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

			March 31, 2017 es AMOUNT		ember 31, 2016	March 31, 2016 AMOUNT		
Assets No		Notes			AMOUNT			
	Current assets							
1100	Cash and cash equivalents	\$	998,725	\$	962,826	\$	579,280	
1110	Financial assets at fair value							
	through profit or loss - current		12,668		12,658		260,084	
1150	Notes receivable, net		40,070		57,669		54,856	
1170	Accounts receivable, net		221,618		240,832		228,490	
1200	Other receivables		12,108		10,164		717	
130X	Inventory		30,866		27,092		51,969	
1410	Prepayments		32,151		40,119		24,878	
1470	Other current assets		23,267		29,922		56,740	
11XX	Current Assets		1,371,473		1,381,282		1,257,014	
	Non-current assets							
1600	Property, plant and equipment		1,498,938		1,460,218		1,346,599	
1780	Intangible assets		370,153		378,205		408,653	
1840	Deferred income tax assets		11,113		11,037		9,925	
1900	Other non-current assets		212,322		208,210		206,915	
15XX	Non-current assets		2,092,526	-	2,057,670		1,972,092	
1XXX	Total assets		3,463,999	\$	3,438,952	\$	3,229,106	
	Liabilities and Equity		_ , ,		-,,		= ,=== ,===	
-	Current liabilities							
2100	Short-term borrowings	\$	76,500	\$	68,000	\$	10,000	
2110	Short-term notes and bills payable	Ψ	70,500	Ψ	20,992	Ψ	42,960	
2150	Notes payable		50,656		72,191		44,701	
2170	Accounts payable		50,878		32,572		27,575	
2200	Other payables		185,542		227,258		164,108	
2230	Current income tax liabilities		109,235		81,107		104.145	
2300	Other current liabilities		214,163		264,616		206,680	
21XX	Current Liabilities		686,974	-	766,736		600,169	
21/1/1	Non-current liabilities		000,774		700,730		000,109	
2540	Long-term borrowings		28,288		33,707		46,606	
2550	Provisions – non current		11,741		11,049		8,264	
2570	Deferred income tax liabilities		30,125		30,521		24,381	
2600	Other non-current liabilities		153,354		152,078		152,070	
25XX	Total non-current liabilities		223,508		227,355		231,321	
2XXX	Total Liabilities		910,482					
2ΛΛΛ	Total Liabilities		910,482		994,091		831,490	
	Equity attributable to owners of							
	parent							
	Share capital							
3110	Ordinary Share		1,115,000		1,115,000		1,115,000	
3110	Capital surplus		1,113,000		1,115,000		1,113,000	
3200	Capital surplus		452,500		452,500		452,500	
3200	Retained earnings		432,300		432,300		432,300	
3310	Legal reserve		134,971		134,971		83,616	
3350	Unappropriated retained earnings		907,282		757,249		728,520	
3330	Other equity interest		907,202		131,249		120,320	
3400	Other equity interest	(56,236)	(14,859)		17 000	
3XXX					2,444,861		17,980	
ΣΛΛΛ	Total equity Significant contingent liabilities		2,553,517		2,444,801	-	2,397,616	
	and unrecognised contract							
	commitments							
23/23/	Tradal Babilitian and a section	dr	0.460.000	ď	0 400 050	ď	2 220 100	
3X2X	Total liabilities and equity		3,463,999	<u> </u>	3,438,952	<u> </u>	3,229,106	

SUNNY FRIEND ENVIRONMENTAL CO., LTD.AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED) EOR THE THREE MONTHS ENDED MARCH 31 2017 AND 2016

