

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

Assets		December 31, 2017		December 31, 2016	
		Amount	%	Amount	%
Current assets					
1100	Cash and cash equivalents	\$ 280,741	47	\$ 247,478	47
1125	Available-for-sale financial assets				
	- current	25,163	4	25,066	5
1150	Notes receivable, net	214	-	476	-
1170	Accounts receivable, net	68,458	11	72,232	14
1200	Other receivables	2,375	-	1,115	-
130X	Inventories, net	80,700	14	54,006	10
1410	Prepayments	4,538	1	2,263	1
1470	Other current assets	30	-	20	-
11XX	Total current assets	<u>462,219</u>	<u>77</u>	<u>402,656</u>	<u>77</u>
Non-current assets					
1600	Property, plant and equipment, net	125,034	21	111,920	22
1780	Intangible assets	1,449	-	923	-
1840	Deferred income tax assets	8,557	2	6,900	1
1900	Other non-current assets	8	-	508	-
15XX	Total non-current assets	<u>135,048</u>	<u>23</u>	<u>120,251</u>	<u>23</u>
1XXX	Total assets	<u>\$ 597,267</u>	<u>100</u>	<u>\$ 522,907</u>	<u>100</u>

(Continued)

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

Liabilities and Equity		December 31, 2017		December 31, 2016	
		Amount	%	Amount	%
Current liabilities					
2170	Accounts payable	\$ 61,395	10	\$ 49,367	10
2200	Other payables	32,307	6	19,814	4
2230	Current income tax liabilities	10,385	2	5,209	1
2250	Provisions - current	921	-	814	-
2300	Other current liabilities	12,071	2	6,286	1
21XX	Total current liabilities	<u>117,079</u>	<u>20</u>	<u>81,490</u>	<u>16</u>
Non-current liabilities					
2550	Provisions - non-current	2,736	-	2,297	-
2570	Deferred tax liabilities	-	-	288	-
2600	Other non-current liabilities	3,244	1	2,922	1
25XX	Total non-current liabilities	<u>5,980</u>	<u>1</u>	<u>5,507</u>	<u>1</u>
2XXX	Total liabilities	<u>123,059</u>	<u>21</u>	<u>86,997</u>	<u>17</u>
Equity					
Share capital					
3110	Ordinary shares	316,267	53	316,267	60
Capital surplus					
3200	Capital surplus	56,553	9	56,531	11
Retained earnings					
3310	Legal reserve	13,609	2	10,284	2
3350	Unappropriated retained earnings	87,616	15	58,481	11
Other equity interest					
3400	Other equity interest	163	-	66	-
Treasury stock					
3500	Treasury stock	-	-	(5,719)	(1)
3XXX	Total equity	<u>474,208</u>	<u>79</u>	<u>435,910</u>	<u>83</u>
3X2X	Total liabilities and equity	<u>\$ 597,267</u>	<u>100</u>	<u>\$ 522,907</u>	<u>100</u>

