

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

Assets		March 31, 2017		December 31, 2016		March 31, 2016	
		Amount	%	Amount	%	Amount	%
Current assets							
1100	Cash and cash equivalents	\$ 269,312	51	\$ 247,478	47	\$ 199,485	43
1125	Available-for-sale financial assets						
	- current	25,087	5	25,066	5	25,008	5
1150	Notes receivable, net	317	-	476	-	578	-
1170	Accounts receivable, net	49,341	9	72,232	14	53,505	12
1200	Other receivables	1,545	-	1,115	-	2,018	1
130X	Inventories, net	64,191	12	54,006	10	55,494	12
1410	Prepayments	1,441	-	2,263	1	2,025	-
1470	Other current assets	20	-	20	-	4	-
11XX	Total current assets	<u>411,254</u>	<u>77</u>	<u>402,656</u>	<u>77</u>	<u>338,117</u>	<u>73</u>
Non-current assets							
1600	Property, plant and equipment, net	109,303	21	111,920	22	118,797	26
1780	Intangible assets	688	-	923	-	1,464	-
1840	Deferred income tax assets	7,794	2	6,900	1	6,689	1
1900	Other non-current assets	2,314	-	508	-	568	-
15XX	Total non-current assets	<u>120,099</u>	<u>23</u>	<u>120,251</u>	<u>23</u>	<u>127,518</u>	<u>27</u>
1XXX	Total assets	<u>\$ 531,353</u>	<u>100</u>	<u>\$ 522,907</u>	<u>100</u>	<u>\$ 465,635</u>	<u>100</u>

(Continued)

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

Liabilities and Equity		March 31, 2017		December 31, 2016		March 31, 2016	
		Amount	%	Amount	%	Amount	%
Current liabilities							
2170	Accounts payable	\$ 48,043	9	\$ 49,367	10	\$ 37,693	8
2200	Other payables	16,298	3	19,814	4	19,730	4
2230	Current income tax liabilities	6,974	1	5,209	1	5,322	1
2250	Provisions - current	453	-	814	-	1,182	1
2300	Other current liabilities	15,873	3	6,286	1	10,030	2
21XX	Total current liabilities	<u>87,641</u>	<u>16</u>	<u>81,490</u>	<u>16</u>	<u>73,957</u>	<u>16</u>
Non-current liabilities							
2540	Long-term loans	-	-	-	-	3,785	1
2550	Provisions - non-current	2,040	-	2,297	-	1,996	-
2570	Deferred tax liabilities	-	-	288	-	398	-
2600	Other non-current liabilities	2,896	1	2,922	1	2,395	1
25XX	Total non-current liabilities	<u>4,936</u>	<u>1</u>	<u>5,507</u>	<u>1</u>	<u>8,574</u>	<u>2</u>
2XXX	Total liabilities	<u>92,577</u>	<u>17</u>	<u>86,997</u>	<u>17</u>	<u>82,531</u>	<u>18</u>
Equity							
Share capital							
3110	Ordinary shares	316,267	60	316,267	60	287,267	62
Capital surplus							
3200	Capital surplus	56,531	10	56,531	11	19,908	4
Retained earnings							
3310	Legal reserve	10,284	2	10,284	2	4,632	1
3350	Unappropriated retained earnings	61,326	12	58,481	11	77,008	16
Other equity interest							
3400	Other equity interest	87	-	66	-	8	-
Treasury stock							
3500	Treasury stock	(5,719)	(1)	(5,719)	(1)	(5,719)	(1)
3XXX	Total equity	<u>438,776</u>	<u>83</u>	<u>435,910</u>	<u>83</u>	<u>383,104</u>	<u>82</u>
3X2X	Total liabilities and equity	<u>\$ 531,353</u>	<u>100</u>	<u>\$ 522,907</u>	<u>100</u>	<u>\$ 465,635</u>	<u>100</u>

