 2013.

(p) Capital and other equity

There were no significant changes in capital and reserves for the nine months ended September 30, 2017 and 2016. Please refer to Note 6(p) of the consolidated financial statements for the year ended December 31, 2016, for other related information.

(i) Capital surplus

The components of capital surplus were as follows:

	September 30, 2017	December 31, 2016	September 30, 2016
Share capital	$ 484	484	484
Long-term investment	408,955	404,884	403,536
	$ **409,439**	**405,368**	**404,020**

According to the R.O.C. Company Act amended in 2012, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring paid-in capital in excess of par value should not exceed 10% of the total common stock outstanding.

(ii) Retained earnings

Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. The appropriation for legal reserve is discontinued when the balance of legal reserve equals the total authorized capital. Special reserve may be appropriated for operations or to meet regulations. The remaining earnings, if any, may be appropriated according to the proposal presented in the annual shareholders' meeting by the board of directors.

To enhance the Company's financial structure and maintain investors' equity, the Company adopts a stable dividend policy in which earnings distribution cannot be less than 50% of distributable earnings, and cash dividend payment has to be 70% of the distribution.

1) Legal reserve

In accordance with the Company Act amended in 2012, 10% of net income is set aside as legal reserve until it is equal to share capital. If the Company earned a profit for the year, the meeting of shareholders decides on the distribution of the statutory earnings reserve either by issuing new shares or by paying cash, and the distribution is limited to the portion of legal reserve which exceeds 25% of the actual share capital.

2) Special reserve

The Company has elected to apply the optional exemptions according to IFRS 1 First-time Adoption of International Financial Reporting Standards.

In accordance with Ruling No. 1010012865 issued by the FSC on April 6, 2012, a special reserve was appropriated from the undistributed earnings equivalent to the debit balance of cumulative translation differences of $82,429 and unrealized revaluation increments of $27,725. The special reserve appropriated can be reversed to the extent that the net debit balance reverses. As of September 30, 2017 and 2016, the special reserve appropriated from the undistributed earnings amounted to $110,154 and $110,154, respectively.

In accordance with the aforesaid Ruling, a special reserve is set aside from the current year's net income after tax and prior year's undistributed earnings at an amount equal to the debit balance of contra accounts in shareholders' equity. When the debit balance of any of these contra accounts in shareholders' equity is reversed, the related special reserve can be reversed.

3) Earnings distribution

On June 16, 2017, and June 24, 2016, the Company's general meeting of shareholders resolved to appropriate to the 2016 and 2015 earning. These earnings were distributed as dividends as follows:

	2016		2015	
	Amount per share (dollars)	**Amount**	**Amount per share (dollars)**	**Amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 3.80	944,870	3.50	870,275

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(iii) Other equity accounts (net of tax)

	Exchange differences on translation of foreign financial statements	Available-for-sale investments	Total
Balance, January 1, 2017	$ (2,362)	287,450	285,088
Exchange differences on translation of foreign operations	(95,714)	-	(95,714)
Share of exchange differences of associates accounted for using equity method	36	-	36
Unrealized gains (losses) on available-for-sale financial assets	-	(134,910)	(134,910)
Unrealized gains (losses) on available-for-sale financial assets of associates accounted for using equity method	-	(8,302)	(8,302)
Balance, September 30, 2017	$ **(98,040)**	**144,238**	**46,198**
Balance, January 1, 2016	$ 16,160	343,851	360,011
Exchange differences on translation of foreign operations	(18,374)	-	(18,374)
Share of exchange differences of associates accounted for using equity method	(109)	-	(109)
Unrealized gains (losses) on available-for-sale financial assets	-	(105,734)	(105,734)
Unrealized gains (losses) on available-for-sale financial assets of associates accounted for using equity method	-	7,118	7,118
Balance, September 30, 2016	$ **(2,323)**	**245,235**	**242,912**

(iv) Non-controlling interests

	For the nine months ended September 30	
	2017	**2016**
Balance, January 1	$ 631,784	593,649
Attributable to non-controlling interests:		
Profit for the period	20,456	58,138
Exchange differences on translation of foreign operations	(50)	(62)
Unrealized loss on available-for-sale financial assets	(88,604)	(59,539)
Cash dividends received	(51,804)	(35,093)
Increase in non-controlling interests	120,000	-
Balance, September 30	$ **631,782**	**557,093**

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(q) Earnings per share

The basic earnings per share and diluted earnings per share were calculated as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2017	**2016**	**2017**	**2016**
Basic earnings per share				
Profit attributable to ordinary shareholders	$ 277,936	212,587	742,823	848,271
Weighted-average number of ordinary shares	248,650	248,650	248,650	248,650
	$ 1.12	0.85	2.99	3.41
Diluted earnings per share				
Profit attributable to ordinary shareholders (diluted)	$ 277,936	212,587	742,823	848,271
Weighted-average number of ordinary shares	248,650	248,650	248,650	248,650
Employee stock bonus	59	119	294	190
Weighted-average number of ordinary shares (diluted)	248,709	248,769	248,944	248,840
	$ 1.12	0.85	2.98	3.41

