

Axiomtek Co., Ltd.
Parent Company Only Balance Sheets

Expressed in Thousands of TWD

	2017/12/31		2016/12/31	
	Amount	%	Amount	%
Assets				
Current assets				
Total cash and cash equivalents	\$ 638,525	18	\$ 649,319	23
Total current financial assets at fair value through profit or loss	35,006	1	244,028	9
Notes receivable, net	2,229	-	4,355	-
Accounts receivable, net	98,567	3	91,895	3
Accounts receivable due from related parties, net	288,926	8	285,354	10
Other receivables, net	21,059	1	13,288	-
Other receivables due from related parties, net	59,952	2	74,631	3
Total current tax assets	-	-	274	-
Total inventories	366,237	10	311,720	11
Total prepayments	8,420	-	16,214	1
Total other current assets	149,599	4	473	-
Total current assets	1,668,520	47	1,691,551	60
Non-current assets				
Non-current financial assets at cost, net	923	-	923	-
Investments accounted for using equity method, net	585,247	16	873,271	31
Total property, plant and equipment	1,203,699	34	213,725	7
Investment property, net	22,858	1	-	-
Total intangible assets	21,215	1	16,220	1
Deferred tax assets	28,566	1	20,667	1
Guarantee deposits paid	3,562	-	5,884	-
Total non-current assets	1,866,070	53	1,130,690	40
Total assets	\$ 3,534,590	100	\$ 2,882,241	100
Liabilities and equity				
Liabilities				
Current liabilities				
Total current financial liabilities at fair value through profit or loss	\$ 4,998	-	-	-
Total notes payable	1,473	-	42	-
Total accounts payable	365,766	10	329,058	11
Total accounts payable to related parties	12,543	-	25,244	1
Total other payables	201,331	6	191,152	7
Current tax liabilities	62,955	2	29,686	1
Total advance receipts	24,854	1	25,257	1
Other current liabilities, others	393,953	11	1,220	-
Total current liabilities	1,067,873	30	601,659	21
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	58,178	2	50,749	2
Accrued pension liabilities	37,413	1	32,422	1
Guarantee deposits received	929	-	336	-
Total non-current liabilities	96,520	3	475,716	17
Total liabilities	1,164,393	33	1,077,375	38
Equity				
Share capital				
Ordinary share	793,130	22	790,310	28
Advance receipts for share capital	1,379	-	-	-
Capital surplus				
Total capital surplus	198,563	6	183,745	6
Retained earnings				
Legal reserve	367,165	10	331,163	12
Total unappropriated retained earnings (accumulated deficit)	1,022,874	29	425,869	15
Other equity interest				
Total other equity interest	(12,914)	-	13,779	1
Total equity	2,370,197	67	1,744,866	62
Major commitment & contingent item				
Total liabilities and equity	\$ 3,534,590	100	\$ 2,882,241	100

Axiomtek Co., Ltd.
Parent Company Only Statements of Comprehensive Income

Expressed in Thousands of TWD (except for EPS)

	2017		2016	
	Amount	%	Amount	%
Operating revenue				
Total operating revenue	\$ 2,530,366	100	\$ 2,459,756	100
Operating costs				
Total operating costs	(1,784,820)	(71)	(1,668,242)	(68)
Gross profit (loss) from operations	745,546	29	791,514	32
Unrealized profit (loss) from sales	(53,428)	(2)	(43,129)	(2)
Realized profit (loss) on from sales	43,129	2	65,967	3
Gross profit (loss) from operations	735,247	29	814,352	33
Operating expenses				
Total selling expenses	(98,683)	(4)	(85,585)	(3)
Total administrative expenses	(87,650)	(4)	(88,522)	(4)
Total research and development expenses	(356,023)	(14)	(350,861)	(14)
Total operating expenses	542,356	(22)	524,968	(21)
Net operating income (loss)	192,891	7	289,384	12
Non-operating income and expenses				
Total other income	17,084	1	27,734	1
Other gains and losses, net	733,759	29	(14,485)	(1)
Finance costs, net	(6,604)	-	(441)	-
Share of profit (loss) of associates and joint ventures accounted for using equity method, net	67,189	2	117,057	5
Total non-operating income and expenses	811,428	32	129,865	5
Profit (loss) before tax	1,004,319	39	419,249	17
Total tax expense (income)	(78,080)	(3)	(59,226)	(2)
Profit (loss)	\$ 926,239	36	\$ 360,023	15
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss : profit or loss:				
Remeasurement of defined benefit obligation	(5,745)	-	7,411	-
Share of other comprehensive income (loss) of subsidiaries and associates	-	-	656	-
Income tax benefit (expense) related to items that will not be reclassified subsequently	977	-	(1,260)	-
Items that may be reclassified subsequently to profit or loss : profit or loss:				
Exchange differences arising on translation of foreign operations	(23,842)	(1)	(17,026)	(1)
Share of other comprehensive income (loss) of subsidiaries and associates	(6,904)	-	(1,778)	-
Income tax benefit (expense) related to items that may be reclassified subsequently	4,053	-	2,894	-
Other comprehensive income, net of tax	(\$ 31,461)	(1)	(\$ 9,103)	(1)
Comprehensive income	\$ 894,778	35	\$ 350,920	14
Basic earnings per share				
Total basic earnings per share	\$	11.71	\$	4.56
Diluted earnings per share				
Total diluted earnings per share	\$	10.59	\$	4.43

