

ELAN MICROELECTRONICS CORPORATION AND ITS SUBSIDIARIES  
Consolidated Balance Sheets  
March 31, 2016 and 2015  
(Expressed in, Thousands of New Taiwan Dollars)

Assets	31-Mar-16		31-Dec-15		31-Mar-15		Liabilities and Equity	31-Mar-16		31-Dec-15		31-Mar-15	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
<b>Current assets:</b>							<b>Current liabilities:</b>						
1100 Cash and cash equivalents (note 6(a))	\$1,107,831	12	1,087,933	12	\$1,154,261	11	2100 Short-term borrowings (note 6(k))	\$62,000	1	130,500	1	\$6,000	-
1110 Current financial assets at fair value through profit or loss (note 6(c) and 7)	721,209	8	739,715	8	618,243	6	2170 Notes and accounts payable	681,029	7	836,251	9	699,108	7
1170 Notes and accounts receivable, net (notes 6(c) and 7)	874,935	9	1,046,332	11	1,068,135	10	2206 Employee bonus payable (note 6(s))	145,289	2	128,000	1	230,614	2
1200 Other receivables, net (notes 6(c) and 7)	108,952	1	203,273	2	174,196	2	2230 Current tax liabilities	63,335	1	45,437	-	163,990	2
1310 Inventories, manufacturing business, net (note 6(d))	1,098,651	12	1,124,412	12	1,199,999	12	2300 Other current liabilities (note 7)	<u>472,130</u>	<u>5</u>	<u>542,769</u>	<u>6</u>	<u>488,095</u>	<u>5</u>
1410 Prepayments	21,953	-	84,696	1	17,687	-		<u>1,423,783</u>	<u>16</u>	<u>1,682,957</u>	<u>17</u>	<u>1,587,807</u>	<u>16</u>
1476 Other current financial assets (note 6(a))	<u>2,915,660</u>	<u>32</u>	<u>2,752,390</u>	<u>29</u>	<u>3,603,948</u>	<u>37</u>	<b>Non-Current liabilities:</b>						
	<u>6,849,191</u>	<u>74</u>	<u>7,038,751</u>	<u>75</u>	<u>7,836,469</u>	<u>78</u>	2640 Net defined benefit liability, non-current (note 6(l))	475,442	5	499,832	5	489,261	5
Non-current assets:							2645 Guarantee deposits received	10,393	-	10,520	-	10,599	-
1523 Non-current available-for-sale financial assets (note 6(e))	324,797	4	242,403	3	276,065	3	2570 Deferred tax liabilities (note 6(m))	<u>173</u>	-	<u>173</u>	-	<u>173</u>	-
1547 Non-current investments in debt instrument without active market (note 6(f))	8625	-	12,938	-	17251	-		<u>486,008</u>	<u>5</u>	<u>510,525</u>	<u>5</u>	<u>505,883</u>	<u>5</u>
1551 Investments accounted for using equity method (note 6(g))	287,003	3	244,499	3	177,248	2	<b>Total liabilities</b>						
1543 Non-current financial assets at cost, net (note 6(h))	794,791	9	801,796	9	859,770	8		<u>1,909,791</u>	<u>21</u>	<u>2,193,482</u>	<u>22</u>	<u>2,093,690</u>	<u>21</u>
1600 Property, plant and equipment (note 6(i))	599,134	7	612,066	7	654,683	6	<b>Equity attributable to owners of parent: (notes 6(n) and (o))</b>						
1780 Intangible assets (note 6(j))	310,130	3	290,523	3	314,349	3	3100 Common stock	<u>4,341,148</u>	<u>48</u>	<u>4,411,448</u>	<u>48</u>	<u>4,411,448</u>	<u>48</u>
1840 Deferred tax assets (note 6(m))	18,916	-	18,916	-	19,958	-	3200 Capital surplus	<u>976,488</u>	<u>11</u>	<u>976,488</u>	<u>11</u>	<u>1,174,049</u>	<u>12</u>
1900 Other non-current assets	<u>21,226</u>	-	<u>22,753</u>	-	<u>27,213</u>	-	Retained earnings:						
	2,364,622	26	2,245,894	25	2,346,537	22	3310 Legal reserve	1,186,930	13	1,186,930	13	1,038,126	10
							3350 Unappropriated retained earnings	<u>879,319</u>	<u>9</u>	<u>774,980</u>	<u>9</u>	<u>1,690,796</u>	<u>17</u>
								<u>2,066,249</u>	<u>22</u>	<u>1,961,910</u>	<u>22</u>	<u>2,728,922</u>	<u>27</u>
							3400 Other equity interest	<u>281,796</u>	<u>3</u>	<u>221,247</u>	<u>2</u>	<u>228,224</u>	<u>2</u>
							3500 Treasury stock	<u>-471,138</u>	<u>-5</u>	<u>-471,138</u>	<u>-5</u>	<u>-481,421</u>	<u>-5</u>
							<b>Total equity attributable to owners of parent:</b>						
								7,264,843	79	7,099,955	78	8,061,222	79
							36XX Non-controlling interests	<u>39,179</u>	-	<u>-8,792</u>	-	<u>28,094</u>	-
							<b>Total equity</b>						
								<u>7,304,022</u>	<u>79</u>	<u>7,091,163</u>	<u>78</u>	<u>8,089,316</u>	<u>79</u>
<b>Total assets</b>	<b><u>\$9,213,813</u></b>	<b><u>100</u></b>	<b><u>9,284,645</u></b>	<b><u>100</u></b>	<b><u>10,183,006</u></b>	<b><u>100</u></b>	<b>Total liabilities and equity</b>	<b><u>\$9,213,813</u></b>	<b><u>100</u></b>	<b><u>9,284,645</u></b>	<b><u>100</u></b>	<b><u>10,183,006</u></b>	<b><u>100</u></b>

