

**SILERGY CORP.**  
(Incorporated in the Cayman Islands)  
**AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**  
(In Thousands of New Taiwan Dollars)

	March 31, 2017 (Reviewed)		December 31, 2016 (Audited)		March 31, 2016 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 2,623,949	25	\$ 2,679,526	25	\$ 1,614,110	19
Financial assets at fair value through profit or loss - current	216	-	-	-	-	-
Debt investments with no active market - current	541,361	5	667,849	6	385,082	4
Accounts receivable, net	522,753	5	582,472	5	331,373	4
Accounts receivables from related parties, net	106	-	-	-	-	-
Other receivables	41,007	-	35,972	-	386,191	4
Inventories	1,439,566	14	1,312,193	12	1,126,990	13
Prepayments	58,092	-	53,398	1	38,515	1
Other financial assets - current	-	-	-	-	35,404	-
Total current assets	<u>5,227,050</u>	<u>49</u>	<u>5,331,410</u>	<u>49</u>	<u>3,917,665</u>	<u>45</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets measured at cost - non-current	154,561	2	131,259	1	135,901	2
Debt investment with no active market - non-current	30,330	-	32,250	-	-	-
Investments accounted for using equity method	597,710	6	629,921	6	674,254	8
Property, plant and equipment	432,182	4	387,356	4	168,304	2
Goodwill	2,435,789	23	2,546,052	24	2,217,639	26
Other intangible assets	1,464,650	14	1,598,323	15	1,410,533	16
Deferred tax assets	37,026	-	38,697	-	37,020	-
Refundable deposits	27,536	-	28,006	-	24,377	-
Net defined benefit assets - non-current	868	-	829	-	722	-
Long-term prepayments	155,645	2	103,972	1	108,778	1
Total non-current assets	<u>5,336,297</u>	<u>51</u>	<u>5,496,665</u>	<u>51</u>	<u>4,777,528</u>	<u>55</u>
<b>TOTAL</b>	<u>\$ 10,563,347</u>	<u>100</u>	<u>\$ 10,828,075</u>	<u>100</u>	<u>\$ 8,695,193</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings	\$ -	-	\$ -	-	\$ 3,379,425	39
Financial liabilities at fair value through profit or loss - current	-	-	10,170	-	-	-
Notes and accounts payable	387,935	4	460,318	4	265,054	3
Other payables	271,373	2	317,232	3	211,206	3
Current tax liabilities	10,972	-	5	-	5	-
Other current liabilities	10,603	-	5,209	-	16,066	-
Total current liabilities	<u>680,883</u>	<u>6</u>	<u>792,934</u>	<u>7</u>	<u>3,871,756</u>	<u>45</u>
<b>NON-CURRENT LIABILITIES</b>						
Bonds payable	994,556	9	1,758,758	16	-	-
Deferred tax liabilities	59	-	59	-	63	-
Guarantee deposits	-	-	9,001	-	9,644	-
Other payables - non-current	63,693	1	72,563	1	-	-
Total non-current liabilities	<u>1,058,308</u>	<u>10</u>	<u>1,840,381</u>	<u>17</u>	<u>9,707</u>	<u>-</u>
Total liabilities	<u>1,739,191</u>	<u>16</u>	<u>2,633,315</u>	<u>24</u>	<u>3,881,463</u>	<u>45</u>
<b>EQUITY</b>						
Common shares	859,852	8	840,232	8	783,013	9
Capital surplus						
Paid-in capital	4,069,361	38	3,285,208	30	1,198,549	14
Employee share options	167,286	2	139,405	1	61,482	1
Share options	88,536	1	147,974	2	-	-
Restricted shares for employees	120,625	1	191,155	2	120,133	1
Total capital surplus	<u>4,445,808</u>	<u>42</u>	<u>3,763,742</u>	<u>35</u>	<u>1,380,164</u>	<u>16</u>
Retained earnings						
Legal reserve	253,228	3	253,228	2	133,103	2
Unappropriated earnings	3,696,168	35	3,332,282	31	2,377,826	27
Total retained earnings	<u>3,949,396</u>	<u>38</u>	<u>3,585,510</u>	<u>33</u>	<u>2,510,929</u>	<u>29</u>
Other equity						
Exchange differences on translating foreign operations	(383,378)	(4)	91,948	1	204,097	2
Unearned employee benefits	(47,522)	-	(86,672)	(1)	(64,473)	(1)
Total other equity	<u>(430,900)</u>	<u>(4)</u>	<u>5,276</u>	<u>-</u>	<u>139,624</u>	<u>1</u>
Total equity	<u>8,824,156</u>	<u>84</u>	<u>8,194,760</u>	<u>76</u>	<u>4,813,730</u>	<u>55</u>
<b>TOTAL</b>	<u>\$ 10,563,347</u>	<u>100</u>	<u>\$ 10,828,075</u>	<u>100</u>	<u>\$ 8,695,193</u>	<u>100</u>

**SILERGY CORP.**  
(Incorporated in the Cayman Islands)  
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**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)  
(Reviewed, Not Audited)