(r) Revenue

Analysis of the revenue generated for the three months and nine months ended September 30, 2017 and 2016 are as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2017	**2016**	**2017**	**2016**
Sale of goods	$ 1,026,515	922,296	2,882,387	2,760,078
Rendering of service	18,452	13,287	39,148	48,090
	$ 1,044,967	935,583	2,921,535	2,808,168

(s) Remuneration for employees, and directors and supervisors

Based on the Company' s amended articles of incorporation remuneration for employees, and directors and supervisors is appropriated at the rate of 1% to 8% and no more than 2%, respectively, of profit before tax. The Company should offset prior years' accumulated deficit before any appropriation of profit. Employees of subsidiaries may also be entitled to the employee remuneration of the Company, which can be settled in the form of cash or stock.

For the nine months ended September 30, 2017 and 2016, remuneration of employees of $13,915 and $15,330, respectively, and of directors and supervisors of $9,277 and $15,330, respectively, was estimated and recognized as current expense. These amounts were calculated using the Company's profit before tax before remuneration of employees and of directors and supervisors for the nine months ended September 30, 2017 and 2016. These benefits were charged to profit or loss under operating expenses for the nine months ended September 30, 2017 and 2016. The differences, if any, between the amounts which are yet to be approved in the shareholders' meeting and those recognized in the financial statements will be treated as changes in accounting estimates and charged to profit or loss.

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For the year ended December 31, 2016 and 2015, the remuneration of employees amounted to $22,048 and $22,373, respectively, and of directors and supervisors amounted to $15,786 and $21,468, respectively. The proposed amounts did not differ from those accrued in the financial statements for the year ended December 31, 2016 and 2015. Related information on remuneration of employees and of directors and supervisors can be accessed from the Market Observation Post System web site.

(t) Non-operating income and expenses

(i) Other income

Analysis of the other income generated for the three months and nine months ended September 30, 2017 and 2016 are as follows:

		For the three months ended September 30		For the nine months ended September 30	
		2017	**2016**	**2017**	**2016**
Interest income	$	5,170	3,746	15,407	10,193
Rental income		3,437	3,039	9,674	9,085
	$	**8,607**	**6,785**	**25,081**	**19,278**

(ii) Other gains and losses

Analysis of the other gains and losses generated for the three months and nine months ended September 30, 2017 and 2016 are as follows:

		For the three months ended September 30		For the nine months ended September 30	
		2017	**2016**	**2017**	**2016**
Foreign exchange loss	$	(1,644)	(52,933)	(26,660)	(79,832)
Gain on disposal of investment		-	-	-	104,924
Loss on disposal of property, plant and equipment		(2)	(93)	(2,006)	(96)
Gain on reversal of uncollectable account		-	-	5,000	5,000
Other		605	17,282	24,774	54,483
	$	**(1,041)**	**(35,744)**	**1,108**	**84,479**

(iii) Finance costs

Analysis of the finance costs generated for the three months and nine months ended September 30, 2017 and 2016 are as follows:

		For the three months ended September 30		For the nine months ended September 30	
		2017	**2016**	**2017**	**2016**
Interest expenses	$	**6,697**	**5,960**	**18,090**	**16,715**

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(u) Reclassification of other comprehensive income

		For the nine months ended September 30	
		2017	**2016**
Exchange differences on translation:			
Profit (loss) for the year	$	(95,764)	(18,436)
Net loss recognized in other comprehensive income	$	**(95,764)**	**(18,436)**
Share of other comprehensive income of associates accounted for under equity method:			
Profit (loss) for the year	$	(8,265)	7,009
Net profit (loss) recognized in other comprehensive income	$	**(8,265)**	**7,009**
Net fair value change in available-for-sale financial assets recognized:			
Other comprehensive income	$	(223,515)	(114,745)
profit or loss		-	(50,528)
Net change in fair value recognized in other comprehensive income	$	**(223,515)**	**(165,273)**

(v) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(v) of the consolidated financial statements for the year ended December 31, 2016.

