

Axiomtek Co., Ltd.

Parent Company Only Balance Sheets

Expressed in Thousands of TWD

	2016/12/31		2015/12/31		2015/01/01	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets						
Total cash and cash equivalents	\$ 649,319	23	\$ 333,842	14	\$ 176,166	8
Total current financial assets at fair value through profit or loss	244,028	9	98,013	4	173,101	8
Notes receivable, net	4,355	-	5,998	-	3,171	-
Accounts receivable, net	91,895	3	186,868	8	136,170	7
Accounts receivable due from related parties, net	285,354	10	333,181	13	220,535	11
Other receivables, net	13,288	-	10,464	-	8,763	-
Other receivables due from related parties, net	74,631	3	22,059	1	19,662	1
Total current tax assets	274	-	830	-	556	-
Total inventories	311,720	11	377,180	15	304,866	15
Total prepayments	16,214	1	7,072	-	9,450	1
Total other current assets	473	-	1,633	-	5,105	-
Total current assets	1,691,551	60	1,377,140	55	1,057,545	51
Non-current assets						
Non-current financial assets at cost, net	923	-	923	-	923	-
Investments accounted for using equity method, net	873,271	31	828,330	34	761,705	36
Total property, plant and equipment	213,725	7	230,968	9	209,950	10
Total intangible assets	16,220	1	18,337	1	16,045	1
Deferred tax assets	20,667	1	25,659	1	18,697	1
Prepayments for business facilities	-	-	-	-	24,455	1
Guarantee deposits paid	5,884	-	5,643	-	4,541	-
Total non-current assets	1,130,690	40	1,109,860	45	1,036,316	49
Total assets	\$ 2,882,241	100	2,487,000	100	2,093,861	100
Liabilities and equity						
Liabilities						
Current liabilities						
Total notes payable	\$ 42	-	720	-	92	-
Total accounts payable	329,058	11	379,300	15	197,778	10
Total accounts payable to related parties	25,244	1	55,617	2	13,065	1
Total other payables	191,152	7	188,312	8	190,089	9
Current tax liabilities	29,686	1	51,886	2	45,310	2
Total advance receipts	25,257	1	24,606	1	9,436	-
Other current liabilities, others	1,220	-	1,312	-	1,243	-
Total current liabilities	601,659	21	701,753	28	457,013	22
Non-current liabilities						
Total non-current financial liabilities at fair value through profit or loss	6,048	-	-	-	-	-
Total bonds payable	386,161	14	-	-	-	-
Total deferred tax liabilities	50,749	2	51,540	2	43,695	2
Accrued pension liabilities	32,422	1	40,640	2	31,626	1
Guarantee deposits received	336	-	-	-	-	-
Total non-current liabilities	475,716	17	92,180	4	75,321	3
Total liabilities	1,077,375	38	793,933	32	532,334	25
Equity						
Share capital						
Ordinary share	790,310	28	790,310	32	783,450	38
Advance receipts for share capital	-	-	-	-	153	-
Capital surplus						
Total capital surplus	183,745	6	143,033	6	128,062	6
Retained earnings						
Legal reserve	331,163	12	288,752	11	257,801	12
Total unappropriated retained earnings (accumulated deficit)	425,869	15	441,283	18	371,791	18
Other equity interest						
Total other equity interest	13,779	1	29,689	1	20,270	1
Total equity	1,744,866	62	1,693,067	68	1,561,527	75
Major commitment & contingent item						
Total liabilities and equity	\$ 2,882,241	100	\$ 2,487,000	100	\$ 2,093,861	100

Axiomtek Co., Ltd.