ELAN MICROELECTRONICS CORPORATION AND ITS SUBSIDIARIES  
Consolidated Statements of Comprehensive Income  
For three months ended March 31, 2016 and 2015  
(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		For the Three Months Ended March 31			
		2016		2015	
		Amount	%	Amount	%
4000	<b>Operating revenue</b> (notes 6(q) and 7, 9)	\$1,399,790	100	6,605,099	100
5000	<b>Operating costs</b> (notes 6(d), (j), (k) and 7, 9)	<u>834,138</u>	<u>61</u>	<u>900,812</u>	<u>54</u>
	<b>Gross profit from operations</b>	565,652	39	783,596	46
5920	Add: realized (unrealized) profit	<u>632</u>	-	<u>-1,350</u>	-
		<u>2,708,170</u>	<u>39</u>	<u>2,813,686</u>	<u>46</u>
	<b>Operating expenses:</b> (notes 6(j), (k), 7 and 9)				
6100	Selling expenses	66,552	5	98,989	6
6200	Administrative expenses	72,160	5	81,087	5
6300	Research and development expenses	<u>308,893</u>	<u>22</u>	<u>314,672</u>	<u>19</u>
		<u>1,955,755</u>	<u>32</u>	<u>1,964,802</u>	<u>30</u>
	<b>Income from operations</b>	<u>752,415</u>	<u>7</u>	<u>848,884</u>	<u>16</u>
	<b>Non-operating income and expenses:</b>				
7010	Other revenue (notes 6(r) and 9)	13,125	1	18,863	1
7020	Other gains and losses (notes 6(f), (h) and (r))	-32,235	-1	-23,186	-1
7050	Finance costs	-399	-	-13	-
7590	Miscellaneous expenses	-38		-2,398	
7770	Share of loss of associates and joint ventures accounted for using equity method (note 6(g))	<u>13,104</u>	<u>1</u>	<u>-2,809</u>	-
		<u>-6,443</u>	=	<u>-9,543</u>	=
	<b>Income before income tax</b>	112,236	8	277,955	16
8110	Income tax expenses (note 6(m))	<u>22,077</u>	<u>2</u>	<u>56,209</u>	<u>3</u>
	<b>Net income</b>	<u>90,159</u>	<u>6</u>	<u>221,746</u>	<u>13</u>
8300	<b>Other comprehensive income:</b>				
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8361	Foreign currency translation differences	-984	-	-470	-
8362	Net change in fair value of available for-sale financial assets	76,395	6	-6,502	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method - items that may be reclassified to profit or loss	-15,180	-1	4,263	-
8399	Income tax relating to items that may be reclassified subsequently	=	=	=	=