(i) Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments but excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 1 year	2-3 years	4-5 years
September 30, 2017					
Non-derivative financial liabilities					
Unsecured bank loans	$ 2,780,000	2,808,497	1,971,594	836,903	-
Non-interest-bearing liabilities (including related parties)	617,298	617,298	617,298	-	-
	$ 3,397,298	3,425,795	2,588,892	836,903	-

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	Carrying amount	Contractual cash flows	Within 1 year	2-3 years	4-5 years
December 31, 2016					
Non-derivative financial liabilities					
Unsecured bank loans	$ 2,079,010	2,105,184	1,467,918	637,266	-
Non-interest-bearing liabilities (including related parties)	584,572	584,572	584,572	-	-
	$ 2,663,582	2,689,756	2,052,490	637,266	-
September 30, 2016					
Non-derivative financial liabilities					
Unsecured bank loans	$ 2,324,010	2,334,141	2,133,563	200,578	-
Non-interest-bearing liabilities (including related parties)	578,584	578,584	578,584	-	-
	$ 2,902,594	2,912,725	2,712,147	200,578	-

The Group does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(ii) Currency risk

1) Exposure to currency risk

The Group' s exposure to significant currency risk was from its foreign currency-denominated financial assets and liabilities as follows:

	September 30, 2017			December 31, 2016			September 30, 2016		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Financial assets									
Monetary items									
USD	$ 32,750	30.26	991,025	57,608	32.25	1,857,851	59,757	31.36	1,873,981
CNY	4,506	4.55	20,508	5,275	4.62	24,353	5,638	4.69	26,459
JPY	83,647	0.27	22,509	66,488	0.28	18,324	36,161	0.31	11,242
PHP	4,177	0.61	2,556	16,532	0.67	11,050	15,921	0.66	10,583
EUR	2,572	35.75	91,954	3,350	33.90	113,567	558	35.08	19,587
Nonmonetary items									
USD	47,179	30.26	1,427,633	750	32.25	24,173	648	31.36	20,321
CNY	52,040	4.55	236,784	52,206	4.62	241,037	51,376	4.69	241,108
THB	224,238	0.91	204,057	216,982	0.91	196,368	230,350	0.91	209,296
Financial liabilities									
Monetary items									
PHP	3,033	0.61	1,857	7,219	0.67	4,825	13,655	0.66	9,077

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2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, and loans and accounts payable that are denominated in foreign currency. Net investments in a foreign operation are strategic investments, so the Group does not treat them as a hedge.

A 1% of appreciation of each major foreign currency against the Group' s functional currency as of September 30, 2017 and 2016, would have increased or decreased the after-tax net income by $9,352 and $16,042, respectively. The analysis is performed on the same basis for both periods.

3) Gains or losses on monetary item

As the Group deals in diverse foreign currencies, gains or losses on foreign exchange are summarized as a single amount. For the nine months ended September 30, 2017 and 2016, the foreign exchange loss, including both realized and unrealized, amounted to $26,660 and $79,832, respectively.

(iii) Fair value of financial instruments

1) Categories of financial instruments

The carrying amount and fair value of the Group' s financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required:

	September 30, 2017				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	$ 315,690	315,690	-	-	315,690
Loans and receivables					
Cash and cash equivalents	2,796,296	-	-	-	-
Notes receivable and accounts receivable (including related party)	891,067	-	-	-	-
Other receivables (including related party)	37,861	-	-	-	-
Other financial assets	624,901	-	-	-	-
Cash surrender value of life insurance	5,198	-	-	-	-
Refundable deposits	30,750	-	-	-	-
Total	$ 4,701,763	315,690	-	-	315,690

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	September 30, 2017				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Bank loans	$ 2,780,000	-	-	-	-
Notes payable and accounts payable (including related party)	163,243	-	-	-	-
Other payables (including related party)	454,055	-	-	-	-
Guarantee deposit received	10,085	-	-	-	-
Total	$ 3,407,383	-	-	-	-

	December 31, 2016				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	$ 539,205	539,205	-	-	539,205
Loans and receivables					
Cash and cash equivalents	2,108,713	-	-	-	-
Notes receivable and accounts receivable (including related party)	859,319	-	-	-	-
Other receivables (including related party)	46,309	-	-	-	-
Other financial assets	1,184,002	-	-	-	-
Cash surrender value of life insurance	5,198	-	-	-	-
Refundable deposits	24,001	-	-	-	-
Total	$ 4,766,747	539,205	-	-	539,205
Financial liabilities measured at amortized cost					
Bank loans	$ 2,079,010	-	-	-	-
Notes payable and accounts payable (including related party)	101,243	-	-	-	-
Other payables (including related party)	483,329	-	-	-	-
Guarantee deposit received	9,985	-	-	-	-
Total	$ 2,673,567	-	-	-	-

(Continued)

