

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

Assets		September 30, 2016		December 31, 2015		September 30, 2015	
		Amount	%	Amount	%	Amount	%
Current assets							
1100	Cash and cash equivalents	\$ 236,945	47	\$ 223,906	49	\$ 208,416	44
1110	Financial assets at fair value through profit or loss - current	-	-	-	-	874	-
1125	Available-for-sale financial assets - current	25,048	5	-	-	-	-
1150	Notes receivable, net	136	-	134	-	241	-
1170	Accounts receivable, net	54,508	11	50,424	11	52,103	11
1200	Other receivables	1,353	-	156	-	3,474	1
130X	Inventories, net	59,883	12	52,619	11	73,353	16
1410	Prepayments	1,598	1	2,309	1	1,737	-
1470	Other current assets	32	-	23	-	1,356	-
11XX	Total current assets	<u>379,503</u>	<u>76</u>	<u>329,571</u>	<u>72</u>	<u>341,554</u>	<u>72</u>
Non-current assets							
1600	Property, plant and equipment, net	114,202	23	121,589	27	123,736	26
1780	Intangible assets	951	-	1,841	-	2,193	1
1840	Deferred income tax assets	6,195	1	6,325	1	5,934	1
1900	Other non-current assets	530	-	531	-	523	-
15XX	Total non-current assets	<u>121,878</u>	<u>24</u>	<u>130,286</u>	<u>28</u>	<u>132,386</u>	<u>28</u>
1XXX	Total assets	<u>\$ 501,381</u>	<u>100</u>	<u>\$ 459,857</u>	<u>100</u>	<u>\$ 473,940</u>	<u>100</u>

(Continued)

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

Liabilities and Equity		September 30, 2016		December 31, 2015		September 30, 2015	
		Amount	%	Amount	%	Amount	%
Current liabilities							
2100	Short-term borrowings	\$ -	-	\$ -	-	\$ 10,000	2
2170	Accounts payable	43,048	9	32,098	7	31,431	7
2200	Other payables	25,988	5	23,317	5	28,882	6
2230	Current income tax liabilities	1,677	-	3,855	1	1,587	-
2250	Provisions - current	869	-	1,588	-	527	-
2300	Other current liabilities	4,472	1	10,898	2	16,222	4
21XX	Total current liabilities	<u>76,054</u>	<u>15</u>	<u>71,756</u>	<u>15</u>	<u>88,649</u>	<u>19</u>
Non-current liabilities							
2540	Long-term loans	-	-	7,875	2	9,187	2
2550	Provisions - non-current	2,208	-	1,987	-	2,159	1
2570	Deferred tax liabilities	-	-	356	-	885	-
2600	Other non-current liabilities	2,317	1	2,423	1	1,833	-
25XX	Total non-current liabilities	<u>4,525</u>	<u>1</u>	<u>12,641</u>	<u>3</u>	<u>14,064</u>	<u>3</u>
2XXX	Total liabilities	<u>80,579</u>	<u>16</u>	<u>84,397</u>	<u>18</u>	<u>102,713</u>	<u>22</u>
Equity attributable to owners of parent							
Share capital							
3110	Ordinary shares	316,267	63	287,267	62	287,267	60
Capital surplus							
3200	Capital surplus	56,531	11	19,097	4	19,097	4
Retained earnings							
3310	Legal reserve	10,284	2	4,632	1	4,632	1
3350	Unappropriated retained earnings	43,391	9	71,241	16	60,819	13
Other equity interest							
3400	Other equity interest	48	-	-	-	(588)	-
Treasury stock							
3500	Treasury stock	(5,719)	(1)	(6,777)	(1)	-	-
3XXX	Total equity	<u>420,802</u>	<u>84</u>	<u>375,460</u>	<u>82</u>	<u>371,227</u>	<u>78</u>
3X2X	Total liabilities and equity	<u>\$ 501,381</u>	<u>100</u>	<u>\$ 459,857</u>	<u>100</u>	<u>\$ 473,940</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 September 30				Nine-Month Periods Ended September 30			
	2016		2015		2016		2015	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenue	\$ 79,292	100	\$ 63,481	100	\$ 207,949	100	\$ 232,633	100
5000 Operating costs	(52,329)	(66)	(47,408)	(75)	(141,577)	(68)	(161,543)	(70)
5900 Gross profit	26,963	34	16,073	25	66,372	32	71,090	30
Operating expenses								
6100 Selling expenses	(3,413)	(4)	(3,302)	(5)	(11,125)	(6)	(10,527)	(4)
6200 General and administrative expenses	(7,444)	(10)	(8,585)	(14)	(21,306)	(10)	(24,904)	(11)
6300 Research and development expenses	(2,983)	(4)	(898)	(1)	(8,882)	(4)	(5,145)	(2)
6000 Total operating expenses	(13,840)	(18)	(12,785)	(20)	(41,313)	(20)	(40,576)	(17)
6900 Operating profit	13,123	16	3,288	5	25,059	12	30,514	13
Non-operating income and expenses								
7010 Other income	237	-	599	1	708	-	1,015	-
7020 Other gains and losses	(2,463)	(3)	15,341	24	(2,931)	(1)	15,546	7
7050 Finance costs	(97)	-	(133)	-	(175)	-	(357)	-
7000 Total non-operating income and expenses	(2,323)	(3)	15,807	25	(2,398)	(1)	16,204	7
7900 Profit before income tax	10,800	13	19,095	30	22,661	11	46,718	20
7950 Income tax expense	(1,836)	(2)	(2,663)	(4)	(5,038)	(2)	(1,857)	(1)
8200 Profit for the period	\$ 8,964	11	\$ 16,432	26	\$ 17,623	9	\$ 44,861	19
Other comprehensive income								
Items that may be subsequently reclassified to profit or loss								
8361 Cumulative translation differences of foreign operations	\$ -	-	(\$ 6,342)	(10)	\$ -	-	(\$ 6,050)	(2)
8362 Unrealized gain on available-for-sale financial assets	19	-	-	-	48	-	-	-
8399 Income tax relating to items that may be reclassified to profit or loss	-	-	1,078	2	-	-	120	-
8300 Total other comprehensive loss, net of tax	\$ 19	-	(\$ 5,264)	(8)	\$ 48	-	(\$ 5,930)	(2)
8500 Total comprehensive income for the period	\$ 8,983	11	\$ 11,168	18	\$ 17,671	9	\$ 38,931	17
Profit attributable to:								
8610 Owners of the parent	\$ 8,964	11	\$ 16,434	26	\$ 17,623	9	\$ 45,592	19
8620 Non-controlling interest	\$ -	-	(\$ 2)	-	\$ -	-	(\$ 731)	-
Comprehensive income (loss) attributable to:								
8710 Owners of the parent	\$ 8,983	11	\$ 11,168	18	\$ 17,671	9	\$ 39,900	17
8720 Non-controlling interest	\$ -	-	\$ -	-	\$ -	-	(\$ 969)	-
Earnings per share								
9750 Basic earnings per share	\$ 0.31		\$ 0.57		\$ 0.62		\$ 1.59	
9850 Diluted earnings per share	\$ 0.31		\$ 0.57		\$ 0.62		\$ 1.58	