FOR THE THREE MONTHS ENDED MARCH 31,2017 AND 2016
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items					Three months ended	ded March 31			
August A					2017	2016			
196, 175			Notes						
Spot		Operating revenue		\$	430,579 \$	455,419			
Soling expenses Comprehensive income net x will be reclassified to profit or the period Comprehensive income net x will be reclassified to profit or the period Comprehensive income net x will be reclassified to profit owners of the parent Comprehensive income tax will be reclassified to profit owners of the parent Soling expense Comprehensive income tax tributable to: Comprehensive income tax Comprehensive income Comprehensive income tax Comprehensive income	5000	Operating costs		(171,281)(196,175)			
Operating expenses Carried Selling expenses Carried Expenses Carried Selling expenses Carried Selling expenses Carried Selling expenses Carried Selling expenses Carrie	5900	Gross profit		-	259,298	259,244			
6200 General & administrative expenses (64,292) (60,434 6000 70 for total operating expenses (76,516) (72,476 70 70 70 70 70 70 70 70 70 70 70 70 70		Operating expenses		<u></u>		_			
expenses	6100			(12,224)(12,036)			
Total operating expenses (6200	General & administrative							
182,782 186,774 Non-operating income and expenses 7010 Other income 4,756 2,686 7020 Other gains and losses (5,469) (3,956 7050 Finance costs (734) (923 7000 Total non-operating revenue and expenses (1,447) (2,192 7000 Profit before income tax 181,335 184,581 8200 Profit for the period \$ 150,033 \$ 142,430 Other comprehensive income, net (41,377) (2,276 Comprehensive income that will be reclassified to profit or the period \$ 108,656 \$ 140,166 8700 Profit attributable to: 100,033 \$ 142,430 8700 Profit attributable to: 100,033 \$ 142,430 8700 Owners of the parent \$ 150,033 \$ 142,430 87		expenses		(60,434)			
Non-operating income and expenses	6000			(72,470)			
Expenses Control Con	6900	Operating profit			182,782	186,774			
Total of the income		Non-operating income and		<u></u>					
Other gains and losses (5,469)(3,956 7050 Finance costs (734)(923 7000 7000 Total non-operating revenue and expenses (1,447)(2,193 7000		expenses							
7050 Finance costs 7000 Total non-operating revenue and expenses (1,447) (2,193 7900 Profit before income tax Income tax expense (31,302) (42,151 8200 Profit for the period \$ 150,033 \$ 142,430 Other comprehensive income, net Components of other comprehensive income that will be reclassified to profit or loss 8361 Exchange differences on translation (41,377) (2,270 8500 Total comprehensive income Profit, attributable to: Owners of the parent \$ 150,033 \$ 142,430 Comprehensive income attributable to: 8710 Owners of the parent \$ 150,033 \$ 142,430 Basic earnings per share 9750 Profit for the period \$ 1.35 \$ 1.28 Diluted earnings per share Total diluted earnings per Total diluted earnings per						2,686			
Total non-operating revenue and expenses (7020	Other gains and losses		(3,956)			
revenue and expenses ((734)(923)			
181,335 184,581 1950 Income tax expense (31,302)(42,151 18200 Profit for the period \$ 150,033 142,436 Other comprehensive income,net	7000								
Translation Total comprehensive income Sample Sam				(1,447)(2,193)			
State Stat		Profit before income tax				184,581			
Other comprehensive income,net Components of other comprehensive income that will be reclassified to profit or loss				(42,151)			
income,net Components of other comprehensive income that will be reclassified to profit or loss 8361 Exchange differences on translation (41,377)(2,276 8500 Total comprehensive income Profit, attributable to: 8610 Owners of the parent \$ 150,033 \$ 142,436 Comprehensive income attributable to: 8710 Owners of the parent \$ 108,656 \$ 140,166 Basic earnings per share 9750 Profit for the period \$ 1.35 \$ 1.28 Diluted earnings per share 9850 Total diluted earnings per	8200	Profit for the period		\$	150,033 \$	142,430			
Components of other		Other comprehensive							
comprehensive income that will be reclassified to profit or loss 8361 Exchange differences on translation (41,377) (2,270		income,net							
will be reclassified to profit or loss 8361 Exchange differences on translation (41,377)(2,270 8500 Total comprehensive income \$ 108,656 \$ 140,160 Profit, attributable to: 8610 Owners of the parent \$ 150,033 \$ 142,430 Comprehensive income attributable to: 8710 Owners of the parent \$ 108,656 \$ 140,160 Basic earnings per share 9750 Profit for the period \$ 1.35 \$ 1.28 Diluted earnings per share 9850 Total diluted earnings per		Components of other							
or loss 8361 Exchange differences on translation (41,377) (2,270 8500 Total comprehensive income \$ 108,656 \$ 140,160 Profit , attributable to: 8610 Owners of the parent \$ 150,033 \$ 142,430 Comprehensive income attributable to: 8710 Owners of the parent \$ 108,656 \$ 140,160 Basic earnings per share 9750 Profit for the period \$ 1.35 \$ 1.28 Diluted earnings per share 9850 Total diluted earnings per									
8361 Exchange differences on translation									
translation									
8500 Total comprehensive income \$\frac{108,656}{9}\$\$\$ \$\frac{140,160}{9}\$\$ Profit, attributable to: 8610 Owners of the parent \$\frac{150,033}{9}\$	8361								
Profit, attributable to: 8610 Owners of the parent \$ 150,033 \$ 142,430 Comprehensive income attributable to: 8710 Owners of the parent \$ 108,656 \$ 140,160 Basic earnings per share 9750 Profit for the period \$ 1.35 \$ 1.28 Diluted earnings per share Total diluted earnings per				(41,377)(2,270)			
8610 Owners of the parent Comprehensive income attributable to: 8710 Owners of the parent Basic earnings per share Profit for the period Diluted earnings per share Total diluted earnings per \$ 150,033 \$ 142,430 \$ 140,160 \$ 1.35 \$ 1.28	8500	-		\$	108,656 \$	140,160			
Comprehensive income attributable to: 8710 Owners of the parent \$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$\									
attributable to: 8710 Owners of the parent \$\\$ \frac{108,656}{5}\$	8610			\$	150,033 <u>\$</u>	142,430			
8710 Owners of the parent \$\\ \\$ \\ \ \ \ \ \ \ \ \ \ \ \ \ \ \						_			
Basic earnings per share Profit for the period \$ 1.35 \$ 1.28 Diluted earnings per share Total diluted earnings per		attributable to:							
9750 Profit for the period \$\\ \text{1.35}\\ \text{Diluted earnings per share}\\ 9850 Total diluted earnings per	8710	Owners of the parent		\$	108,656 \$	140,160			
9750 Profit for the period \$\\ \text{1.35}\\ \text{Diluted earnings per share}\\ 9850 Total diluted earnings per		Basic earnings per share							
Diluted earnings per share 9850 Total diluted earnings per	9750			<u>\$</u>	1.35 \$	1.28			
9850 Total diluted earnings per		Diluted earnings per share			<u> </u>				
0 1	9850								
				\$	1.34 \$	1.28			