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	September 30, 2016				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	$ 383,960	383,960	-	-	383,960
Financial asset measured at cost-noncurrent	26,250	-	-	-	-
Subtotal	410,210	383,960	-	-	383,960
Loans and receivables					
Cash and cash equivalents	2,526,364	-	-	-	-
Notes receivable and accounts receivable (including related party)	832,751	-	-	-	-
Other receivables (including related party)	40,054	-	-	-	-
Other financial assets	679,003	-	-	-	-
Cash surrender value of life insurance	3,121	-	-	-	-
Refundable deposits	26,043	-	-	-	-
Total	$ 4,517,546	383,960	-	-	383,960
Financial liabilities measured at amortized cost					
Bank loans	$ 2,324,010	-	-	-	-
Notes payable and accounts payable (including related party)	135,816	-	-	-	-
Other payables (including related party)	442,768	-	-	-	-
Guarantee deposit received	1,936	-	-	-	-
Total	$ 2,904,530	-	-	-	-

2) Fair value hierarchy

The table below analyzes financial instruments carried at fair value by the levels in the fair value hierarchy. The different levels have been defined as follows:

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

b) 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).

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

3) Valuation techniques for financial instruments which are not measured at fair value

The assumptions and methods used in valuing financial instruments that are not measured at fair value are as follows:

The expiry date of financial instruments, such as cash and cash equivalents, receivables, other financial assets, cash surrender value of life insurance, refundable deposits, bank loans, payables, and guarantee deposit received, is very close or their future price is close to carrying value. Financial instruments' fair value is estimated on the basis of their carrying value.

4) Valuation techniques for financial instruments measured at fair value

Non-derivative financial instruments

The fair value of financial instruments traded in active markets is based on quoted market prices.

The market prices from the main exchanges and government bond exchanges are the basis of the fair value of OTC equity instruments and debt instruments which have a quoted market price in an active market.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions. Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, only small volumes are traded, or bid-ask spreads are very wide.

If financial instruments the Group obtained are traded in active markets and meet the criteria, their fair value is determined on the basis of market quotation.

5) Transfer between levels

There was no change in valuation techniques for financial instruments measured at fair value for the nine months ended in September 30, 2017 and 2016, so there was no transfer between levels.

(w) Financial risk management

There were no significant changes in the Group' s financial risk management and policies as disclosed in Note 6(w) of the consolidated financial statements for the year ended December 31, 2016.

(x) Capital management

The management believes that the objectives, policies and processes of capital management of the Group have been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2016. Also, the management believes that there were no significant changes in the Group's capital management information as disclosed in the consolidated financial statements for the year ended December 31, 2016. Please refer to Note 6(x) of the consolidated financial statements for the year ended December 31, 2016, for other related information.

(7) Related-party transactions:

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
American Taiwan Biopharm (Thailand)	An associate
Chuang Yi Biotech Co., Ltd.	An associate
Pharmira Laboratories, Inc.	An associate (Note A)
TOT Biopharm Co., Ltd.	The entity's director is the president of the Company (Note B)
TOT Biopharm International Co., Ltd.	The entity's director is the president of the Company (Note B)
Lumosa Therapeutics Co., Ltd.	The entity's director is the president of the Company (Note B)
Center Laboratories, Inc.	The entity's director is the president of the Company (Note B)
TPG Biologics, Inc.	The entity's director is the president of the Company (Note B)
Mycenax Biotech Inc.	The entity's director is the president of the Company (Note B)
Shengbang Pharmaceutical Technology Co., Ltd.	The entity's director is the president of the Company (Note B)

Note A: The Group did not subscribe in the cash capital increase of the entity. Therefore, the Group lost its significant influence in February 2016.

Note B: The entity was no longer a related party of the Group since June 24, 2016 due to its newly elected board of directors.

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(b) Significant transactions with related parties

(i) Operating revenue

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

	For the three months ended September 30		For the nine months ended September 30	
	2017	**2016**	**2017**	**2016**
Associates	$ 19,820	12,937	56,590	29,759
Other related parties	-	-	-	4,548
	$ **19,820**	**12,937**	**56,590**	**34,307**

1) Prices charged for sales transactions with offshore subsidiaries and associates were calculated at 100% of the annual cost. If the collection was past due three months, then 5% interest was charged.

2) There were no significant differences between the terms and pricing of sales transactions with related parties and those with distributors. The collection period was ninety days. If paid within one month, a cash discount of 1% was offered.

(ii) Service revenue

The amounts of service revenue between the Group and related parties were as follows:

		For the three months ended September 30		For the nine months ended September 30	
Recognized item	**Category**	**2017**	**2016**	**2017**	**2016**
Service revenue	Associates	$ -	-	-	2,815

The transaction terms were discussed and agreed by both sides, and revenue was collected by the stage of completion of the contract.

(iii) Purchase of goods from related parties

The amounts of significant purchase transactions between the Group and related parties and the outstanding balances were as follows:

		For the three months ended September 30		For the nine months ended September 30	
Recognized item	**Category**	**2017**	**2016**	**2017**	**2016**
Purchases	Other related parties —Center Laboratories, Inc.	$ -	-	-	20,743

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There were no significant differences between the terms and pricing of purchase transactions with related enterprises and those carried out with other vendors. The average payment period for notes and accounts payable pertaining to such purchase transactions was sixty days or one month, which is similar to that of other vendors.