CALITECH TECHNOLOGY CORPORATION

COMPREHENSIVE INCOME

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

		Three-Month Periods Ended March 31			
		2017		2016	
		Amount	%	Amount	%
4000	Operating revenue	\$ 66,375	100	\$ 66,242	100
5000	Operating costs	(45,987)	(69)	(44,745)	(67)
5900	Gross profit	<u>20,388</u>	<u>31</u>	<u>21,497</u>	<u>33</u>
	Operating expenses				
6100	Selling expenses	(3,474)	(5)	(3,989)	(6)
6200	General and administrative expenses	(5,035)	(8)	(8,027)	(12)
6300	Research and development expenses	(2,318)	(4)	(2,976)	(5)
6000	Total operating expenses	(10,827)	(17)	(14,992)	(23)
6900	Operating profit	<u>9,561</u>	<u>14</u>	<u>6,505</u>	<u>10</u>
	Non-operating income and expenses				
7010	Other income	524	1	248	-
7020	Other gains and losses	(6,635)	(10)	(626)	(1)
7050	Finance costs	(22)	-	(47)	-
7000	Total non-operating income and expenses	(6,133)	(9)	(425)	(1)
7900	Profit before income tax	3,428	5	6,080	9
7950	Income tax expense	(583)	(1)	(313)	-
8200	Profit for the period	<u>\$ 2,845</u>	<u>4</u>	<u>\$ 5,767</u>	<u>9</u>
	Other comprehensive income				
	Items that may be subsequently reclassified to profit or loss				
8362	Unrealized gain on available-for-sale financial assets	\$ 21	-	\$ 8	-
8300	Total other comprehensive loss, net of tax	<u>\$ 21</u>	<u>-</u>	<u>\$ 8</u>	<u>-</u>
8500	Total comprehensive income for the period	<u>\$ 2,866</u>	<u>4</u>	<u>\$ 5,775</u>	<u>9</u>
	Earnings per share				
9750	Basic earnings per share	<u>\$ 0.09</u>		<u>\$ 0.20</u>	
9850	Diluted earnings per share	<u>\$ 0.09</u>		<u>\$ 0.20</u>	

CALITECH TECHNOLOGY CORPORATION
CHANGES IN EQUITY
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Retained earnings				Other equity		
					Unrealized gain on available- for-sale financial assets	Treasury stock	Total
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings			
2016							
Balance at January 1, 2016	\$ 287,267	\$ 19,097	\$ 4,632	\$ 71,241	\$ -	(\$ 6,777)	\$ 375,460
Share-based payment	-	824	-	-	-		824
Treasury stocks repurchase	-	-	-	-	-	(3,166)	(3,166)
Proceeds from transferring treasury stocks to employees	-	(13)	-	-	-	4,224	4,211
Profit for the period	-	-	-	5,767	-	-	5,767
Other comprehensive income for the period	-	-	-	-	8	-	8
Balance at March 31, 2016	<u>\$ 287,267</u>	<u>\$ 19,908</u>	<u>\$ 4,632</u>	<u>\$ 77,008</u>	<u>\$ 8</u>	<u>(\$ 5,719)</u>	<u>\$ 383,104</u>
2017							
Balance at January 1, 2017	\$ 316,267	\$ 56,531	\$ 10,284	\$ 58,481	\$ 66	(5,719)	\$ 435,910
Profit for the period	-	-	-	2,845	-	-	2,845
Other comprehensive income for the period	-	-	-	-	21	-	21
Balance at March 31, 2017	<u>\$ 316,267</u>	<u>\$ 56,531</u>	<u>\$ 10,284</u>	<u>\$ 61,326</u>	<u>\$ 87</u>	<u>(5,719)</u>	<u>\$ 438,776</u>

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

	<u>Three-Month Periods Ended March 31</u>	
	<u>2017</u>	<u>2016</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax for the period	\$ 3,428	\$ 6,080
Adjustments to reconcile profit before tax to net cash provided by operating activities		
Income and expenses having no effect on cash flows		
Depreciation	2,927	3,172
Amortisation of intangible assets	235	377
Reversal for doubtful accounts	(437)	(419)
Interest income	(176)	(150)
Interest expense	22	47
Compensation cost of share-based payments	-	824
Changes in assets/ liabilities relating to operating activities		
Net changes in assets relating to operating activities		
Notes receivable	159	(444)
Accounts receivable	23,328	(2,662)
Other receivables	(411)	(993)
Inventories	(10,185)	(2,875)
Prepayments	822	284
Other current assets	-	19
Net changes in liabilities relating to operating activities		
Accounts payable	(1,324)	5,595
Other payables	(3,343)	(3,399)
Provisions - current	(361)	(406)
Other current liabilities	9,587	1,354
Provisions - non-current	(257)	9
Other non-current liabilities	(26)	(28)
Cash generated from operations	23,988	6,385
Interest received	157	115
Interest paid	(22)	(48)
Income tax paid	-	(2)
Net cash provided by operating activities	<u>24,123</u>	<u>6,450</u>

(Continued)

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

	<u>Three-Month Periods Ended March 31</u>	
	<u>2017</u>	<u>2016</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of available-for-sale financial assets		
- current	\$ -	(\$ 25,000)
Acquisition of property, plant and equipment	(483)	(567)
Repayment of property, plant and equipment	(1,806)	(37)
Net cash used in investing activities	<u>(2,289)</u>	<u>(25,604)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in short-term loans	20,000	-
Repayments of short-term loans	(20,000)	-
Repayments of long-term loans	-	(6,312)
Payments for buy-back of treasury shares	-	(3,166)
Proceeds from transferring treasury stocks to employees	-	4,211
Net cash used in financing activities	<u>-</u>	<u>(5,267)</u>
Increase (decrease) in cash and cash equivalents	21,834	(24,421)
Cash and cash equivalents at beginning of period	247,478	223,906
Cash and cash equivalents at end of period	<u>\$ 269,312</u>	<u>\$ 199,485</u>