

SUNNY FRIEND ENVIRONMENTAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2017, AND DECEMBER 31 AND SEPTEMBER 30, 2016
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(THE CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2017 AND 2016 ARE UNAUDITED)

Assets	September 30, 2017 AMOUNT	December 31, 2016 AMOUNT	September 30, 2016 AMOUNT
Current assets			
Cash and cash equivalents	\$ 989,465	\$ 962,826	\$ 529,210
Financial assets at fair value through profit or loss - current	-	12,658	126,946
Notes receivable, net	41,662	57,669	31,861
Accounts receivable, net	271,217	240,832	282,142
Other receivables	8,200	10,164	60
Inventory	53,174	27,092	54,524
Prepayments	41,582	40,119	18,310
Other current assets	27,891	29,922	44,235
Current Assets	1,433,191	1,381,282	1,087,288
Non-current assets			
Property, plant and equipment	1,540,559	1,460,218	1,409,705
Intangible assets	351,476	378,205	388,860
Deferred income tax assets	11,782	11,037	10,609
Other non-current assets	215,103	208,210	204,062
Non-current assets	2,118,920	2,057,670	2,013,236
Total assets	\$ 3,552,111	\$ 3,438,952	\$ 3,100,524
Liabilities and Equity			
Current liabilities			
Short-term borrowings	\$ 200,000	\$ 68,000	\$ 18,000
Short-term notes and bills payable	-	20,992	52,937
Notes payable	43,775	72,191	57,200
Accounts payable	27,115	32,572	31,657
Other payables	214,373	227,258	175,308
Current income tax liabilities	50,935	81,107	43,539
Receipts in advance	147,265	102,568	105,547
Other current liabilities	77,423	162,048	123,039
Current Liabilities	760,886	766,736	607,227
Non-current liabilities			
Long-term borrowings	66,215	33,707	38,007
Provisions – non current	13,563	11,049	10,057
Deferred income tax liabilities	28,775	30,521	25,554
Other non-current liabilities	154,542	152,078	149,529
Total non-current liabilities	263,095	227,355	223,147
Total Liabilities	1,023,981	994,091	830,374
Equity attributable to owners of parent			
Share capital			
Share capital- common stock	1,115,000	1,115,000	1,115,000
Capital surplus			
Capital surplus	452,500	452,500	452,500
Retained earnings			
Legal reserve	196,347	134,971	134,971
Special reserve	14,859	-	-
Unappropriated earnings	775,203	757,249	573,259
Other equity interest			
Other equity interest	(25,779)	(14,859)	(5,580)
Total equity	2,528,130	2,444,861	2,270,150
Commitments and Contingent Liabilities			
Total liabilities and equity	\$ 3,552,111	\$ 3,438,952	\$ 3,100,524

SUNNY FRIEND ENVIRONMENTAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2017 AND 2016
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNTS)
(UNAUDITED)

Items	Three Months ended September 30		Nine Months ended September 30	
	2017 AMOUNT	2016 AMOUNT	2017 AMOUNT	2016 AMOUNT
Operating revenue	\$ 486,576	\$ 427,098	\$ 1,399,058	\$ 1,299,105
Operating costs	(167,327)	(179,157)	(513,005)	(549,128)
Net operating margin	<u>319,249</u>	<u>247,941</u>	<u>886,053</u>	<u>749,977</u>
Operating expenses				
Selling expenses	(11,086)	(11,359)	(34,347)	(34,348)
General & administrative expenses	(71,033)	(61,138)	(208,089)	(181,375)
Total operating expenses	(82,119)	(72,497)	(242,436)	(215,723)
Operating profit	<u>237,130</u>	<u>175,444</u>	<u>643,617</u>	<u>534,254</u>
Non-operating income and expenses				
Other income	3,969	4,609	11,018	10,262
Other gains and losses	(11,168)	(7,559)	53,363	(14,093)
Finance costs	(596)	(807)	(1,680)	(2,507)
Total non-operating income and expenses	(7,795)	(3,757)	62,701	(6,338)
Profit before income tax	<u>229,335</u>	<u>171,687</u>	<u>706,318</u>	<u>527,916</u>
Income tax expense	(39,789)	(28,679)	(110,379)	(99,143)
Profit for the period	<u>\$ 189,546</u>	<u>\$ 143,008</u>	<u>\$ 595,939</u>	<u>\$ 428,773</u>
Other comprehensive income(net)				
Components of other comprehensive income that will be reclassified to profit or loss				
Financial statements translation differences of foreign operations	\$ 13,378	(\$ 12,854)	(\$ 10,920)	(\$ 25,830)
Total comprehensive income	<u>\$ 202,924</u>	<u>\$ 130,154</u>	<u>\$ 585,019</u>	<u>\$ 402,943</u>
Profit , attributable to:				
Owners of the parent	<u>\$ 189,546</u>	<u>\$ 143,008</u>	<u>\$ 595,939</u>	<u>\$ 428,773</u>
Comprehensive income attributable to:				
Owners of the parent	<u>\$ 202,924</u>	<u>\$ 130,154</u>	<u>\$ 585,019</u>	<u>\$ 402,943</u>
Basic earnings per share				
Profit for the period	<u>\$ 1.70</u>	<u>\$ 1.28</u>	<u>\$ 5.34</u>	<u>\$ 3.85</u>
Diluted earnings per share				
Total diluted earnings per share	<u>\$ 1.70</u>	<u>\$ 1.28</u>	<u>\$ 5.33</u>	<u>\$ 3.83</u>