Parent Company Only Statements of Comprehensive Income

Expressed in Thousands of TWD (except for EPS)

	2016		2015	
	Amount	%	Amount	%
Operating revenue				
Total operating revenue	\$ 2,459,756	100	\$ 2,649,125	100
Operating costs				
Total operating costs	(1,668,242)	(68)	(1,825,822)	(69)
Gross profit (loss) from operations	791,514	32	823,303	31
Unrealized profit (loss) from sales	(43,129)	(2)	(65,967)	(2)
Realized profit (loss) on from sales	65,967	3	38,975	1
Gross profit (loss) from operations	814,352	33	796,311	30
Operating expenses				
Total selling expenses	(85,585)	(3)	(76,565)	(3)
Total administrative expenses	(88,522)	(4)	(101,585)	(4)
Total research and development expenses	(350,861)	(14)	(301,164)	(11)
Total operating expenses	(524,968)	(21)	(479,314)	(18)
Net operating income (loss)	289,384	12	316,997	12
Non-operating income and expenses				
Total other income	27,734	1	16,254	1
Other gains and losses, net	(14,485)	(1)	11,018	-
Finance costs, net	(441)	-	(192)	-
Share of profit (loss) of associates and joint ventures accounted for using equity method, net	117,057	5	148,547	6
Total non-operating income and expenses	129,865	5	175,627	7
Profit (loss) before tax	419,249	17	492,624	19
Total tax expense (income)	(59,226)	(2)	(68,525)	(3)
Profit (loss)	\$ 360,023	15	\$ 424,099	16
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss : profit or loss:				
Remeasurement of defined benefit obligation	7,411	-	(9,822)	-
Share of other comprehensive income (loss) of subsidiaries and associates	656	-	(1,176)	-
Income tax benefit (expense) related to items that will not be reclassified subsequently	(1,260)	-	1,670	-
Items that may be reclassified subsequently to profit or loss : profit or loss:				
Exchange differences arising on translation of foreign operations	(17,026)	(1)	5,777	-
Share of other comprehensive income (loss) of subsidiaries and associates	(1,778)	-	4,761	-
Income tax benefit (expense) related to items that may be reclassified subsequently	2,894	-	(1,119)	-
Other comprehensive income, net of tax	(\$ 9,103)	(1)	\$ 91	-
Comprehensive income	\$ 350,920	14	\$ 424,190	16
Basic earnings per share				
Total basic earnings per share	\$ 4.56		\$ 5.38	
Diluted earnings per share				
Total diluted earnings per share	\$ 4.43		\$ 5.25	

Axiomtek Co., Ltd.
Parent Company Only Statements of Change in Equity
For the Years Ended December 31, 2016 and 2015

Expressed in Thousands of TWD

	Share capital		Capital surplus					Retained Earnings			Exchange differences on translation of foreign financial statements	Total	
	Ordinary share	Advance receipts for share capital	Capital surplus In Excess of par value-Common Stock	Capital surplus In Excess of par value-Treasury Stock	Capital surplus from consideration and carrying amount of subsidiaries acquired or disposed	Capital surplus from Gain on Disposal of Property	Capital surplus from stock option exercised by employees	Capital surplus from stock option	Legal Reserve	Unappropriated retained earnings			
Year 2016													
Beginning balance, January 1, 2016	\$ 790,310	\$ -	\$ 118,619	\$ 1,026	\$ -	\$ 2	\$ 23,386	\$ -	\$ 288,752	\$ 441,283	\$ 29,689	\$ 1,693,067	
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	-	-	-	-	-	-	42,411	(42,411)	-	-	
Cash dividends of ordinary share	-	-	-	-	-	-	-	-	-	(339,833)	-	(339,833)	
Net income for 2016	-	-	-	-	-	-	-	-	-	360,023	-	360,023	
Other comprehensive income(loss)	-	-	-	-	-	-	-	-	-	6,807	(15,910)	(9,103)	
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	177	-	-	-	-	-	-	177	
Compensation cost of employee stock options	-	-	-	-	-	-	16,175	-	-	-	-	16,175	
Proceeds from issuing bonds	-	-	-	-	-	-	-	24,360	-	-	-	24,360	
Ending balance, December 31, 2016	\$ 790,310	\$ -	\$ 118,619	\$ 1,026	\$ 177	\$ 2	\$ 39,561	\$ 24,360	\$ 331,163	\$ 425,869	\$ 13,779	\$ 1,744,866	
Year 2015													
Beginning balance, January 1, 2015	\$ 783,450	\$ 153	\$ 110,793	\$ 1,026	\$ -	\$ 2	\$ 16,241	\$ -	\$ 257,801	\$ 371,791	\$ 20,270	\$ 1,561,527	
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	-	-	-	-	-	-	37,056	(37,056)	-	-	
Reversal of Legal reserve	-	-	-	-	-	-	-	-	(6,105)	6,105	-	-	
Cash dividends of ordinary share	-	-	-	-	-	-	-	-	-	(314,328)	-	(314,328)	
Net income for 2015	-	-	-	-	-	-	-	-	-	424,099	-	424,099	
Other comprehensive income(loss)	-	-	-	-	-	-	-	-	-	(9,328)	9,419	91	
Stock option exercised by employees	6,860	(153)	7,826	-	-	-	-	-	-	-	-	14,533	
Compensation cost of employee stock options	-	-	-	-	-	-	7,145	-	-	-	-	7,145	
Ending balance, December 31, 2015	\$ 790,310	\$ -	\$ 118,619	\$ 1,026	\$ -	\$ 2	\$ 23,386	\$ -	\$ 288,752	\$ 441,283	\$ 29,689	\$ 1,693,067	

