

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

Assets		September 30, 2017		December 31, 2016		September 30, 2016	
		Amount	%	Amount	%	Amount	%
Current assets							
1100	Cash and cash equivalents	\$ 266,069	47	\$ 247,478	47	\$ 236,945	47
1125	Available-for-sale financial assets						
	- current	25,136	5	25,066	5	25,048	5
1150	Notes receivable, net	280	-	476	-	136	-
1170	Accounts receivable, net	73,005	13	72,232	14	54,508	11
1200	Other receivables	2,606	-	1,115	-	1,353	-
130X	Inventories, net	74,597	13	54,006	10	59,883	12
1410	Prepayments	2,503	-	2,263	1	1,598	1
1470	Other current assets	20	-	20	-	32	-
11XX	Total current assets	<u>444,216</u>	<u>78</u>	<u>402,656</u>	<u>77</u>	<u>379,503</u>	<u>76</u>
Non-current assets							
1600	Property, plant and equipment, net	111,750	20	111,920	22	114,202	23
1780	Intangible assets	1,555	-	923	-	951	-
1840	Deferred income tax assets	7,879	1	6,900	1	6,195	1
1900	Other non-current assets	4,414	1	508	-	530	-
15XX	Total non-current assets	<u>125,598</u>	<u>22</u>	<u>120,251</u>	<u>23</u>	<u>121,878</u>	<u>24</u>
1XXX	Total assets	<u>\$ 569,814</u>	<u>100</u>	<u>\$ 522,907</u>	<u>100</u>	<u>\$ 501,381</u>	<u>100</u>

(Continued)