	<b>For the Three Months Ended March 31</b>			
	<b>2017</b>		<b>2016</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
OPERATING REVENUE, NET	\$ 1,830,566	100	\$ 1,317,347	100
OPERATING COSTS	<u>949,376</u>	<u>52</u>	<u>719,773</u>	<u>55</u>
GROSS PROFIT	<u>881,190</u>	<u>48</u>	<u>597,574</u>	<u>45</u>
OPERATING EXPENSES				
Selling and marketing expenses	142,527	8	98,205	8
General and administrative expenses	123,957	6	81,560	6
Research and development expenses	<u>258,182</u>	<u>14</u>	<u>188,212</u>	<u>14</u>
Total operating expenses	<u>524,666</u>	<u>28</u>	<u>367,977</u>	<u>28</u>
OTHER OPERATING INCOME AND EXPENSES, NET	<u>4,359</u>	<u>-</u>	<u>4,903</u>	<u>1</u>
OPERATING INCOME	<u>360,883</u>	<u>20</u>	<u>234,500</u>	<u>18</u>
NONOPERATING INCOME AND EXPENSES				
Interest income	5,824	-	3,678	-
Other income	10,409	1	18,647	1
Foreign exchange gain (loss), net	(675)	-	1,452	-
Interest expenses	(7,827)	-	(3,972)	-
Gains on financial assets at fair value through profit or loss	9,618	-	-	-
Share of loss of associates	(2,252)	-	(4,289)	-
Miscellaneous expenses	<u>(394)</u>	<u>-</u>	<u>(874)</u>	<u>-</u>
Total nonoperating income and expenses	<u>14,703</u>	<u>1</u>	<u>14,642</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	375,586	21	249,142	19
INCOME TAX EXPENSE	<u>(11,700)</u>	<u>(1)</u>	<u>(10,594)</u>	<u>(1)</u>
NET PROFIT FOR THE PERIOD	<u>363,886</u>	<u>20</u>	<u>238,548</u>	<u>18</u>
OTHER COMPREHENSIVE INCOME (LOSS)				

(Continued)

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**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)  
(Reviewed, Not Audited)

	<b>For the Three Months Ended March 31</b>			
	<b>2017</b>		<b>2016</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Items that will not be reclassified subsequently to profit or loss:				
Exchange differences arising from translation to the presentation currency	(498,426)	(27)	(91,562)	(7)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	19,785	1	4,175	1
Share of the other comprehensive gain of associates accounted for using equity method	<u>3,315</u>	<u>-</u>	<u>3,467</u>	<u>-</u>
Other comprehensive income (loss) for the period, net of income tax	<u>(475,326)</u>	<u>(26)</u>	<u>(83,920)</u>	<u>(6)</u>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	<u>\$ (111,440)</u>	<u>(6)</u>	<u>\$ 154,628</u>	<u>12</u>
<b>EARNINGS PER SHARE</b>				
Basic	<u>\$4.34</u>		<u>\$3.09</u>	
Diluted	<u>\$4.08</u>		<u>\$2.96</u>	

(Concluded)

