

Financial Statement — Balance Sheet

Provided by: ADLINK TECHNOLOGY INC.

Financial year: Yearly

Unit: NT\$ thousand

Accounting Title	2017/06/30	2016/12/31	2016/06/30
Balance Sheet			
Assets			
Current assets			
Cash and cash equivalents			
Total cash and cash equivalents	1,899,683	1,526,598	1,543,750
Current available-for-sale financial assets			
Current available-for-sale financial assets, net	0	0	50,060
Current bond investment without active market			
Total Current investments in debt instrument without active market	153,621	330,563	282,782
Notes receivable, net			
Notes receivable, net	59,588	64,852	89,874
Accounts receivable, net			
Accounts receivable, net	1,620,490	1,867,528	1,666,462
Accounts receivable due from related parties, net			
Accounts receivable due from related parties, net	13,303	33,269	2,401
Other receivables			
Other receivables, net	34,450	35,246	44,407
Current tax assets			
Total current tax assets	225	24,420	18,793
Inventories			
Total inventories	2,468,257	1,727,854	1,818,718
Prepayments			
Total prepayments	211,999	187,314	173,610
Other current assets			
Total other current assets	3,149	5,898	5,589
Total current assets	6,464,765	5,803,542	5,696,446
Non-current assets			
Investments accounted for using equity method			
Investments accounted for using equity method, net	56,570	64,726	0
Property, plant and equipment			
Total property, plant and equipment	944,938	1,024,813	1,113,787
Intangible assets			
Total intangible assets	952,920	974,314	1,114,612
Deferred tax assets	122,286	96,670	83,408
Other non-current assets			
Guarantee deposits paid	42,230	38,320	40,357
Long-term prepaid rents	57,553	60,416	64,121
Other non-current assets, others			
Total other non-current assets, others	17,193	7,161	10,658
Total other non-current assets	116,976	105,897	115,136
Total non-current assets	2,193,690	2,266,420	2,426,943
Total assets	8,658,455	8,069,962	8,123,389
Liabilities and equity			
Liabilities			
Current liabilities			
Short-term borrowings			
Total short-term borrowings	466,121	506,965	577,212
Notes payable			
Total notes payable	2,243	0	0
Accounts payable			
Total accounts payable	2,175,551	1,472,731	1,454,930
Accounts payable to related parties			
Total accounts payable to related parties	8,159	6,527	4,826
Other payables			
Total other payables	1,177,838	840,103	1,291,403
Current tax liabilities	73,120	66,251	72,494
Current provisions			
Total current provisions	53,734	52,893	54,628
Other current liabilities			
Long-term liabilities, current portion			
Total long-term liabilities, current portion	40,000	32,500	0
Other current liabilities, others	141,761	153,484	126,181
Total other current liabilities	181,761	185,984	126,181
Total current liabilities	4,138,527	3,131,454	3,581,674
Non-current liabilities			
Long-term borrowings			
Total long-term borrowings	60,000	167,500	0
Non-current provisions			
Total non-current provisions	35,926	32,688	34,663
Deferred tax liabilities			
Total deferred tax liabilities	1,782	7,131	2,810
Other non-current liabilities			
Total other non-current liabilities	44,865	45,157	48,372
Total non-current liabilities	142,573	252,476	85,845

Total liabilities	4,281,100	3,383,930	3,667,519
Equity			
Equity attributable to owners of parent			
Share capital			
Ordinary share	2,175,059	2,175,579	2,172,804
Advance receipts for share capital	0	40	0
Total capital stock	2,175,059	2,175,619	2,172,804
Capital surplus			
Total capital surplus	1,571,475	1,575,678	1,566,553
Retained earnings			
Legal reserve	522,524	479,434	479,434
Special reserve	74,736	0	0
Unappropriated retained earnings (accumulated deficit)			
Total unappropriated retained earnings (accumulated deficit)	188,824	554,287	270,983
Total retained earnings	786,084	1,033,721	750,417
Other equity interest			
Exchange differences on translation of foreign financial statements			
Total exchange differences on translation of foreign financial statements	-147,363	-74,736	13,271
Unrealized gains (losses) on available-for-sale financial assets			
Total unrealized gains (losses) on available-for-sale financial assets	0	0	60
Other equity, others			
Total other equity, others	-17,140	-33,089	-56,887
Total other equity interest	-164,503	-107,825	-43,556
Total equity attributable to owners of parent	4,368,115	4,677,193	4,446,218
Non-controlling interests	9,240	8,839	9,652
Total equity	4,377,355	4,686,032	4,455,870
Total liabilities and equity	8,658,455	8,069,962	8,123,389
Equivalent issue shares of advance receipts for ordinary share	0	4,000	0
Number of shares in entity held by entity and by its subsidiaries	0	0	0