SUNNY FRIEND ENVIRONMENTAL CO., LTD.AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED) FOR THE THREE MONTHS ENDED MARCH 31, 2017 AND 2016 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Equity attributable to owners of the parent					
		•	Retained	Earnings		
	Ordinary share	Capital surplus, additional paid-in capital	Legal reserve	Total unappropriate d retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations	Total
For the three months ended March 31,2016						
Balance at January 1, 2016	\$ 1,115,000	\$ 452,500	\$ 83,616	\$ 586,090	\$ 20,250	\$ 2,257,456
Profit for the period	-	-	-	142,430	-	142,430
Other comprehensive income for the period	_	_ _	_	_	(2,270)	(2,270)
Balance at March 31, 2016	\$ 1,115,000	\$ 452,500	\$ 83,616	\$ 728,520	\$ 17,980	\$ 2,397,616
For the three months ended March 31,2017						
Balance at January 1, 2017	\$ 1,115,000	\$ 452,500	\$ 134,971	\$ 757,249	(\$ 14,859)	\$ 2,444,861
Profit for the period	-	-	-	150,033	-	150,033
Other comprehensive income for the period	_	_ _	_	_	(41,377)	(41,377)
Balance at March 31, 2017	\$ 1,115,000	\$ 452,500	\$ 134,971	\$ 907,282	(\$ 56,236)	\$ 2,553,517

SUNNY FRIEND ENVIRONMENTAL CO., LTD.AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) FOR THE THREE MONTHS ENDED MARCH 31,2017 AND 2016 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

_	Notes 2017			2016	
CASH FLOWS FROM OPERATING ACTIVITIES					
Consolidated profit before tax for the period Adjustments to reconcile profit (loss) before tax to net cash provided by (used in)operating activities Income and expenses having no effect on cash flows		\$	181,335	\$	184,581
Net gain on financial assets and liabilities at fair value through profit or loss		(10)	(262)
Provision(reversal of provision) for bad debt expense			23	(150)
Loss(gain) on disposal of property, plant and					
equipment			128	(16)
Depreciation expense Amortization expense Interest revenue Interest expense Long-term prepaid rents transferred to expenses		(35,202 12,977 1,163) 734 534	(35,474 11,891 1,391) 923 528
Changes in assets/liabilities relating to operating activities Net changes in assets relating to operating activities Financial assets held for trading					1,507
Notes and accounts receivable Other receivables Inventories		(36,790 1,989) 3,774)	(11,504) 151 3,449
Prepayments Other current assets Other financial assets-current			7,968 3,212	(3,288) 4 12,225)
Net changes in liabilities relating to operating activities Notes and accounts payable Other payable		(6,404 48,995)	(11,964 29,406)
Receipts in advance Other currents liabilities Provision for decommissioning			22,581 6,043 692	(30,299) 6,354) 822
Deferred income Accrued pension liabilities		(667) 817)	(991) 538)
Cash generated from operations Interest received Interest paid		(257,208 1,189 761)	(154,870 1,560 981)
Income tax paid Net cash provided by operating activities		(3,472) 254,164	(452) 154,997

(Continued)

SUNNY FRIEND ENVIRONMENTAL CO., LTD.AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) FOR THE THREE MONTHS ENDED MARCH 31,2017 AND 2016 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

_	Notes	Notes 2017		2016	
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of property, plant and equipment	(\$	84,921)	(\$	25,352)
Proceeds from disposal of property, plant and equipment			175		186
Decrease in restricted assets			2,854		1,979
Increase in other non-current assets	(19,296)	(11,732)
Decrease in refundable deposits			1,123		1,641
Increase in deferred expense	_			(3,363)
Net cash used in investing activities	(100,065)	(36,641)
CASH FLOWS FROM FINANCING ACTIVITIES					
Decrease in short-term borrowings	(50,000)		-
Increase in short-term borrowings			58,500		4,000
Decrease in short-term notes and bills payable	(20,992)	(1)
Repayments of long-term debt	(83,051)	(20,276)
Increase(decrease) in guarantee deposits received			4,818	(_	3,837)
Net cash used in financing activities	(90,725)	(20,114)
Effect of exchange rate changes on cash and cash					
equivalents	(27,475)	(1,783)
Net Increase in cash and cash equivalents			35,899		96,459
Cash and cash equivalents at beginning of period	_		962,826		482,821
Cash and cash equivalents at end of period	_	\$	998,725	\$	579,280