(iv) Rental revenue

The amounts of rental revenue between the Group and related parties were as follows:

		For the three months ended September 30		For the nine months ended September 30	
Recognized item	**Category**	**2017**	**2016**	**2017**	**2016**
Rental revenue	Associates —Chuang Yi Biotech Co., Ltd.	$ 783	705	2,349	1,945
	Other related parties	-	-	-	172
		$ 783	705	2,349	2,117

The rental was based on recent market transactions on arm's-length terms.

(v) Rental expense

		For the three months ended September 30		For the nine months ended September 30	
Recognized item	**Category**	**2017**	**2016**	**2017**	**2016**
Rental expense	Other related parties —TPG Biologics, Inc.	$ -	-	-	1,323

The rental was based on recent market transactions on arm's-length terms.

(vi) Other income

		For the three months ended September 30		For the nine months ended September 30	
Recognized item	**Category**	**2017**	**2016**	**2017**	**2016**
Other income	Associates —American Taiwan Biopharm	$ 2,893	3,691	10,336	5,559
	Other related parties —TOT Biopharm International Co., Ltd.	-	-	-	22,538
		$ 2,893	3,691	10,336	28,097

1) Based on management services agreements, associates pay the Group for development in the pharmaceutical industry or registration of pharmaceutical products.

2) The credit term for revenue from development in the pharmaceutical industry or registration of pharmaceutical products is three months.

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(vii) Operating expense

Recognized item	Category	For the three months ended September 30 2017	For the three months ended September 30 2016	For the nine months ended September 30 2017	For the nine months ended September 30 2016
Research expense	Other related parties —Mycenax Biotech Inc.	$ -	-	-	18,004

There were no significant differences between the terms with related parties and those with other providers.

(c) Assets and liabilities with related parties

Recognized item	Category	September 30, 2017	December 31, 2016	September 30, 2016
Accounts receivable	Associates	$ 19,820	13,668	12,091
Other receivables	Associates	$ 5,156	1,573	1,065
	Other related parties—TOT Biopharm Co., Ltd.	-	14,411	14,411
	Other related parties	-	2,715	3,019
		$ 5,156	18,699	18,495
Refundable deposit paid	Other related parties	$ -	582	582
Other payables	Other related parties	$ -	6,150	6,150

(d) Key management personnel compensation

	For the three months ended September 30 2017	For the three months ended September 30 2016	For the nine months ended September 30 2017	For the nine months ended September 30 2016
Salaries and other short-term employee benefits	$ 22,153	23,723	57,916	47,569
Post-employment benefits	327	238	889	738
	$ 22,480	23,961	58,805	48,307

(8) Pledged assets:

Asset	Purpose of pledge	September 30, 2017	December 31, 2016	September 30, 2016
Investment property	Bank loans, letters of credit	$ -	-	60,441
Other financial asset—current	Grants for research and development project	-	635	5,466
Other financial asset—noncurrent	Provisional guarantee	120,010	120,010	120,010
		$ 120,010	120,645	185,917

(9) Commitments and contingencies:

(a) The Group signed an agreement with Taiwan Liposome Company, Ltd. for Liposome research in October 1997. The Group obtained an exclusive license to produce and sell in 2001, and paid the royalty by a certain proportion of pre-tax net sales. The payment based on such agreement amounted to $30,244 and $27,616 for the nine months ended September 30, 2017 and 2016, respectively.

(b) Due to the purchase of equipment, construction engineering, and entrusted research, the total price of unfinished contracts amounted to $643,181, $678,455 and $921,731, and the unpaid amount was $261,122, $320,534 and $331,924 as of September 30, 2017, December 31, 2016, and September 30, 2016, respectively.

(c) As of September 30, 2017, December 31, 2016, and September 30, 2016, performance bonds from financial institutions for the sale of medicine amounted to $34,273, $17,659 and $18,097, respectively.

(d) In June 2015, the Taipei District Prosecutors Office filed a lawsuit against the ex-chairman of the company, Rong-Jin Lin, for the offense of breach of trust under the Securities and Exchange Act. According to the verdict, the ex-chairman was found guilty for violating the Securities and Exchange Act on September 1, 2017. The ex-chairman was later handed over to the civil court for further trial on a different case in September 6, 2017.

(e) On May 31, 2016, the Company filed a request with the Swiss Cantonal Court of Zug to nullify all 13 licensing agreements it had entered into with Inopha AG (Inopha), and demanded that Inopha return all the benefits it had gained from the agreements. The case is still in progress.