Financial Statement — Income Statement

Provided by: ADLINK TECHNOLOGY INC.
 Financial year: Yearly
 Unit: NT\$ thousand

Accounting Title	2017/2nd	2016/2nd	2017/01/01To2017/06/30	2016/01/01To2016/06/30
Statement of comprehensive income				
Operating revenue				
Total operating revenue	2,720,645	2,347,277	5,023,419	4,410,878
Operating costs				
Total operating costs	1,698,320	1,340,996	3,083,881	2,466,610
Gross profit (loss) from operations	1,022,325	1,006,281	1,939,538	1,944,268
Unrealized profit (loss) from sales	-172	0	212	0
Gross profit (loss) from operations	1,022,497	1,006,281	1,939,326	1,944,268
Operating expenses				
Selling expenses				
Total selling expenses	256,609	266,909	494,605	532,565
Administrative expenses				
Total administrative expenses	255,708	236,664	444,780	479,894
Research and development expenses				
Total research and development expenses	397,147	383,385	777,756	756,682
Total operating expenses	909,464	886,958	1,717,141	1,769,141
Net operating income (loss)	113,033	119,323	222,185	175,127
Non-operating income and expenses				
Other income				
Total other income	9,791	4,094	32,787	19,295
Other gains and losses				
Other gains and losses, net	34,087	-13,068	-52,226	-8,376
Finance costs				
Finance costs, net	4,404	3,539	8,449	9,151
Share of profit (loss) of associates and joint ventures accounted for using equity method				
Share of profit (loss) of associates and joint ventures accounted for using equity method, net	-3,046	0	-5,702	0
Total non-operating income and expenses	36,428	-12,513	-33,590	1,768
Profit (loss) from continuing operations before tax	149,461	106,810	188,595	176,895
Tax expense (income)				
Total tax expense (income)	27,869	14,174	43,189	27,221
Profit (loss) from continuing operations	121,592	92,636	145,406	149,674
Profit (loss)	121,592	92,636	145,406	149,674
Other comprehensive income				
Components of other comprehensive income that will be reclassified to profit or loss				
Exchange differences on translation	45,712	-51,650	-87,633	-120,798
Unrealised gains (losses) on valuation of available-for-sale financial assets	0	-19	0	-961
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	7,769	-8,928	-14,875	-20,755
Components of other comprehensive income that will be reclassified to profit or loss	37,943	-42,741	-72,758	-101,004
Other comprehensive income, net	37,943	-42,741	-72,758	-101,004
Total comprehensive income	159,535	49,895	72,648	48,670
Profit (loss), attributable to:				
Profit (loss), attributable to owners of parent	121,394	92,945	144,874	149,825
Profit (loss), attributable to non-controlling interests	198	-309	532	-151
Comprehensive income attributable to:				
Comprehensive income, attributable to owners of parent	159,328	49,340	72,247	47,533
Comprehensive income, attributable to non-controlling interests	207	555	401	1,137
Basic earnings per share				
Basic earnings (loss) per share from continuing operations	0.56	0.43	0.67	0.70
Total basic earnings per share	0.56	0.43	0.67	0.70
Diluted earnings per share				
Diluted earnings (loss) per share from continuing operations	0.56	0.43	0.66	0.69
Total diluted earnings per share	0.56	0.43	0.66	0.69