Axiomtek Co., Ltd.
Parent Company Only Statements of Change in Equity
For the Years Ended December 31, 2017 and 2016

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 2017													
Beginning balance, January 1, 2017	\$ 790,310	\$ -	\$ 118,619	\$ 1,026	\$ 177	\$ 2	\$ 39,561	\$ 24,360	\$ 331,163	\$ 425,869	\$ 13,779	\$ 1,744,866	
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	-	-	-	-	-	-	36,002	(36,002)	-	-	
Cash dividends of ordinary share	-	-	-	-	-	-	-	-	-	(288,464)	-	(288,464)	
Net income for 2017	-	-	-	-	-	-	-	-	-	926,239	-	926,239	
Other comprehensive income(loss)	-	-	-	-	-	-	-	-	-	(4,768)	(26,693)	(31,461)	
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	(1)	-	-	-	-	-	-	(1)	
Exercise of employee share options	2,820	1,379	4,004	-	-	-	-	-	-	-	-	8,203	
Compensation cost of employee stock options							10,815					10,815	
Ending balance, December 31, 2017	\$ 793,130	\$ 1,379	\$ 122,623	\$ 1,026	\$ 176	\$ 2	\$ 50,376	\$ 24,360	\$ 367,165	\$ 1,022,874	(\$ 12,914)	\$ 2,370,197	
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	

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

Expressed in Thousands of TWD

	2017	2016
Cash flows from (used in) operating activities, indirect method		
Profit (loss) before tax	\$ 1,004,319	\$ 419,249
Adjustments		
Adjustments to reconcile profit (loss)		
Reversal of provision for bad debt expense	5	(734)
Depreciation expense	40,820	37,591
Amortization expense	8,457	6,578
Interest income	(7,391)	(2,104)
Interest expense	6,604	441
Loss (gain) on disposal of investments	(489)	(456)
Loss (gain) on disposal of investments for using equity method	(766,094)	-
Loss (gain) on disposal of property, plant and equipment	(2,301)	(157)
Loss (gain) on disposal of intangible assets	(120)	-
Net loss (gain) on financial assets at fair value through profit or loss	23	(15)
Net loss (gain) on financial liabilities at fair value through profit or loss	(1,050)	546
Share of loss (profit) of associates and joint ventures accounted for using equity method	(67,189)	(117,057)
Dividend income	90,160	91,657
Share-based payments	10,815	16,175
Unrealized profit (loss) from sales	10,299	(22,838)
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	209,488	(145,544)
Decrease (increase) in notes receivable	2,126	1,643
Decrease (increase) in accounts receivable	(10,249)	143,534
Decrease (increase) in other receivable	6,908	(55,397)
Decrease (increase) in inventories	(54,517)	65,460
Decrease (increase) in prepayments	7,794	(7,982)
Decrease (increase) in other financial assets	(148,800)	-
Decrease (increase) in other current assets	(326)	-
Changes in operating liabilities		
Increase (decrease) in notes payable	1,431	(678)
Increase (decrease) in accounts payable	24,007	(80,615)
Increase (decrease) in other payable	(953)	228
Increase (decrease) in receipts in advance	(403)	-
Increase (decrease) in other current liabilities	(26)	559
Increase (decrease) in accrued pension liabilities	(754)	(807)
Cash inflow (outflow) generated from operations	362,594	349,277
Interest received	7,391	2,104
Interest paid	(6)	(168)
Income taxes refund (paid)	(39,978)	(74,152)
Net cash flows from (used in) operating activities	330,001	277,061
Cash flows from (used in) investing activities		
Acquisition of investments accounted for using equity method	(14,329)	(14,676)
Proceeds from disposal of investments accounted for using equity method	1,004,432	-
Acquisition of property, plant and equipment	(1,042,810)	(22,943)
Proceeds from disposal of property, plant and equipment	2,590	234
Acquisition of intangible assets	(13,452)	(4,461)
Proceeds from disposal of intangible assets	120	-
Increase in refundable deposits	2,332	(241)
Net cash flows from (used in) investing activities	(61,127)	(42,087)
Cash flows from (used in) financing activities		
Decrease in short-term loans	(21,000)	-
Increase in short-term loans	21,000	-
Proceeds from issuing bonds	-	420,000
Increase in Guarantee deposits received	593	336
Cash dividends paid	(288,464)	(339,833)
Exercise of employee share options	8,203	-
Net cash flows from (used in) financing activities	(279,668)	80,503
Net increase (decrease) in cash and cash equivalents	(10,794)	315,477
Cash and cash equivalents at beginning of period	649,319	333,842
Cash and cash equivalents at end of period	\$ 638,525	\$ 649,319