**SILERGY CORP.**  
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**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(In Thousands of New Taiwan Dollars)  
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company										Other Equity		Total Equity	
	Common Shares		Capital Surplus					Retained Earnings			Exchange Differences on Translating Foreign Operations	Unearned Employee Benefits		Total
	Shares	Amount	Paid-in Capital	Employee Share Options	Share Options	Restricted Shares For Employees	Total	Legal Reserve	Unappropriated Earnings	Total				
BALANCE AT JANUARY 1, 2016	78,221	\$ 782,206	\$ 1,162,098	\$ 38,186	\$ -	\$ 156,206	\$ 1,356,490	\$ 133,103	\$ 2,139,278	\$ 2,272,381	\$ 288,017	\$ (91,242)	\$ 196,775	\$ 4,607,852
Recognition of employee share options by Silergy Corp.	-	-	-	23,522	-	-	23,522	-	-	-	-	-	-	23,522
Net profit for the three months ended March 31, 2016	-	-	-	-	-	-	-	-	238,548	238,548	-	-	-	238,548
Other comprehensive income (loss) for the three months ended March 31, 2016, net of income tax	-	-	-	-	-	-	-	-	-	-	(83,920)	-	(83,920)	(83,920)
Total comprehensive income (loss) for the three months ended March 31, 2016	-	-	-	-	-	-	-	-	238,548	238,548	(83,920)	-	(83,920)	154,628
Issue of common shares under employee share options	80	807	378	(226)	-	-	152	-	-	-	-	-	-	959
Recognition of restricted employee shares issued by Silergy Corp.	-	-	36,073	-	-	(36,073)	-	-	-	-	-	26,769	26,769	26,769
BALANCE AT MARCH 31, 2016	<u>78,301</u>	<u>\$ 783,013</u>	<u>\$ 1,198,549</u>	<u>\$ 61,482</u>	<u>\$ -</u>	<u>\$ 120,133</u>	<u>\$ 1,380,164</u>	<u>\$ 133,103</u>	<u>\$ 2,377,826</u>	<u>\$ 2,510,929</u>	<u>\$ 204,097</u>	<u>\$ (64,473)</u>	<u>\$ 139,624</u>	<u>\$ 4,813,730</u>
BALANCE AT JANUARY 1, 2017	84,023	\$ 840,232	\$ 3,285,208	\$ 139,405	\$ 147,974	\$ 191,155	\$ 3,763,742	\$ 253,228	\$ 3,332,282	\$ 3,585,510	\$ 91,948	\$ (86,672)	\$ 5,276	\$ 8,194,760
Recognition of employee share options by Silergy Corp.	-	-	-	28,243	-	-	28,243	-	-	-	-	-	-	28,243
Convertible bonds converted to common shares	1,825	18,246	711,431	-	(59,438)	-	651,993	-	-	-	-	-	-	670,239
Net profit for the three months ended March 31, 2017	-	-	-	-	-	-	-	-	363,886	363,886	-	-	-	363,886
Other comprehensive income (loss) for the three months ended March 31, 2017, net of income tax	-	-	-	-	-	-	-	-	-	-	(475,326)	-	(475,326)	(475,326)
Total comprehensive income (loss) for the three months ended March 31, 2017	-	-	-	-	-	-	-	-	363,886	363,886	(475,326)	-	(475,326)	(111,440)
Issue of common shares under employee share options	137	1,374	2,192	(362)	-	-	1,830	-	-	-	-	-	-	3,204
Recognition of restricted employee shares issued by Silergy Corp.	-	-	70,530	-	-	(70,530)	-	-	-	-	-	39,150	39,150	39,150
BALANCE AT MARCH 31, 2017	<u>85,985</u>	<u>\$ 859,852</u>	<u>\$ 4,069,361</u>	<u>\$ 167,286</u>	<u>\$ 88,536</u>	<u>\$ 120,625</u>	<u>\$ 4,445,808</u>	<u>\$ 253,228</u>	<u>\$ 3,696,168</u>	<u>\$ 3,949,396</u>	<u>\$ (383,378)</u>	<u>\$ (47,522)</u>	<u>\$ (430,900)</u>	<u>\$ 8,824,156</u>

**SILERGY CORP.**  
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**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(In Thousands of New Taiwan Dollars)**  
**(Reviewed, Not Audited)**

	<b>For the Three Months Ended</b>	
	<b>March 31</b>	
	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 375,586	\$ 249,142
Adjustments for:		
Impairment loss recognized on accounts receivable	2,034	439
Net gain on fair value change of financial assets and liabilities designated as at fair value through profit or loss	(9,618)	-
Depreciation expenses	7,539	4,835
Amortization expenses	62,481	8,320
Interest income	(5,824)	(3,678)
Interest expenses	7,827	3,972
Compensation cost of employee share options	28,243	23,522
Compensation cost of restricted employee shares	39,150	26,769
Share of loss of associates	2,252	4,289
Loss on disposal of property, plant and equipment	4	-
Gains on disposal of intangible assets	(4,363)	(4,903)
Write-down of inventories	10,750	13,151
Unrealized loss on foreign currency exchange	276	1,398
Changes in operating assets and liabilities		
Decrease (increase) in accounts receivable	57,516	(5,058)
Increase in accounts receivable from related parties	(106)	-
Decrease (increase) in other receivables	16,011	(11,238)
Decrease (increase) in inventories	(119,473)	18,548
Decrease (increase) in prepayments	(4,694)	1,994
Increase in defined benefit assets - non-current	(39)	(67)
Decrease in notes and accounts payable	(72,343)	(90,899)
Decrease in other payables	(34,411)	(25,232)
Increase in other current liabilities	5,394	9,901
Cash generated from operations	364,192	225,205
Interest received	5,872	3,838
Income tax paid	(22,664)	(76,924)
Net cash generated from operating activities	<u>347,400</u>	<u>152,119</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of debt investments with no active market	126,488	548,130
Purchase of financial assets measured at cost	(13,695)	-
Net cash outflow on business combinations	(40,952)	(3,467,761)
Acquisition of property, plant and equipment	(73,655)	(38,297)
Decrease (increase) in long-term prepayments	(58,215)	257
Payments for intangible assets	(26,765)	(11,120)

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**(Reviewed, Not Audited)**

	<b>For the Three Months Ended March 31</b>	
	<b>2017</b>	<b>2016</b>
Decrease in refundable deposits	470	1,684
Increase (decrease) in guarantee deposits	<u>(9,001)</u>	<u>9,644</u>
Net cash used in investing activities	<u>(95,325)</u>	<u>(2,957,463)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	-	3,379,425
Cash dividends paid	(10,296)	(1,368)
Proceeds from exercise of employee share options	3,204	959
Increase in other receivables	<u>-</u>	<u>(337,943)</u>
Net cash generated from (used in) financing activities	<u>(7,092)</u>	<u>3,041,073</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(300,560)</u>	<u>(42,304)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(55,577)	193,425
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>2,679,526</u>	<u>1,420,685</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 2,623,949</u>	<u>\$ 1,614,110</u>

(Concluded)