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

Liabilities and Equity		September 30, 2017		December 31, 2016		September 30, 2016	
		Amount	%	Amount	%	Amount	%
Current liabilities							
2170	Accounts payable	\$ 61,111	11	\$ 49,367	10	\$ 43,048	9
2200	Other payables	26,340	5	19,814	4	25,988	5
2230	Current income tax liabilities	6,297	1	5,209	1	1,677	-
2250	Provisions - current	1,069	-	814	-	869	-
2300	Other current liabilities	12,674	2	6,286	1	4,472	1
21XX	Total current liabilities	<u>107,491</u>	<u>19</u>	<u>81,490</u>	<u>16</u>	<u>76,054</u>	<u>15</u>
Non-current liabilities							
2550	Provisions - non-current	2,209	-	2,297	-	2,208	-
2570	Deferred tax liabilities	-	-	288	-	-	-
2600	Other non-current liabilities	2,801	1	2,922	1	2,317	1
25XX	Total non-current liabilities	<u>5,010</u>	<u>1</u>	<u>5,507</u>	<u>1</u>	<u>4,525</u>	<u>1</u>
2XXX	Total liabilities	<u>112,501</u>	<u>20</u>	<u>86,997</u>	<u>17</u>	<u>80,579</u>	<u>16</u>
Equity							
Share capital							
3110	Ordinary shares	316,267	56	316,267	60	316,267	63
Capital surplus							
3200	Capital surplus	56,553	10	56,531	11	56,531	11
Retained earnings							
3310	Legal reserve	13,609	2	10,284	2	10,284	2
3350	Unappropriated retained earnings	70,748	12	58,481	11	43,391	9
Other equity interest							
3400	Other equity interest	136	-	66	-	48	-
Treasury stock							
3500	Treasury stock	-	-	(5,719)	(1)	(5,719)	(1)
3XXX	Total equity	<u>457,313</u>	<u>80</u>	<u>435,910</u>	<u>83</u>	<u>420,802</u>	<u>84</u>
3X2X	Total liabilities and equity	<u>\$ 569,814</u>	<u>100</u>	<u>\$ 522,907</u>	<u>100</u>	<u>\$ 501,381</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 September 30				Nine-Month Periods Ended September 30			
		2017		2016		2017		2016	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue	\$ 102,232	100	\$ 79,292	100	\$ 260,345	100	\$ 207,949	100
5000	Operating costs	(63,743)	(62)	(52,329)	(66)	(167,895)	(64)	(141,577)	(68)
5900	Gross profit	<u>38,489</u>	<u>38</u>	<u>26,963</u>	<u>34</u>	<u>92,450</u>	<u>36</u>	<u>66,372</u>	<u>32</u>
	Operating expenses								
6100	Selling expenses	(3,530)	(3)	(3,413)	(4)	(10,710)	(4)	(11,125)	(6)
6200	General and administrative expenses	(7,113)	(7)	(7,444)	(10)	(19,128)	(7)	(21,306)	(10)
6300	Research and development expenses	(2,764)	(3)	(2,983)	(4)	(8,347)	(3)	(8,882)	(4)
6000	Total operating expenses	<u>(13,407)</u>	<u>(13)</u>	<u>(13,840)</u>	<u>(18)</u>	<u>(38,185)</u>	<u>(14)</u>	<u>(41,313)</u>	<u>(20)</u>
6900	Operating profit	<u>25,082</u>	<u>25</u>	<u>13,123</u>	<u>16</u>	<u>54,265</u>	<u>22</u>	<u>25,059</u>	<u>12</u>
	Non-operating income and expenses								
7010	Other income	525	1	237	-	1,383	-	708	-
7020	Other gains and losses	(517)	(1)	(2,463)	(3)	(6,329)	(2)	(2,931)	(1)
7050	Finance costs	(42)	-	(97)	-	(100)	-	(175)	-
7000	Total non-operating income and expenses	<u>(34)</u>	<u>-</u>	<u>(2,323)</u>	<u>(3)</u>	<u>(5,046)</u>	<u>(2)</u>	<u>(2,398)</u>	<u>(1)</u>
7900	Profit before income tax	25,048	25	10,800	13	49,219	20	22,661	11
7950	Income tax expense	(4,266)	(5)	(1,836)	(2)	(8,519)	(3)	(5,038)	(2)
8200	Profit for the period	<u>\$ 20,782</u>	<u>20</u>	<u>\$ 8,964</u>	<u>11</u>	<u>\$ 40,700</u>	<u>17</u>	<u>\$ 17,623</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	\$ 27	-	\$ 19	-	\$ 70	-	\$ 48	-
8300	Total other comprehensive loss, net of tax	<u>\$ 27</u>	<u>-</u>	<u>\$ 19</u>	<u>-</u>	<u>\$ 70</u>	<u>-</u>	<u>\$ 48</u>	<u>-</u>
8500	Total comprehensive income for the period	<u>\$ 20,809</u>	<u>20</u>	<u>\$ 8,983</u>	<u>11</u>	<u>\$ 40,770</u>	<u>17</u>	<u>\$ 17,671</u>	<u>9</u>
	Earnings per share								
9750	Basic earnings per share	<u>\$ 0.66</u>		<u>\$ 0.31</u>		<u>\$ 1.29</u>		<u>\$ 0.62</u>	
9850	Diluted earnings per share	<u>\$ 0.66</u>		<u>\$ 0.31</u>		<u>\$ 1.29</u>		<u>\$ 0.62</u>	