SUNNY FRIEND ENVIRONMENTAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2017 AND 2016
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	Equity attributable to owners of the parent						Total
	Share capital - common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Financial statements translation differences of foreign operations	
<u>For the nine months ended September 30, 2016</u>							
Balance at January 1, 2016	\$ 1,115,000	\$ 452,500	\$ 83,616	\$ -	\$ 586,090	\$ 20,250	\$2,257,456
Appropriations of 2015 earnings:							
Legal reserve	-	-	51,355	-	(51,355)	-	-
Cash dividends	-	-	-	-	(390,249)	-	(390,249)
Profit for the period	-	-	-	-	428,773	-	428,773
Other comprehensive income for the period	-	-	-	-	-	(25,830)	(25,830)
Balance at September 30, 2016	<u>\$ 1,115,000</u>	<u>\$ 452,500</u>	<u>\$134,971</u>	<u>\$ -</u>	<u>\$ 573,259</u>	<u>(\$ 5,580)</u>	<u>\$2,270,150</u>
<u>For the nine months ended September 30, 2017</u>							
Balance at January 1, 2017	\$ 1,115,000	\$ 452,500	\$134,971	\$ -	\$ 757,249	(\$ 14,859)	\$2,444,861
Appropriations of 2016 earnings:							
Legal reserve	-	-	61,376	-	(61,376)	-	-
Special reserve	-	-	-	14,859	(14,859)	-	-
Cash dividends	-	-	-	-	(501,750)	-	(501,750)
Profit for the period	-	-	-	-	595,939	-	595,939
Other comprehensive income for the period	-	-	-	-	-	(10,920)	(10,920)
Balance at September 30, 2017	<u>\$ 1,115,000</u>	<u>\$ 452,500</u>	<u>\$196,347</u>	<u>\$ 14,859</u>	<u>\$ 775,203</u>	<u>(\$ 25,779)</u>	<u>\$2,528,130</u>

SUNNY FRIEND ENVIRONMENTAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	<u>2017</u>	<u>2016</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	\$ 706,318	\$ 527,916
Adjustments		
Adjustments to reconcile profit (loss)		
Gain on financial assets or liabilities at fair value through profit or loss, net	(129)	(582)
Provision(reversal of provision) for bad debt	16	(667)
Loss(gain) on disposal of property, plant and equipment	2,406	(192)
Gain on disposal of subsidiary	(93,449)	-
Depreciation	105,605	107,182
Amortization	40,940	40,289
Interest income	(3,502)	(3,785)
Interest expense	1,680	2,507
Long-term prepaid rents transferred to expenses	1,590	1,741
Changes in assets/liabilities relating to operating activities		
Net changes in assets relating to operating activities		
Financial assets held for trading	12,787	134,965
Notes and accounts receivable	(14,394)	(41,642)
Other receivables	1,919	573
Inventories	(26,082)	894
Prepayments	(2,241)	3,280
Other current assets	2,919	(7,945)
Other financial assets-current	(16,277)	(11,694)
Net changes in liabilities relating to operating activities		
Notes and accounts payable	(8,381)	(3,168)
Other payable	(3,920)	(6,829)
Receipts in advance	44,697	(10,591)
Other currents liabilities	22,191	13,763
Provision for decommissioning	2,514	2,615
Deferred income	(2,065)	(5,267)
Accrued pension liabilities	(1,377)	(538)
Cash generated from operations	773,765	742,825
Interest received	3,571	4,005
Interest paid	(1,774)	(2,610)
Income tax paid	(141,641)	(116,739)
Net cash provided by operating activities	<u>633,921</u>	<u>627,481</u>

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SUNNY FRIEND ENVIRONMENTAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	<u>2017</u>	<u>2016</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of property, plant and equipment	(\$ 248,797)	(\$ 155,474)
Proceeds from disposal of property, plant and equipment	1,176	437
Decrease in restricted assets	12,905	21,638
Increase in other non-current assets	(27,650)	(30,476)
(Increase) decrease in refundable deposits	(8,824)	2,332
Proceeds from disposal of subsidiary	128,441	-
Cash transfer from disposal of subsidiary	(449)	-
Net cash used in investing activities	(143,198)	(161,543)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Decrease in short-term borrowings	(431,500)	-
Increase in short-term borrowings	563,500	12,000
Decrease in short-term notes and bills payable	(20,992)	9,976
Proceeds from long-term debt	44,000	-
Repayments of long-term debt	(117,613)	(44,480)
Increase(decrease) in guarantee deposits received	6,553	(2,102)
Cash dividends	(501,750)	(390,249)
Net cash used in financing activities	(457,802)	(414,855)
Net effect of changes in foreign currency exchange rates	(6,282)	(4,694)
Increase in cash and cash equivalents	26,639	46,389
Cash and cash equivalents at beginning of period	962,826	482,821
Cash and cash equivalents at end of period	<u>\$ 989,465</u>	<u>\$ 529,210</u>