(f) On May 30, 2016, Janssen Parmaceutical NV (Janssen) filed a request for arbitration with the WIPO Arbitration and Mediation Center, at the Company's request, to confirm whether the royalties belong to the Company or Inopha AG. The case was suspended.

(g) On July 1, 2016, Center Laboratories, Inc. filed a lawsuit against the Company in the Taipei District Court to confirm the validity of the agreement it had entered into with the Company regarding a generic drug called Risperidone. The Company cannot predict the result of the lawsuit.

(h) On October 17, 2017, TSH sent a fax message to Mycenax to terminate the Turnex Medicinal Cooperation Contract. Based on the evaluation of TSH and the opinion of its lawyer, since the contract had been terminated just before it was about to reach its maturity date on October 20, 2017, it will not have any significant impact on the consolidated interim financial statements.

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(10) Losses Due to Major Disasters:None

(11) Subsequent Events:

For the termination of Turnex Medicinal Cooperation Contract entered into by both TSH and Mycenax, please refer to Note 9.

(12) Others:

(a) The nature of employee benefits, depreciation and amortization expenses, categorized by function, was as follows:

	For the three months ended September 30					
	2017			2016		
By item	Operating Cost	Operating expense	Total	Operating Cost	Operating expense	Total
Employee benefit						
Salary	$ 54,202	129,840	184,042	54,078	132,916	186,994
Health and labor insurance	3,871	7,848	11,719	3,773	7,443	11,216
Pension	2,172	4,741	6,913	2,123	4,329	6,452
Others	3,502	15,718	19,220	3,925	15,185	19,110
Depreciation	26,108	7,250	33,358	16,502	10,326	26,828
Amortization	86	1,969	2,055	320	10,119	10,439

	For the nine months ended September 30					
	2017			2016		
By item	Operating Cost	Operating expense	Total	Operating Cost	Operating expense	Total
Employee benefit						
Salary	$ 159,868	391,241	551,109	152,365	367,830	520,195
Health and labor insurance	12,612	24,493	37,105	11,604	22,030	33,634
Pension	6,496	13,872	20,368	6,232	12,362	18,594
Others	7,190	46,284	53,474	11,271	53,123	64,394
Depreciation	77,909	22,719	100,628	45,733	26,232	71,965
Amortization	260	5,949	6,209	1,049	18,796	19,845

(b) Seasonality of operations:

The operations are not affected by seasonal factors or cyclical factors.

(c) Others

(i) The Group donated $41,625 and $26,897 to related medical foundations and associations to support non-profit organizations developing drugs and promoting disease prevention and correct dosage in the nine months ended September 30, 2017 and 2016, respectively.

(ii) TSH Biopharm Co., Ltd. signed a grant agreement, " TRIA11 Osteoporosis Treatment Biopharmaceutical Program", with the Institute for Information Industry in October 2014. The total budget for the program amounted to $90,000, and the period was from May 1, 2014, to January 31, 2017. Grant funds of $22,498 had been received, and the actual expenditure amounted to $22,498, as of September 30, 2017.

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Notes to Consolidated Interim Financial Statements

(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 to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period (Note 4)	Ending balance (Note 5)	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral Item	Collateral Value	Individual funding loan limits (Note 2)	Maximum limit of fund financing (Note 3)
1	Worldco International Co., Ltd.	Worldco Biotech Pharmaceutical Ltd.	Receivables from related parties	Yes	51,442 USD 1,700	51,442 USD 1,700	51,442 USD 1,700	0.5%	2	-	Operating capital	-	-	-	241,037 CNY 52,206	241,037 CNY 52,206
1	Worldco International Co., Ltd.	The Company	Receivables from related parties	Yes	75,650 USD 2,500	75,650 USD 2,500	-	0.9%	2	-	Operating capital	-	-	-	96,415 CNY 20,882	96,415 CNY 20,882
2	Xudong Haipu International Co., Ltd.	The Company	Receivables from related parties	Yes	514,420 USD 17,000	514,420 USD 17,000	-	0.9%	2	-	Operating capital	-	-	-	599,322	599,322

The exchange rate of USD to NTD as of the reporting date is 1:30.26, and the average exchange rate of USD to NTD as of the reporting date is 1:30.518.

The exchange rate of CNY to NTD as of the reporting date is 1:4.551, and the average exchange rate of CNY to NTD as of the reporting date is 1:4.490.

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Note 1): Nature of financing activities is as follows:

1.Trading partner, the number is "1".

2.Short-term financing, the number is "2".

Note 2): The total amount for lending to a company shall not exceed 40% of the lending company's net worth in the latest financial statements. 100% directly and indirectly owned foreign subsidiaries are not subject to such limitation.

Note 3): The total amount available for lending purposes shall not exceed 40% of the lending company's net worth in the latest financial statements. 100% directly and indirectly owned foreign subsidiaries are not subject to such limitation.