Axiomtek Co., Ltd.
Parent Company Only Statements of Cash Flows

Expressed in Thousands of TWD

	2016	2015
Cash flows from (used in) operating activities, indirect method		
Profit (loss) before tax	\$ 419,249	\$ 492,624
Adjustments		
Adjustments to reconcile profit (loss)		
Reversal of provision for bad debt expense	(734)	-
Provision for bad debt expense	-	427
Depreciation expense	37,591	31,047
Amortization expense	6,578	4,383
Interest income	(2,104)	(1,746)
Loss (gain) on disposal of investments	(456)	(662)
Net loss (gain) on financial assets at fair value through profit or loss	(15)	88
Net loss (gain) on financial liabilities at fair value through profit or loss	546	-
Share of loss (profit) of associates and joint ventures accounted for using equity method	(117,057)	(148,547)
Dividend income	91,657	64,295
Loss (gain) on disposal of property, plant and equipment	(157)	188
Impairment loss on intangible assets	-	3,869
Interest expense	441	192
Share-based payments	16,175	7,145
Unrealized profit (loss) from sales	(22,838)	26,992
Changes in operating assets and liabilities		
Changes in operating assets		
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(145,544)	75,662
Decrease (increase) in notes receivable	1,643	(2,827)
Decrease (increase) in accounts receivable	143,534	(163,771)
Decrease (increase) in other receivable	(55,397)	(4,098)
Decrease (increase) in inventories	65,460	(72,315)
Decrease (increase) in prepayments	(7,982)	5,850
Changes in operating liabilities		
Increase (decrease) in notes payable	(678)	628
Increase (decrease) in accounts payable	(80,615)	224,074
Increase (decrease) in other payable	228	(2,599)
Increase (decrease) in other current liabilities	559	15,188
Increase (decrease) in accrued pension liabilities	(807)	(808)
Cash inflow (outflow) generated from operations	349,277	555,279
Interest received	2,104	1,746
Interest paid	(168)	(192)
Income taxes refund (paid)	(74,152)	(60,790)
Net cash flows from (used in) operating activities	277,061	496,043
Cash flows from (used in) investing activities		
Acquisition of investments accounted for using equity method	(14,676)	-
Acquisition of property, plant and equipment	(22,943)	(22,358)
Proceeds from disposal of property, plant and equipment	234	725
Acquisition of intangible assets	(4,461)	(10,544)
Increase in prepayments for business facilities	-	(5,293)
Increase in refundable deposits	(241)	(1,102)
Net cash flows from (used in) investing activities	(42,087)	(38,572)
Cash flows from (used in) financing activities		
Proceeds from issuing bonds	420,000	-
Increase in Guarantee deposits received	336	-
Cash dividends paid	(339,833)	(314,328)
Exercise of employee share options	-	14,533
Net cash flows from (used in) financing activities	80,503	(299,795)
Net increase (decrease) in cash and cash equivalents	315,477	157,676
Cash and cash equivalents at beginning of period	333,842	176,166
Cash and cash equivalents at end of period	\$ 649,319	\$ 333,842