

CALITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets		June 30, 2016		December 31, 2015		June 30, 2015	
		Amount	%	Amount	%	Amount	%
Current assets							
1100	Cash and cash equivalents	\$ 208,699	45	\$ 223,906	49	\$ 209,821	43
1125	Available-for-sale financial assets						
	- current	25,029	5	-	-	-	-
1150	Notes receivable, net	333	-	134	-	145	-
1170	Accounts receivable, net	46,835	10	50,424	11	66,247	14
1200	Other receivables	1,297	-	156	-	1,574	-
130X	Inventories, net	61,055	13	52,619	11	75,928	16
1410	Prepayments	3,413	1	2,309	1	2,623	1
1470	Other current assets	155	-	23	-	1,452	-
11XX	Total current assets	<u>346,816</u>	<u>74</u>	<u>329,571</u>	<u>72</u>	<u>357,790</u>	<u>74</u>
Non-current assets							
1600	Property, plant and equipment, net	116,255	25	121,589	27	118,989	25
1780	Intangible assets	1,132	-	1,841	-	2,120	-
1840	Deferred income tax assets	6,241	1	6,325	1	6,236	1
1900	Other non-current assets	531	-	531	-	1,023	-
15XX	Total non-current assets	<u>124,159</u>	<u>26</u>	<u>130,286</u>	<u>28</u>	<u>128,368</u>	<u>26</u>
1XXX	Total assets	<u>\$ 470,975</u>	<u>100</u>	<u>\$ 459,857</u>	<u>100</u>	<u>\$ 486,158</u>	<u>100</u>

(Continued)

CALITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity		June 30, 2016		December 31, 2015		June 30, 2015	
		Amount	%	Amount	%	Amount	%
Current liabilities							
2100	Short-term borrowings	\$ 10,000	2	\$ -	-	\$ -	-
2120	Financial liabilities at fair value through profit or loss - current	-	-	-	-	336	-
2170	Accounts payable	38,773	8	32,098	7	39,159	8
2200	Other payables	62,713	13	23,317	5	47,675	10
2230	Current income tax liabilities	3,506	1	3,855	1	5,700	1
2250	Provisions - current	1,118	-	1,588	-	601	-
2300	Other current liabilities	4,277	1	10,898	2	17,274	4
21XX	Total current liabilities	<u>120,387</u>	<u>25</u>	<u>71,756</u>	<u>15</u>	<u>110,745</u>	<u>23</u>
Non-current liabilities							
2540	Long-term loans	-	-	7,875	2	10,500	2
2550	Provisions - non-current	2,028	-	1,987	-	1,992	1
2570	Deferred tax liabilities	-	-	356	-	981	-
2600	Other non-current liabilities	2,364	1	2,423	1	1,881	-
25XX	Total non-current liabilities	<u>4,392</u>	<u>1</u>	<u>12,641</u>	<u>3</u>	<u>15,354</u>	<u>3</u>
2XXX	Total liabilities	<u>124,779</u>	<u>26</u>	<u>84,397</u>	<u>18</u>	<u>126,099</u>	<u>26</u>
Equity attributable to owners of parent							
Share capital							
3110	Ordinary shares	287,267	61	287,267	62	287,267	59
Capital surplus							
3200	Capital surplus	19,908	4	19,097	4	19,097	4
Retained earnings							
3310	Legal reserve	10,284	2	4,632	1	4,632	1
3350	Unappropriated retained earnings	34,427	8	71,241	16	44,385	9
Other equity interest							
3400	Other equity interest	29	-	-	-	4,678	1
Treasury stock							
3500	Treasury stock	(5,719)	(1)	(6,777)	(1)	-	-
3XXX	Total equity	<u>346,196</u>	<u>74</u>	<u>375,460</u>	<u>82</u>	<u>360,059</u>	<u>74</u>
3X2X	Total liabilities and equity	<u>\$ 470,975</u>	<u>100</u>	<u>\$ 459,857</u>	<u>100</u>	<u>\$ 486,158</u>	<u>100</u>

CALITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

	Three-Month Periods Ended June 30				Six-Month Periods Ended June 30			
	2016		2015		2016		2015	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenue	\$ 62,415	100	\$ 82,191	100	\$ 128,657	100	\$ 169,152	100
5000 Operating costs	(44,503)	(71)	(55,195)	(67)	(89,248)	(70)	(114,135)	(68)
5900 Gross profit	<u>17,912</u>	<u>29</u>	<u>26,996</u>	<u>33</u>	<u>39,409</u>	<u>30</u>	<u>55,017</u>	<u>32</u>
Operating expenses								
6100 Selling expenses	(3,723)	(6)	(3,136)	(4)	(7,712)	(6)	(7,225)	(4)
6200 General and administrative expenses	(5,835)	(9)	(6,260)	(7)	(13,862)	(11)	(16,319)	(10)
6300 Research and development expenses	(2,923)	(5)	(2,425)	(3)	(5,899)	(4)	(4,247)	(2)
6000 Total operating expenses	(12,481)	(20)	(11,821)	(14)	(27,473)	(21)	(27,791)	(16)
6900 Operating profit	<u>5,431</u>	<u>9</u>	<u>15,175</u>	<u>19</u>	<u>11,936</u>	<u>9</u>	<u>27,226</u>	<u>16</u>
Non-operating income and expenses								
7010 Other income	223	-	229	-	471	-	416	-
7020 Other gains and losses	158	-	(1,479)	(2)	(468)	-	205	-
7050 Finance costs	(31)	-	(108)	-	(78)	-	(224)	-
7000 Total non-operating income and expenses	<u>350</u>	<u>-</u>	<u>(1,358)</u>	<u>(2)</u>	<u>(75)</u>	<u>-</u>	<u>397</u>	<u>-</u>
7900 Profit before income tax	<u>5,781</u>	<u>9</u>	<u>13,517</u>	<u>17</u>	<u>11,861</u>	<u>9</u>	<u>27,623</u>	<u>16</u>
7950 Income tax (expense) benefit	(2,889)	(4)	(5,241)	(7)	(3,202)	(2)	806	1
8200 Profit for the period	<u>\$ 2,892</u>	<u>5</u>	<u>\$ 8,576</u>	<u>10</u>	<u>\$ 8,659</u>	<u>7</u>	<u>\$ 28,429</u>	<u>17</u>
Other comprehensive income								
Items that may be subsequently reclassified to profit or loss								
8361 Cumulative translation differences of foreign operations	\$ -	-	(\$ 86)	-	\$ -	-	\$ 292	-
8362 Unrealized gain on available-for-sale financial assets	21	-	-	-	29	-	-	-
8399 Income tax relating to items that may be reclassified to profit or loss	-	-	14	-	-	-	(958)	(1)
8300 Total other comprehensive loss, net of tax	<u>\$ 21</u>	<u>-</u>	<u>(\$ 72)</u>	<u>-</u>	<u>\$ 29</u>	<u>-</u>	<u>(\$ 666)</u>	<u>(1)</u>
8500 Total comprehensive income for the period	<u>\$ 2,913</u>	<u>5</u>	<u>\$ 8,504</u>	<u>10</u>	<u>\$ 8,688</u>	<u>7</u>	<u>\$ 27,763</u>	<u>16</u>
Profit attributable to:								
8610 Owners of the parent	<u>\$ 2,892</u>	<u>5</u>	<u>\$ 8,574</u>	<u>10</u>	<u>\$ 8,659</u>	<u>7</u>	<u>\$ 29,158</u>	<u>17</u>
8620 Non-controlling interest	<u>\$ -</u>	<u>-</u>	<u>\$ 2</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>(\$ 729)</u>	<u>-</u>
Comprehensive income (loss) attributable to:								
8710 Owners of the parent	<u>\$ 2,913</u>	<u>5</u>	<u>\$ 8,504</u>	<u>10</u>	<u>\$ 8,688</u>	<u>7</u>	<u>\$ 28,732</u>	<u>17</u>
8720 Non-controlling interest	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>(\$ 969)</u>	<u>(1)</u>
Earnings per share								
9750 Basic earnings per share	<u>\$ 0.10</u>		<u>\$ 0.30</u>		<u>\$ 0.30</u>		<u>\$ 1.02</u>	
9850 Diluted earnings per share	<u>\$ 0.10</u>		<u>\$ 0.30</u>		<u>\$ 0.30</u>		<u>\$ 1.01</u>	

CALITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Equity attributable to owners of parent										Non-controlling interest	Total equity
	Retained earnings				Other equity interest			Treasury stock	Total			
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Cumulative translation differences of foreign operations	Unrealized gain on available-for-sale financial assets						
2015												
Balance at January 1, 2015	\$ 287,267	\$ 19,097	\$ -	\$ 42,840	\$ 5,104	\$ -	\$ -	\$ 354,308	\$ 12,549	\$ 366,857		
Distribution of retained earnings of 2014:												
Legal reserve appropriated	-	-	4,632	(4,632)	-	-	-	-	-	-		
Cash dividends	-	-	-	(22,981)	-	-	-	(22,981)	-	(22,981)		
Profit for the period	-	-	-	29,158	-	-	-	29,158	(729)	28,429		
Other comprehensive loss for the period	-	-	-	-	(426)	-	-	(426)	(240)	(666)		
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(11,580)	(11,580)		
Balance at June 30, 2015	<u>\$ 287,267</u>	<u>\$ 19,097</u>	<u>\$ 4,632</u>	<u>\$ 44,385</u>	<u>\$ 4,678</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 360,059</u>	<u>\$ -</u>	<u>\$ 360,059</u>		
2016												
Balance at January 1, 2016	\$ 287,267	\$ 19,097	\$ 4,632	\$ 71,241	\$ -	\$ -	(\$ 6,777)	\$ 375,460	\$ -	\$ 375,460		
Distribution of retained earnings of 2015:												
Legal reserve appropriated	-	-	5,652	(5,652)	-	-	-	-	-	-		
Cash dividends	-	-	-	(39,821)	-	-	-	(39,821)	-	(39,821)		
Share-based payment	-	824	-	-	-	-	-	824	-	824		
Treasury stocks repurchase	-	-	-	-	-	-	(3,166)	(3,166)	-	(3,166)		
Proceeds from transferring treasury stocks to employees	-	(13)	-	-	-	-	4,224	4,211	-	4,211		
Profit for the period	-	-	-	8,659	-	-	-	8,659	-	8,659		
Other comprehensive income for the period	-	-	-	-	-	29	-	29	-	29		
Balance at June 30, 2016	<u>\$ 287,267</u>	<u>\$ 19,908</u>	<u>\$ 10,284</u>	<u>\$ 34,427</u>	<u>\$ -</u>	<u>\$ 29</u>	<u>(\$ 5,719)</u>	<u>\$ 346,196</u>	<u>\$ -</u>	<u>\$ 346,196</u>		

CALITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Six-Month Periods Ended June 30	
	2016	2015
	Amount	Amount
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Consolidated profit before tax for the period	\$ 11,861	\$ 27,623
Adjustments to reconcile profit before tax to net cash provided by operating activities		
Income and expenses having no effect on cash flows		
Depreciation	6,343	6,753
Amortisation of intangible assets	739	858
Reversal for doubtful accounts	(1,647)	(88)
Net gain on financial liabilities at fair value through profit or loss	-	336
Interest income	(293)	(206)
Interest expense	78	224
Gain on disposal of property, plant and equipment	-	(225)
Property, plant and equipment transferred to expenses	-	151
Compensation cost of share-based payments	824	-
Gain on disposal of subsidiaries	-	(3,130)
Changes in assets/liabilities relating to operating activities		
Net changes in assets relating to operating activities		
Notes receivable	(199)	373
Accounts receivable	5,236	4,191
Other receivables	(1,143)	(175)
Inventories	(8,436)	3,620
Prepayments	(1,104)	2,558
Other current assets	(132)	(421)
Other non-current assets	-	(13)
Net changes in liabilities relating to operating activities		
Notes payable	-	(1)
Accounts payable	6,675	4,257
Other payables	(166)	(7,919)
Provisions - current	(470)	177
Other current liabilities	(1,371)	9,270
Provisions - non-current	41	-
Other non-current liabilities	(59)	5,886
Cash generated from operations	16,777	54,099
Interest received	295	195
Interest paid	(80)	(226)
Income tax paid	(3,823)	(8,182)
Net cash provided by operating activities	13,169	45,886

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CALITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	<u>Six-Month Periods Ended June 30</u>	
	<u>2016</u>	<u>2015</u>
	<u>Amount</u>	<u>Amount</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of available-for-sale financial assets		
- current	(\$ 25,000)	\$ -
Acquisition of property, plant and equipment	(1,266)	(5,303)
Proceeds from disposal of property, plant and equipment	-	1,840
Acquisition of intangible assets	(30)	(867)
Decrease in refundable deposits	-	(500)
Net cash inflow on disposal of subsidiaries	-	10,625
Net cash (used in) provided by investing activities	(<u>26,296</u>)	<u>5,795</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in short-term loans	20,000	20,000
Repayments of short-term loans	(10,000)	(20,000)
Repayments of long-term loans	(13,125)	(2,625)
Payments for buy-back of treasury shares	(3,166)	-
Proceeds from transferring treasury stocks to employees	<u>4,211</u>	<u>-</u>
Net cash used in financing activities	(<u>2,080</u>)	(<u>2,625</u>)
Net effect of changes in foreign currency exchange rates	-	3,202
Increase (Decrease) in cash and cash equivalents	(15,207)	52,258
Cash and cash equivalents at beginning of period	<u>223,906</u>	<u>157,563</u>
Cash and cash equivalents at end of period	<u>\$ 208,699</u>	<u>\$ 209,821</u>