Note 4): The highest balance of financing to other parties as of September 30, 2017.

Note 5): The amounts were approved by the board of directors.

Note 6): The amounts in foreign currencies were translated based on the spot exchange rate at the reporting date.

(ii) Guarantees and endorsements for other parties:None

(iii) Securities held as of September 30, 2017 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Lumosa Therapeutics Co., Ltd.	Note	Available-for-sale financial assets – noncurrent	1,600	50,880	1.68 %	50,880	
TSH Biopharm Co., Ltd.	Lumosa Therapeutics Co., Ltd.	Note	〃	4,200	133,560	4.42 %	133,560	
〃	Pharmira Laboratories, Inc.	-	〃	2,625	131,250	2.51 %	131,250	

Note：A director of the Group is its chairman, who resigned on March 24, 2016.

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(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock:None

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$300 million or 20% of the capital stock:None

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:None

(ix) Trading in derivative instruments:None

(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	Worldco International Co., Ltd.	1	Other receivables	54,000	By contract	0.57%
0	〃	〃	1	Commission revenue	38,151	〃	1.31%
0	〃	〃	1	Other payables	8,125	〃	0.09%
0	〃	TSH Biopharm Co., Ltd.	1	Sale	77,839	〃	2.66%
0	〃	〃	1	Other receivables	2,107	〃	0.02%
0	〃	〃	1	Rental revenue	3,120	〃	0.11%
0	〃	〃	1	Other income	5,299	〃	0.18%
0	〃	〃	1	Accounts receivable	7,007	〃	0.07%
0	〃	American Taiwan Biopharma Phils Inc.	1	Accounts receivable	2,643	〃	0.03%
0	〃	〃	1	Other receivables	7,301	〃	0.08%
0	〃	〃	1	Sale	2,352	〃	0.08%
1	Worldco International Co., Ltd.	Worldco Biotech Pharmaceutical Ltd.	1	Other receivables	51,442	〃	0.54%
1	〃	〃	1	Other receivables	57,620	〃	0.61%
1	〃	〃	1	Other payables	9,221	〃	0.10%

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Notes to Consolidated Interim Financial Statements

Note 1): The numbering is as follows:

1."0" represents the parent company.

2.Subsidiaries are sequentially numbered from 1 by company.

Note 2): The types of transaction between the parent company and subsidiaries are as follows:

1.Transactions from parent company to subsidiary.

2.Transactions from subsidiary to parent company.

3.Transactions between subsidiaries.

Note 3): The transactions have been eliminated in the consolidated financial statements.

Note 4): The above table only discloses the related-party transactions, with each amounting to at least NT$1,000 thousand; transactions which were less than NT$1,000 thousand were not disclosed.

(b) Information on investees:

The following is the information on investees for the nine months ended September 30, 2017 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2017			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2017	December 31, 2016	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	Xudong Haipu International Co., Ltd.	Cayman Is.	Investing activities	303,998	303,998	25,000	100.00 %	1,399,761	(6,142)	(6,142)	Subsidiary
〃	Worldco International Co., Ltd.	Hong Kong	Selling chemical medicine	158,254	158,254	39,600	100.00 %	236,784	(796)	(796)	Subsidiary
〃	American Taiwan Biopharma Phils Inc.	Philippines	Selling chemical medicine	32,904	32,904	481	87.00 %	(1,645)	(4,461)	(3,881)	Subsidiary
〃	TSH Biopharm Co., Ltd.	Taiwan	Selling chemical medicine	227,449	227,449	21,687	56.48 %	664,301	50,049	28,139	Subsidiary
〃	Enhanx Inc.	Taiwan	Developing chemical medicine	50,000	-	5,000	29.41 %	49,731	(915)	(269)	Subsidiary
〃	PharmaEngine, Inc.	Taiwan	Developing chemical medicine	371,070	371,070	28,367	19.28 %	646,626	(164,571)	(31,735)	Investments accounted for using equity method
〃	American Taiwan Biopharm	Thailand	Selling chemical medicine	2,966	2,966	380	40.00 %	204,285	51,162	20,464	Investments accounted for using equity method
〃	Gligio International Limited	Hong Kong	Selling chemical medicine	2,685	2,685	620	40.00 %	27,872	34,750	13,900	Investments accounted for using equity method
〃	Chuang Yi Biotech Co., Ltd.	Taiwan	Selling functional food	82,059	82,059	6,326	27.54 %	46,446	(46,339)	(13,592)	Investments accounted for using equity method

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(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2017	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2017	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 2)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Worldco Biotech Pharmaceutical Ltd.	Marketing consulting regarding chemical medicine	308,652 USD 10,200	(2)	323,433	-	-	323,433	1,634 CNY 364	100 %	1,634 CNY 364	(67,992) CNY (14,940)	-
Worldco Biotech (Chengdu) Pharmaceutical Ltd.	Selling chemical medicine	54,157 CNY 11,900	(2)	91,612 CNY 20,130	-	-	91,612 CNY 20,130	(418) CNY (93)	100 %	(418) CNY (93)	50,047 CNY 10,997	-

The exchange rate of USD to NTD as of the reporting date is 1:30.26, and the average exchange rate of USD to NTD as of the reporting date is 1:30.518.