Financial Statement — Statements of Cash Flows

Provided by: ADLINK TECHNOLOGY INC.
 Financial year: Yearly
 Unit: NT\$ thousand

Accounting Title	2017/01/01To2017/06/30	2016/01/01To2016/06/30
Statement of cash flows		
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	188,595	176,895
Profit (loss) before tax	188,595	176,895
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	94,912	95,111
Amortization expense	54,493	48,613
Provision (reversal of provision) for bad debt expense	-652	1,025
Interest expense	8,449	9,151
Interest income	-6,074	-3,765
Dividend income	-121	0
Share-based payments	11,064	53,373
Share of loss (profit) of associates and joint ventures accounted for using equity method	5,702	0
Loss (gain) on disposal of property, plan and equipment	-84	731
Loss (gain) on disposal of investments	0	-1,046
Loss (gain) on disposal of investments accounted for using equity method	0	-31,853
Impairment loss on non-financial assets	40,204	39,255
Unrealized profit (loss) from sales	212	0
Unrealized foreign exchange loss (gain)	31,179	5,718
Other adjustments to reconcile profit (loss)	798	898
Total adjustments to reconcile profit (loss)	240,082	217,211
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in notes receivable	5,264	-26,892
Decrease (increase) in accounts receivable	229,567	-182,416
Decrease (increase) in accounts receivable due from related parties	19,966	3,387
Decrease (increase) in other receivable	796	-16,631
Decrease (increase) in inventories	-772,244	-107,397
Decrease (increase) in prepayments	-24,742	-51,869
Decrease (increase) in other current assets	2,749	-154
Total changes in operating assets	-538,644	-381,972
Changes in operating liabilities		
Increase (decrease) in notes payable	2,243	0
Increase (decrease) in accounts payable	720,406	347,880
Increase (decrease) in accounts payable to related parties	1,632	3,122
Increase (decrease) in other payable	-54,419	-60,248
Increase (decrease) in provisions	4,079	2,043
Increase (decrease) in other current liabilities	-11,723	-23,152
Increase (decrease) in net defined benefit liability	-292	-286
Total changes in operating liabilities	661,926	269,359
Total changes in operating assets and liabilities	123,282	-112,613
Total adjustments	363,364	104,598
Cash inflow (outflow) generated from operations	551,959	281,493
Interest received	6,074	3,765
Interest paid	-8,106	-9,809
Income taxes refund (paid)	-28,215	-59,217
Net cash flows from (used in) operating activities	521,712	216,232
Cash flows from (used in) investing activities		
Acquisition of available-for-sale financial assets	0	-50,000
Proceeds from disposal of available-for-sale financial assets	0	200,776
Acquisition of investments in debt instrument without active market	-153,375	-285,221
Proceeds from disposal of investments in debt instrument without active market	312,885	0
Increase in prepayments for investments	-9,171	0
Net cash flow from acquisition of subsidiaries	0	12,782
Acquisition of property, plant and equipment	-36,374	-76,403
Proceeds from disposal of property, plant and equipment	1,183	319
Decrease in refundable deposits	-3,910	-1,276
Acquisition of intangible assets	-50,314	-48,822
Increase in prepayments for business facilities	-3,152	-3,253
Dividends received	121	0
Net cash flows from (used in) investing activities	57,893	-251,098
Cash flows from (used in) financing activities		
Increase in short-term loans	584,819	399,414
Decrease in short-term loans	-626,683	-1,341,592
Repayments of long-term debt	-100,000	0
Proceeds from issuing shares	0	960,000
Exercise of employee share options	122	8,551
Net cash flows from (used in) financing activities	-141,742	26,373
Effect of exchange rate changes on cash and cash equivalents	-64,778	-19,721
Net increase (decrease) in cash and cash equivalents	373,085	-28,214
Cash and cash equivalents at beginning of period	1,526,598	1,571,964
Cash and cash equivalents at end of period	1,899,683	1,543,750
Cash and cash equivalents reported in the statement of financial position	1,899,683	1,543,750

Financial Statement — Statements of Changes in Stockholders' Equity
 Provided by: ADLINK TECHNOLOGY INC.
 Financial year: Yearly
 Unit: NTS thousand