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	-	-	-	45,592	-	-	-	45,592	(731)	44,861		
Other comprehensive loss for the period	-	-	-	-	(5,692)	-	-	(5,692)	(238)	(5,930)		
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(11,580)	(11,580)		
Balance at September 30, 2015	<u>\$ 287,267</u>	<u>\$ 19,097</u>	<u>\$ 4,632</u>	<u>\$ 60,819</u>	<u>\$ 588</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 371,227</u>	<u>\$ -</u>	<u>\$ 371,227</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	-	1,649	-	-	-	-	-	1,649	-	1,649		
Treasury stocks repurchase	-	-	-	-	-	-	(3,166)	(3,166)	-	(3,166)		
Proceeds from transferring treasury stocks to employees	-	(13)	-	-	-	-	4,224	4,211	-	4,211		
Issuance of common stock for cash	29,000	35,798	-	-	-	-	-	64,798	-	64,798		
Profit for the period	-	-	-	17,623	-	-	-	17,623	-	17,623		
Other comprehensive income for the period	-	-	-	-	-	48	-	48	-	48		
Balance at September 30, 2016	<u>\$ 316,267</u>	<u>\$ 56,531</u>	<u>\$ 10,284</u>	<u>\$ 43,391</u>	<u>\$ -</u>	<u>\$ 48</u>	<u>(\$ 5,719)</u>	<u>\$ 420,802</u>	<u>\$ -</u>	<u>\$ 420,802</u>		

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

	Nine-Month Periods Ended September	
	2016	2015
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Consolidated profit before tax for the period	\$ 22,661	\$ 46,718
Adjustments to reconcile profit before tax to net cash provided by operating activities		
Income and expenses having no effect on cash flows		
Depreciation	9,260	9,681
Amortisation of intangible assets	1,080	1,251
Reversal for doubtful accounts	(1,653)	2,197
Net gain on financial liabilities at fair value through profit	-	(874)
Interest income	(426)	(352)
Interest expense	175	357
Gain on disposal of property, plant and equipment	-	(98)
Property, plant and equipment transferred to expenses	-	151
Compensation cost of share-based payments	1,649	-
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	(2)	277
Accounts receivable	(2,431)	16,050
Other receivables	(1,185)	(2,020)
Inventories	(7,264)	6,195
Prepayments	711	3,444
Other current assets	(9)	(325)
Other non-current assets	-	(33)
Net changes in liabilities relating to operating activities		
Notes payable	-	(1)
Accounts payable	10,950	(3,471)
Other payables	2,552	(7,590)
Provisions - current	(719)	(175)
Other current liabilities	(1,176)	8,218
Provisions - non-current	221	445
Other non-current liabilities	(106)	5,838
Cash generated from operations	34,288	82,753
Interest received	414	286
Interest paid	(178)	(375)
Income tax paid	(7,442)	(13,791)
Net cash provided by operating activities	27,082	68,873

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

	<u>Nine-Month Periods Ended September 30</u>	
	<u>2016</u>	<u>2015</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of available-for-sale financial assets		
- current	(\$ 25,000)	\$ -
Acquisition of property, plant and equipment	(1,751)	(9,211)
Proceeds from disposal of property, plant and equipment	-	1,819
Acquisition of intangible assets	(190)	(1,333)
Decrease in refundable deposits	1	20
Net cash inflow on disposal of subsidiaries	-	10,625
Net cash (used in) provided by investing activities	(<u>26,940</u>)	(<u>1,920</u>)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in short-term loans	40,000	30,000
Repayments of short-term loans	(40,000)	(20,000)
Repayments of long-term loans	(13,125)	(3,938)
Issuance of common stock for cash	64,798	-
Cash dividends paid	(39,821)	(22,981)
Payments for buy-back of treasury shares	(3,166)	-
Proceeds from transferring treasury stocks to employees	4,211	-
Net cash provided by (used in) financing activities	(<u>12,897</u>)	(<u>16,919</u>)
Net effect of changes in foreign currency exchange rates	(<u>-</u>)	(<u>3,021</u>)
Increase in cash and cash equivalents	13,039	50,853
Cash and cash equivalents at beginning of period	223,906	157,563
Cash and cash equivalents at end of period	<u>\$ 236,945</u>	<u>\$ 208,416</u>