CALITECH TECHNOLOGY CORPORATION

COMPREHENSIVE INCOME

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

		Years Ended December 31			
		2017		2016	
		Amount	%	Amount	%
4000	Operating revenue	\$ 365,130	100	\$ 293,215	100
5000	Operating costs	(236,453)	(65)	(201,272)	(69)
5900	Gross profit	<u>128,677</u>	<u>35</u>	<u>91,943</u>	<u>31</u>
	Operating expenses				
6100	Selling expenses	(14,270)	(4)	(14,343)	(5)
6200	General and administrative expenses	(25,467)	(7)	(27,674)	(9)
6300	Research and development expenses	(11,190)	(3)	(10,938)	(4)
6000	Total operating expenses	(50,927)	(14)	(52,955)	(18)
6900	Operating profit	<u>77,750</u>	<u>21</u>	<u>38,988</u>	<u>13</u>
	Non-operating income and expenses				
7010	Other income	2085	1	2464	1
7020	Other gains and losses	(9,720)	(3)	242	-
7050	Finance costs	(100)	-	(175)	-
7000	Total non-operating income and expenses	(7,735)	(2)	2,531	1
7900	Profit before income tax	70,015	19	41,519	14
7950	Income tax expense	(12,054)	(3)	(8,264)	(3)
8200	Profit for the period	<u>\$ 57,961</u>	<u>16</u>	<u>\$ 33,255</u>	<u>11</u>
	Other comprehensive income				
	Items that may be subsequently reclassified to profit or loss				
8311	Remeasurements of defined benefit plans	(\$ 473)	-	(\$ 652)	-
8349	Income tax benefit related to items that will not be reclassified	80	-	110	-
	Items that may be subsequently reclassified to profit or loss				
8362	Unrealized gain on available-for-sale financial assets	<u>97</u>	<u>-</u>	<u>66</u>	<u>-</u>
8300	Total other comprehensive loss, net of tax	(\$ 296)	<u>-</u>	(\$ 476)	<u>-</u>
8500	Total comprehensive income for the period	<u>\$ 57,665</u>	<u>16</u>	<u>\$ 32,779</u>	<u>11</u>
	Earnings per share				
9750	Basic earnings per share	<u>\$ 1.84</u>		<u>\$ 1.14</u>	
9850	Diluted earnings per share	<u>\$ 1.83</u>		<u>\$ 1.13</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	-	-	-	33,255	-	-	33,255
Other comprehensive income for the period	-	-	-	(542)	66	-	(476)
Balance at December 31, 2016	<u>\$ 316,267</u>	<u>\$ 56,531</u>	<u>\$ 10,284</u>	<u>\$ 58,481</u>	<u>\$ 66</u>	<u>(\$ 5,719)</u>	<u>\$ 435,910</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	-	-	-	57,961	-	-	57,961
Other comprehensive income for the period	-	-	-	(393)	97	-	(296)
Balance at December 31, 2017	<u>\$ 316,267</u>	<u>\$ 56,553</u>	<u>\$ 13,609</u>	<u>\$ 87,616</u>	<u>\$ 163</u>	<u>\$ -</u>	<u>\$ 474,208</u>

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

	<u>Years Ended December 31</u>	
	<u>2017</u>	<u>2016</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax for the period	\$ 70,015	\$ 41,519
Adjustments to reconcile profit before tax to net cash provided by operating activities		
Income and expenses having no effect on cash flows		
Depreciation	12,410	12,197
Amortisation of intangible assets	709	1,318
Reversal for doubtful accounts	(396)	(1,644)
Interest income	(1,459)	(600)
Interest expense	100	175
Gain on disposal of property, plant and equipment	(226)	-
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	262	(342)
Accounts receivable	4,170	(20,164)
Other receivables	(1,183)	(956)
Inventories	(26,694)	(1,387)
Prepayments	(2,275)	46
Other current assets	(10)	3
Net changes in liabilities relating to operating activities		
Accounts payable	12,028	17,269
Other payables	5,281	(3,514)
Provisions - current	107	(774)
Other current liabilities	5,785	638
Provisions - non-current	439	310
Other non-current liabilities	(151)	(154)
Cash generated from operations	78,952	45,589
Interest received	1,382	597
Interest paid	(100)	(178)
Income tax paid	(8,743)	(7,442)
Net cash provided by operating activities	<u>71,491</u>	<u>38,566</u>

(Continued)

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

	<u>Years Ended December 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	(18,312)	(2,514)
Proceeds from disposal of property, plant and equipment	226	-
Acquisition of intangible assets	(1,235)	(400)
Decrease in refundable deposits	-	23
Decrease in restricted assets	500	-
Net cash used in investing activities	(<u>18,821</u>)	(<u>27,891</u>)
<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	(<u>19,407</u>)	(<u>12,897</u>)
Increase in cash and cash equivalents	33,263	23,572
Cash and cash equivalents at beginning of period	247,478	223,906
Cash and cash equivalents at end of period	<u>\$ 280,741</u>	<u>\$ 247,478</u>