

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

Assets		December 31, 2016		December 31, 2015	
		Amount	%	Amount	%
Current assets					
1100	Cash and cash equivalents	\$ 247,478	47	\$ 223,906	49
1125	Available-for-sale financial assets				
	- current	25,066	5	-	-
1150	Notes receivable, net	476	-	134	-
1170	Accounts receivable, net	72,232	14	50,424	11
1200	Other receivables	1,115	-	156	-
130X	Inventories, net	54,006	10	52,619	11
1410	Prepayments	2,263	1	2,309	1
1470	Other current assets	20	-	23	-
11XX	Total current assets	<u>402,656</u>	<u>77</u>	<u>329,571</u>	<u>72</u>
Non-current assets					
1600	Property, plant and equipment, net	111,920	22	121,589	27
1780	Intangible assets	923	-	1,841	-
1840	Deferred income tax assets	6,900	1	6,325	1
1900	Other non-current assets	508	-	531	-
15XX	Total non-current assets	<u>120,251</u>	<u>23</u>	<u>130,286</u>	<u>28</u>
1XXX	Total assets	<u>\$ 522,907</u>	<u>100</u>	<u>\$ 459,857</u>	<u>100</u>

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

Liabilities and Equity		December 31, 2016		December 31, 2015	
		Amount	%	Amount	%
Current liabilities					
2170	Accounts payable	\$ 49,367	10	\$ 32,098	7
2200	Other payables	19,814	4	23,317	5
2230	Current income tax liabilities	5,209	1	3,855	1
2250	Provisions - current	814	-	1,588	-
2300	Other current liabilities	6,286	1	10,898	2
21XX	Total current liabilities	<u>81,490</u>	<u>16</u>	<u>71,756</u>	<u>15</u>
Non-current liabilities					
2540	Long-term loans	-	-	7,875	2
2550	Provisions - non-current	2,297	-	1,987	-
2570	Deferred tax liabilities	288	-	356	-
2600	Other non-current liabilities	2,922	1	2,423	1
25XX	Total non-current liabilities	<u>5,507</u>	<u>1</u>	<u>12,641</u>	<u>3</u>
2XXX	Total liabilities	<u>86,997</u>	<u>17</u>	<u>84,397</u>	<u>18</u>
Equity attributable to owners of parent					
Share capital					
3110	Ordinary shares	316,267	60	287,267	62
Capital surplus					
3200	Capital surplus	56,531	11	19,097	4
Retained earnings					
3310	Legal reserve	10,284	2	4,632	1
3350	Unappropriated retained earnings	58,481	11	71,241	16
Other equity interest					
3400	Other equity interest	66	-	-	-
Treasury stock					
3500	Treasury stock	(5,719)	(1)	(6,777)	(1)
3XXX	Total equity	<u>435,910</u>	<u>83</u>	<u>375,460</u>	<u>82</u>
3X2X	Total liabilities and equity	<u>\$ 522,907</u>	<u>100</u>	<u>\$ 459,857</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)