ELAN MICROELECTRONICS CORPORATION AND ITS SUBSIDIARIES  
Consolidated Statements of Comprehensive Income  
For three months ended March 31, 2016 and 2015  
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	Components of other comprehensive income that will be reclassified to profit or loss	<u>60,231</u>	<u>5</u>	<u>-2,709</u>	<u>-</u>
8300	<b>Other comprehensive income, net of tax</b>	<u>60,231</u>	<u>5</u>	<u>-2,709</u>	<u>-</u>
	<b>Comprehensive income</b>	<u><b>\$150,390</b></u>	<u><b>11</b></u>	<u><b>219,037</b></u>	<u><b>13</b></u>
	<b>Net income for the period attributable to:</b>				
	Owners of the parent	\$109,652	7	245,649	14
	Non-controlling interests	<u>-19,493</u>	<u>-1</u>	<u>-23,903</u>	<u>-1</u>
		<u><b>\$580,001</b></u>	<u><b>6</b></u>	<u><b>221,746</b></u>	<u><b>13</b></u>
	<b>Total comprehensive income for the period attributable to:</b>				
	Owners of the parent	\$170,201	12	243,036	14
	Non-controlling interests	<u>-19,811</u>	<u>-1</u>	<u>-23,999</u>	<u>-1</u>
		<u><b>\$150,390</b></u>	<u><b>11</b></u>	<u><b>219,037</b></u>	<u><b>13</b></u>
	<b>Earnings per share (note 6(p))</b>				
	Basic earnings per share		<u><b>\$0.26</b></u>		<u><b>0.59</b></u>
	Diluted earnings per share		<u><b>\$0.26</b></u>		<u><b>0.58</b></u>

ELAN MICROELECTRONICS CORPORATION AND ITS SUBSIDIARIES

Consolidated Statements of Changes in Equity

For three months ended March 31, 2016 and 2015

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings		Exchange differences on translation of foreign financial statements	Total other equity interest		Treasury stock	Total equity attributable to owners of parent			
			Legal reserve	Unappropriated earnings		Unrealized gains (losses) on available-for-sale financial assets						
Balance at January 1, 2015	\$4,411,448	1,173,275	1,038,126	1,488,049	-689	231,526	-481,421	7,860,314	53,152	7,913,466		
Effects of retrospective application and retrospective restatement	-	-	-	-42,902	-	-	-	-42,902	-411	-43,313		
Equity at beginning of period after adjustments	\$4,411,448	\$1,173,275	\$1,038,126	\$1,445,147	-689	231,526	-481,421	7,817,412	52,741	7,870,153		
Net Income	-	-	-	245,649	-	-	-	245,649	-23,903	221,746		
Other comprehensive income	-	-	-	-	-374	-2,239	-	-2,613	-96	-2,709		
Total comprehensive income	-	-	-	245,649	-374	-2,239	-	809,408	-85,747	219,037		
Share-based payments	-	-	-	-	-	-	-	-	116	116		
Issuance of shares for non-controlling interests	-	-	-	-	-	-	-	-	10	10		
Change in non-controlling interests	-	774	-	-	-	-	-	774	-774	-		
Equity Increase(decrease)	-	774	-	-42902	-	-	-	-42128	-1,059	-43,187		
Balance at December 31, 2015	\$4,411,448	1,174,049	1,038,126	1,690,796	-1,063	229,287	-481,421	8,061,222	28,094	8,089,316		
Balance at January 1, 2016	\$4,411,448	976,488	1,186,930	774,980	-167	221,414	-471,138	7,099,955	-8,792	7,091,163		
Net income	-	-	-	109,652	-	-	-	109,652	-19,493	90,159		
Other comprehensive income	-	-	-	-	-666	61,215	-	60,549	-318	60,231		
Total comprehensive income	-	-	-	109,652	-666	61,215	-	170,201	-19,811	150,390		
Changes in equity of associates and joint ventures accounted for using equity	-	44,482	-	-	-	-	-	44,482	-	44,482		
Issuance of shares for non-controlling interests	-	-	-	-	-	-	-	-	17,987	17,987		
Changes in non-controlling interests	-	-44,482	-	-5,313	-	-	-	-49,795	49,795	-		
Equity Increase(decrease)	-	-	-	-5313	-	-	-	(5,313)	67,782	62,469		
Balance at December 31, 2016	\$4,341,148	976,488	1,186,930	879,319	-833	282,629	-471,138	7,264,843	39,179	7,304,022		