The exchange rate of CNY to NTD as of the reporting date is 1:4.551, and the average exchange rate of CNY to NTD as of the reporting date is 1:4.490.

Note 1): There are four ways to invest in Mainland China, and only the categories are identified.

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 transfer of investment to third-region existing companies, then investing in Mainland China.

4.Other method.

Note 2): The investment income (loss) is recognized on the basis of a financial report not reviewed by a CPA.

(Continued)

TTY BIOPHARM COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Consolidated Interim Financial Statements

Note 3): The amounts are presented in New Taiwan Dollars. Recognized investment gain (loss) and the carrying value of investment as of the reporting date in foreign currencies were translated based on the average exchange rate during the reporting period and the exchange rate at the reporting date, respectively.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of September 30, 2017	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
NTD 423,982	NTD1,413,989 (USD 46,728)	NTD3,344,066

(iii) Significant transactions:

Please refer to Note 7.

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(14) Segment information:

(a) General information

The Group' s operating segments required to be disclosed are categorized as Oncology Business Unit, Health Care Unit, Anti-Infection Business Unit, Domestic Cardiovascular and Gastrointestinal Drugs Business Unit, China Medicine Business Unit, etc. The Group has other operating segments that are below the quantitative criteria located in the Philippines.

The segments' profit is measured at profit before tax. The Group assesses performance of the segments based on the segments' profit. The operating segments' accounting policies are similar to those described in Note 4 "significant accounting policies".

(b) Reportable segment profit or loss, segment assets, segment liabilities, and their measurement and reconciliations

The Group's operating segment information and reconciliation were as follows:

	Oncology Business Unit	Health Care Unit	Anti-Infection Business Unit	Domestic Cardiovascular and Gastrointestinal Drugs Business Unit	China Medicine Business Unit	Other Segment	Adjustment and elimination	Total
For the three months ended September 30, 2017								
Revenue:								
Revenue from external customers	$ 641,849	57,529	176,370	125,620	39,439	4,160	-	1,044,967
Intersegment revenues	49,106	-	-	-	-	-	(49,106)	-
Total revenue	$ 690,955	57,529	176,370	125,620	39,439	4,160	(49,106)	1,044,967
Reportable segment profit or loss	$ 265,696	12,786	70,185	21,683	(4,525)	(2,489)	(4,334)	359,002
For the three months ended September 30, 2016								
Revenue:								
Revenue from external customers	$ 598,956	53,355	138,286	103,189	36,508	5,289	-	935,583
Intersegment revenues	50,807	-	-	-	-	-	(50,807)	-
Total revenue	$ 649,763	53,355	138,286	103,189	36,508	5,289	(50,807)	935,583
Reportable segment profit or loss	$ 182,036	20,990	55,290	2,636	(37,531)	538	35,781	259,740
For the nine months ended September 30, 2017								
Revenue:								
Intersegment revenues	$ 1,820,844	164,240	493,056	366,780	65,679	10,936	-	2,921,535
Interest revenue	118,341	-	-	-	-	-	(118,341)	-
Total revenue	$ 1,939,185	164,240	493,056	366,780	65,679	10,936	(118,341)	2,921,535
Reportable segment profit or loss	$ 672,636	41,856	194,785	60,294	(6,929)	(5,376)	(17,278)	939,988
For the nine months ended September 30, 2016								
Revenue:								
Intersegment revenues	$ 1,835,020	154,764	374,411	362,301	68,347	13,325	-	2,808,168
Interest revenue	111,508	3,128	-	-	-	-	(114,636)	-
Total revenue	$ 1,946,528	157,892	374,411	362,301	68,347	13,325	(114,636)	2,808,168
Reportable segment profit or loss	$ 783,127	60,930	150,208	147,659	(59,090)	691	(15,671)	1,067,854
Reportable segment assets								
Balance on September 30, 2017	$ 8,258,244	286,348	194,394	1,282,834	1,696,948	181,922	(2,432,560)	9,468,130
Balance on December 31, 2016	$ 7,791,524	553,953	206,643	1,567,234	1,760,966	17,802	(2,607,817)	9,290,305
Balance on September 30, 2016	$ 7,782,339	471,919	213,620	1,393,916	1,782,240	16,237	(2,712,123)	8,948,148