2017/06/30 Statement of Stockholders' Equity

Unit: NTS thousand

	Ordinary share	Advance receipts for share capital	Total share capital	Capital surplus	Legal reserve	Inappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Others	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Equity at beginning of period	2,175,579	40	2,175,619	1,575,676	479,434	554,281	1,033,721	-74,736	-33,089	-107,823	4,677,193	8,839	4,686,032
Effects of retrospective application and retrospective restatement													
Retrospective adjustment of equity attributable to former owner due to reorganization of entities under common control													
Equity at beginning of period after adjustments	2,175,579	40	2,175,619	1,575,676	479,434	554,281	1,033,721	-74,736	-33,089	-107,823	4,677,193	8,839	4,686,032
Legal reserve appropriated						-43,090							
Special reserve appropriated						74,736							
Cash dividends of ordinary share						-392,511	-392,511						
Cash dividends of preference share													
Stock dividends of ordinary share													
Stock dividends of preference share													
Legal reserve used to offset accumulated deficits													
Special reserve used to offset accumulated deficits													
Reversal of special reserve													
Due to business combination													
Due to donated assets received													
Due to recognition of equity component of convertible bonds (preference share) issued													
Changes in equity of associates and joint ventures accounted for using equity method													
Capital surplus used to offset accumulated deficits													
Stock dividends from capital surplus													
Cash dividends from capital surplus													
Other changes in capital surplus													
Profit (loss)						144,874	144,874				144,874	532	145,406
Other comprehensive income													
Total comprehensive income						144,874	144,874				144,874	532	145,406
Issue of shares													
Capital reduction													
Capital reduction to offset accumulated deficits													
Capital reduction due to spin-off													
Shares issued for pursuant to acquisitions													
Reorganization													
Conversion of convertible bonds													
Conversion of preference share													
Issue of preference share													
Redemption of preference share													
Issue of ordinary share, others													
Purchase of treasury share													
Retirement of treasury share													
Acquisition of company's share by subsidiaries recognized as treasury share													
Disposal of company's share by subsidiaries recognized as treasury share transactions													
Adjustments of capital surplus for company's cash dividends received by subsidiaries													
Disposal of subsidiaries or investments accounted for using equity method													
Difference between consideration and carrying amount of subsidiaries acquired or disposed													
Changes in ownership interests in subsidiaries													
Share-based payments													
Changes in prepaid preferred stock construction dividends													
Others													
Total increase (decrease) in equity													
Equity at end of period	2,175,059	0	2,175,059	1,571,476	622,524	74,736	188,524	-74,736	-114,501	-104,501	4,368,119	9,242	4,377,361

2016/06/30 Statement of Stockholders' Equity

Unit: NTS thousand

	Ordinary share	Total share capital	Capital surplus	Legal reserve	Inappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Others	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Equity at beginning of period	2,017,588	2,017,588	714,356	418,718	703,568	1,122,308	114,602	1,021	21,398	44,234	3,888,477	8,511	3,906,988
Effects of retrospective application and retrospective restatement													
Retrospective adjustment of equity attributable to former owner due to reorganization of entities under common control													
Equity at beginning of period after adjustments	2,017,588	2,017,588	714,356	418,718	703,568	1,122,308	114,602	1,021	21,398	44,234	3,888,477	8,511	3,906,988
Legal reserve appropriated						-60,718							
Special reserve appropriated													
Cash dividends of ordinary share						-621,718							
Cash dividends of preference share													
Stock dividends of ordinary share													
Stock dividends of preference share													
Legal reserve used to offset accumulated deficits													
Special reserve used to offset accumulated deficits													
Reversal of special reserve													
Due to business combination													
Due to donated assets received													
Due to recognition of equity component of convertible bonds (preference share) issued													
Changes in equity of associates and joint ventures accounted for using equity method													
Capital surplus used to offset accumulated deficits													
Stock dividends from capital surplus													
Cash dividends from capital surplus													
Other changes in capital surplus													
Profit (loss)						149,825	149,825				149,825	151	149,976
Other comprehensive income													
Total comprehensive income						149,825	149,825				149,825	151	149,976
Issue of shares													
Capital reduction													
Capital reduction to offset accumulated deficits													
Capital reduction due to spin-off													
Shares issued for pursuant to acquisitions													
Reorganization													
Conversion of convertible bonds													
Conversion of preference share													
Issue of preference share													
Redemption of preference share													
Issue of ordinary share, others													
Purchase of treasury share													
Retirement of treasury share													
Acquisition of company's share by subsidiaries recognized as treasury share													
Disposal of company's share by subsidiaries recognized as treasury share transactions													
Adjustments of capital surplus for company's cash dividends received by subsidiaries													
Disposal of subsidiaries or investments accounted for using equity method													
Difference between consideration and carrying amount of subsidiaries acquired or disposed													
Changes in ownership interests in subsidiaries													
Changes in non-controlling interests													
Share-based payments													
Changes in prepaid preferred stock construction dividends													
Others													
Total increase (decrease) in equity													
Equity at end of period	2,172,804	2,172,804	1,566,553	470,434	270,983	1,122,308	13,271	1,021	21,398	44,234	4,446,219	9,652	4,455,871