ELAN MICROELECTRONICS CORPORATION AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows

For three months ended March 31, 2016 and 2015

(Expressed in Thousands of New Taiwan Dollars)

	<b>For the Three Months Ended March 31</b>	
	<b>2016</b>	<b>2015</b>
<b>Cash flows from operating activities:</b>		
Income before income tax	\$112,236	277,955
<b>Adjustments:</b>		
Adjustments to reconcile net income:		
Depreciation expense	18,640	20,202
Amortization expense	20,400	16,545
Provision (reversal of provision) for bad debt expense	-1,207	-377
Net loss (gain) on financial assets at fair value through profit or loss	2088	-1,239
Interest expense	399	13
Interest income	-10,060	-13,212
Compensation cost of stock option	-	116
Share of profit of associates and joint ventures accounted for using equity method	-13,104	2,809
Loss on disposal of property, plan and equipment	97	2,454
Impairment loss on financial assets	22,023	11,184
Difference between net pension liability and actual appropriations	-24,390	1,561
Impairment loss and disposal loss on inventory	18,161	11,417
Others	<u>-1,167</u>	<u>368</u>
<b>Total adjustments to reconcile net income</b>	<b><u>31,880</u></b>	<b><u>51,841</u></b>
<b>Changes in operating assets and liabilities:</b>		
Decrease (increase) in financial assets held for trading	16,418	15,997
Decrease (increase) in notes and accounts receivable	172,604	133,765
Decrease (increase) in inventories	7,600	7,447
Decrease (increase) in other current assets	62,743	2,613
Decrease (increase) in other receivables	94,412	28,471
Increase (decrease) in notes and accounts payable	-155,222	-110,430
Increase (decrease) in other current liabilities	<u>-53,259</u>	<u>-144,912</u>
Cash inflow generated from operations	289,412	262,747
Interest received	9,969	13,036
Interest paid	-490	-13
Income taxes paid	<u>-4,179</u>	<u>-2,502</u>
<b>Net cash flows from operating activities</b>	<b><u>294,712</u></b>	<b><u>273,268</u></b>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at amortised cost	-26,705	-15,990
Acquisition of available-for-sale financial assets	-6,000	-
Acquisition of investments in debt instrument without active market	-	-17,251

ELAN MICROELECTRONICS CORPORATION AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows

For three months ended March 31, 2016 and 2015

(Expressed in Thousands of New Taiwan Dollars)

Proceeds from disposal of financial assets at cost	16,000 -	
Proceeds from return of capital of financial assets carried at cost	-	1,200
Acquisition of property, plant and equipment	-5,717	-5,372
Proceeds from disposal of property, plant and equipment	-	4,857
Acquisition of intangible assets	-40,008	-4,841
Decrease (Increase) in other non-current assets	1527	1,941
Increase in time deposit with maturity longer than three months	<u>-163,270</u>	<u>-239,098</u>
<b>Net cash flows from investing activities</b>	<u>-224,173</u>	<u>-274,554</u>
<b>Cash flows used in financing activities:</b>		
Increase in short-term loans	21,500	6,000
Decrease in short-term loans	-90,000 -	
Increase in guarantee deposits received	-127	-9,062
Change in non-controlling interests	<u>17,986</u>	<u>10</u>
<b>Net cash flows from (used in) financing activities</b>	<u>-50,641</u>	<u>-3,052</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	19,898	-4,338
<b>Cash and cash equivalents at beginning of period</b>	<u>1,087,933</u>	<u>1,158,599</u>
<b>Cash and cash equivalents at end of period</b>	<u><b>\$1,107,831</b></u>	<u><b>1,154,261</b></u>