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

			<u>Retained earnings</u>		<u>Other equity</u>		
	<u>Ordinary shares</u>	<u>Capital surplus</u>	<u>Legal reserve</u>	<u>Unappropriated retained earnings</u>	<u>Unrealized gain on available- for-sale financial assets</u>	<u>Treasury stock</u>	<u>Total</u>
<u>2016</u>							
Balance at January 1, 2016	\$ 287,267	\$ 19,097	\$ 4,632	\$ 71,241	\$ -	(\$ 6,777)	\$ 375,460
Distribution of retained earnings of 2015:							
Legal reserve appropriated	-	-	5,652	(5,652)	-	-	-
Cash dividends	-	-	-	(39,821)	-	-	(39,821)
Share-based payment	-	1,649	-	-	-	-	1,649
Treasury stocks repurchase	-	-	-	-	-	(3,166)	(3,166)
Proceeds from transferring treasury stocks to employees	-	(13)	-	-	-	4,224	4,211
Issuance of common stock for cash	29,000	35,798	-	-	-	-	64,798
Profit for the period	-	-	-	17,623	-	-	17,623
Other comprehensive income for the period	-	-	-	-	48	-	48
Balance at September 30, 2016	<u>\$ 316,267</u>	<u>\$ 56,531</u>	<u>\$ 10,284</u>	<u>\$ 43,391</u>	<u>\$ 48</u>	<u>(\$ 5,719)</u>	<u>\$ 420,802</u>
<u>2017</u>							
Balance at January 1, 2017	\$ 316,267	\$ 56,531	\$ 10,284	\$ 58,481	\$ 66	(\$ 5,719)	\$ 435,910
Distribution of retained earnings of 2016:							
Legal reserve appropriated	-	-	3,325	(3,325)	-	-	-
Cash dividends	-	-	-	(25,108)	-	-	(25,108)
Share-based payment	-	40	-	-	-	-	40
Proceeds from transferring treasury stocks to employees	-	(18)	-	-	-	5,719	5,701
Profit for the period	-	-	-	40,700	-	-	40,700
Other comprehensive income for the period	-	-	-	-	70	-	70
Balance at September 30, 2017	<u>\$ 316,267</u>	<u>\$ 56,553</u>	<u>\$ 13,609</u>	<u>\$ 70,748</u>	<u>\$ 136</u>	<u>\$ -</u>	<u>\$ 457,313</u>

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

	<u>Nine-Month Periods Ended September 30</u>	
	<u>2017</u>	<u>2016</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax for the period	\$ 49,219	\$ 22,661
Adjustments to reconcile profit before tax to net cash provided by operating activities		
Income and expenses having no effect on cash flows		
Depreciation	8,993	9,260
Amortisation of intangible assets	603	1,080
Reversal for doubtful accounts	(293)	(1,653)
Interest income	(877)	(426)
Interest expense	100	175
Gain on disposal of property, plant and equipment	(197)	-
Compensation cost of share-based payments	40	1,649
Changes in assets/ liabilities relating to operating activities		
Net changes in assets relating to operating activities		
Notes receivable	196	(2)
Accounts receivable	(480)	(2,431)
Other receivables	(1,390)	(1,185)
Inventories	(20,591)	(7,264)
Prepayments	(240)	711
Other current assets	-	(9)
Net changes in liabilities relating to operating activities		
Accounts payable	11,744	10,950
Other payables	2,613	2,552
Provisions - current	255	(719)
Other current liabilities	6,388	(1,176)
Provisions - non-current	(88)	221
Other non-current liabilities	(121)	(106)
Cash generated from operations	55,874	34,288
Interest received	776	414
Interest paid	(100)	(178)
Income tax paid	(8,698)	(7,442)
Net cash provided by operating activities	<u>47,852</u>	<u>27,082</u>

(Continued)

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

	<u>Nine-Month Periods Ended September 30</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	(4,910)	(1,751)
Proceeds from disposal of property, plant and equipment	197	-
Acquisition of intangible assets	(1,235)	(190)
Decrease in refundable deposits	-	1
Decrease in restricted assets	500	-
Repayment of property, plant and equipment	(4,406)	-
Net cash used in investing activities	(9,854)	(26,940)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in short-term loans	70,000	40,000
Repayments of short-term loans	(70,000)	(40,000)
Repayments of long-term loans	-	(13,125)
Issuance of common stock for cash	-	64,798
Cash dividends paid	(25,108)	(39,821)
Payments for buy-back of treasury shares	-	(3,166)
Proceeds from transferring treasury stocks to employees	5,701	4,211
Net cash provided by (used in) financing activities	(19,407)	12,897
Increase in cash and cash equivalents	18,591	13,039
Cash and cash equivalents at beginning of period	247,478	223,906
Cash and cash equivalents at end of period	<u>\$ 266,069</u>	<u>\$ 236,945</u>