		Years Ended December 31			
		2016		2015	
		Amount	%	Amount	%
4000	Operating revenue	\$ 293,215	100	\$ 321,390	100
5000	Operating costs	(201,272)	(69)	(225,219)	(70)
5900	Gross profit	<u>91,943</u>	<u>31</u>	<u>96,171</u>	<u>30</u>
	Operating expenses				
6100	Selling expenses	(14,343)	(5)	(14,522)	(5)
6200	General and administrative expenses	(27,674)	(9)	(30,019)	(9)
6300	Research and development expenses	(10,938)	(4)	(7,542)	(2)
6000	Total operating expenses	<u>(52,955)</u>	<u>(18)</u>	<u>(52,083)</u>	<u>(16)</u>
6900	Operating profit	<u>38,988</u>	<u>13</u>	<u>44,088</u>	<u>14</u>
	Non-operating income and expenses				
7010	Other income	2,464	1	1,146	-
7020	Other gains and losses	242	-	15,103	5
7050	Finance costs	(175)	-	(452)	-
7000	Total non-operating income and expenses	<u>2,531</u>	<u>1</u>	<u>15,797</u>	<u>5</u>
7900	Profit before income tax	41,519	14	59,885	19
7950	Income tax expense	(8,264)	(3)	(4,099)	(1)
8200	Profit for the period	<u>\$ 33,255</u>	<u>11</u>	<u>\$ 55,786</u>	<u>18</u>
	Other comprehensive income				
8311	Remeasurements of defined benefit plans	(\$ 652)	-	(\$ 672)	-
8349	Income tax benefit related to items that will not be reclassified subsequently	110	-	169	-
	Items that may be subsequently reclassified to profit or loss				
8361	Cumulative translation differences of foreign operations	-	-	(5,342)	(2)
8362	Unrealized gain on available-for-sale financial assets	<u>66</u>	<u>-</u>	<u>-</u>	<u>-</u>
8300	Total other comprehensive loss, net of tax	<u>(\$ 476)</u>	<u>-</u>	<u>(\$ 5,845)</u>	<u>(2)</u>
8500	Total comprehensive income for the period	<u>\$ 32,779</u>	<u>11</u>	<u>\$ 49,941</u>	<u>16</u>
	Profit attributable to:				
8610	Owners of the parent	<u>\$ 33,255</u>	<u>11</u>	<u>\$ 56,517</u>	<u>18</u>
8620	Non-controlling interest	<u>\$ -</u>	<u>-</u>	<u>(\$ 731)</u>	<u>-</u>
	Comprehensive income (loss) attributable to:				
8710	Owners of the parent	<u>\$ 32,779</u>	<u>11</u>	<u>\$ 50,910</u>	<u>16</u>
8720	Non-controlling interest	<u>\$ -</u>	<u>-</u>	<u>(\$ 969)</u>	<u>-</u>
	Earnings per share				
9750	Basic earnings per share	<u>\$ 1.14</u>		<u>\$ 1.97</u>	
9850	Diluted earnings per share	<u>\$ 1.13</u>		<u>\$ 1.96</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)		
Treasury stocks repurchase	-	-	-	-	-	-	(6,777)	(6,777)	-	(6,777)		
Profit for the period	-	-	-	56,517	-	-	-	56,517	(731)	55,786		
Other comprehensive loss for the year	-	-	-	(503)	(5,104)	-	-	(5,607)	(238)	(5,845)		
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(11,580)	(11,580)		
Balance at December 31, 2015	<u>\$ 287,267</u>	<u>\$ 19,097</u>	<u>\$ 4,632</u>	<u>\$ 71,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 6,777)</u>	<u>\$ 375,460</u>	<u>\$ -</u>	<u>\$ 375,460</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	-	-	-	33,255	-	-	-	33,255	-	33,255		
Other comprehensive income (loss) for the year	-	-	-	(542)	-	66	-	(476)	-	(476)		
Balance at December 31, 2016	<u>\$ 316,267</u>	<u>\$ 56,531</u>	<u>\$ 10,284</u>	<u>\$ 58,481</u>	<u>\$ -</u>	<u>\$ 66</u>	<u>(\$ 5,719)</u>	<u>\$ 435,910</u>	<u>\$ -</u>	<u>\$ 435,910</u>		

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

	<u>Years Ended December 31</u>	
	<u>2016</u>	<u>2015</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Consolidated profit before tax for the year	\$ 41,519	\$ 59,885
Adjustments to reconcile profit before tax to net cash provided by operating activities		
Income and expenses having no effect on cash flows		
Depreciation	12,197	12,743
Amortisation of intangible assets	1,318	1,628
Provision (Reversal) for doubtful accounts	(1,644)	2,795
Interest income	(600)	(492)
Interest expense	175	452
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	-	(2,360)
Changes in assets/liabilities relating to operating activities		
Net changes in assets relating to operating activities		
Notes receivable	(342)	384
Accounts receivable	(20,164)	17,131
Other receivables	(956)	1,232
Inventories	(1,387)	26,929
Prepayments	46	2,869
Other current assets	3	1,008
Net changes in liabilities relating to operating activities		
Notes payable	-	(1)
Accounts payable	17,269	(2,804)
Other payables	(3,514)	(9,341)
Provisions - current	(774)	886
Other current liabilities	638	2,894
Provisions - non-current	310	273
Other non-current liabilities	(154)	5,756
Cash generated from operations	45,589	121,920
Interest received	597	492
Interest paid	(178)	(453)
Income tax paid	(7,442)	(14,513)
Net cash provided by operating activities	<u>38,566</u>	<u>107,446</u>

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

	<u>Years Ended December 31</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	(2,514)	(13,957)
Proceeds from disposal of property, plant and equipment	-	1,819
Acquisition of intangible assets	(400)	(1,358)
Net cash inflow from disposal of subsidiary	-	10,625
Decrease in refundable deposits	23	-
Increase in refundable deposits	-	(21)
Net cash used in investing activities	(<u>27,891</u>)	(<u>2,892</u>)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in short-term loans	40,000	30,000
Repayments of short-term loans	(40,000)	(30,000)
Repayments of long-term loans	(13,125)	(5,250)
Issuance of common stock for cash	64,798	-
Cash dividends paid	(39,821)	(22,981)
Payments for buy-back of treasury shares	(3,166)	(6,777)
Proceeds from transferring treasury stocks to employees	4,211	-
Net cash provided by (used in) financing activities	(<u>12,897</u>)	(<u>35,008</u>)
Net effect of changes in foreign currency exchange rates	-	(<u>3,203</u>)
Increase in cash and cash equivalents	23,572	66,343
Cash and cash equivalents at beginning of year	223,906	157,563
Cash and cash equivalents at end of year	<u>\$ 247,478</u>	<u>\$ 223,906</u>