

ELAN MICROELECTRONICS CORPORATION AND ITS SUBSIDIARIES
Consolidated Balance Sheets
March 31, 2017 and 2016
(Expressed in, Thousands of New Taiwan Dollars)

Assets	31-Mar-17		31-Dec-16		31-Mar-17		Liabilities and Equity	31-Mar-17		31-Dec-16		31-Mar-17	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Current assets:							Current liabilities:						
1100 Cash and cash equivalents (note 6(a))	\$2,180,275	24	1,843,893	20	1,107,831	12	2100 Short-term borrowings (note 6(k))	\$210,000	2	140,000	2	62,000	1
1110 Current financial assets at fair value through profit or loss (note 6(b))	669,371	7	734,675	8	721,209	8	2170 Notes and accounts payable (note 7)	714,039	8	833,838	9	681,029	7
1170 Notes and accounts receivable, net (notes 6(c) and 7)	1,027,791	11	1,108,067	12	874,935	9	2206 Employee bonus payable	105,302	1	82,500	1	145,289	2
1200 Other receivables, net (notes 6(c) and 7)	148,282	2	187,693	2	108,952	1	2230 Current tax liabilities	114,707	1	81,362	1	63,335	1
1310 Inventories, manufacturing business, net (note 6(d))	1,078,491	12	1,054,296	12	1,098,651	12	2300 Other current liabilities (note 7)	617,293	7	651,356	7	472,130	5
1410 Prepayments	33,513	0	28,964	0	21,953	0		<u>1,761,341</u>	<u>19</u>	<u>1,789,056</u>	<u>20</u>	<u>1,423,783</u>	<u>16</u>
1476 Other current financial assets (note 6(e))	<u>1,963,960</u>	<u>21</u>	<u>2,057,820</u>	<u>23</u>	<u>2,915,660</u>	<u>32</u>							
	<u>7,101,683</u>	<u>77</u>	<u>7,015,408</u>	<u>77</u>	<u>6,849,191</u>	<u>74</u>	Non-Current liabilities:						
Non-current assets:							2640 Net defined benefit liability, non-current	433,819	4	433,352	4	475,442	5
1523 Non-current available-for-sale financial assets (note 6(e))	235,701	3	230,137	3	324,797	4	2645 Guarantee deposits received	10,392	0	10,457	0	10,393	0
1547 Non-current investments in debt instrument without active market (note 6(f))	0	0	-	0	8,625	0	2570 Deferred tax liabilities	<u>2,223</u>	<u>0</u>	<u>2,223</u>	<u>0</u>	<u>173</u>	<u>0</u>
1551 Investments accounted for using equity method (note 6(g))	356,307	4	362,389	4	287,003	3		<u>446,434</u>	<u>4</u>	<u>446,032</u>	<u>4</u>	<u>486,008</u>	<u>5</u>
1543 Non-current financial assets at cost, net (note 6(h))	630,513	7	644,258	7	794,791	9	Total liabilities	<u>2,207,775</u>	<u>23</u>	<u>2,235,088</u>	<u>24</u>	<u>1,909,791</u>	<u>21</u>
1600 Property, plant and equipment (note 6(i))	575,470	6	581,444	6	599,134	7	Equity attributable to owners of parent: (notes 6(n) and (o))						
1780 Intangible assets (note 6(j))	288,008	3	250,519	3	310,130	3	3100 Common stock	<u>4,341,148</u>	<u>47</u>	<u>4,341,148</u>	<u>48</u>	<u>4,411,448</u>	<u>48</u>
1840 Deferred tax assets	23,405	0	23,405	0	18,916	0	3200 Capital surplus	<u>735,781</u>	<u>8</u>	<u>735,781</u>	<u>8</u>	<u>976,488</u>	<u>11</u>
1900 Other non-current assets	<u>22,390</u>	<u>0</u>	<u>23,670</u>	<u>0</u>	<u>21,226</u>	<u>0</u>	Retained earnings:						
	<u>2,131,794</u>	<u>23</u>	<u>2,115,822</u>	<u>23</u>	<u>2,364,622</u>	<u>26</u>	3310 Legal reserve	1,264,428	14	1,264,428	14	1,186,930	13
							3350 Unappropriated retained earnings	<u>621,881</u>	<u>7</u>	<u>481,567</u>	<u>5</u>	<u>879,319</u>	<u>9</u>
								<u>1,886,309</u>	<u>21</u>	<u>1,745,995</u>	<u>19</u>	<u>2,066,249</u>	<u>22</u>
							3400 Other equity interest	<u>182,497</u>	<u>2</u>	<u>177,522</u>	<u>2</u>	<u>281,796</u>	<u>3</u>
							3500 Treasury stock	<u>(101,268)</u>	<u>(1)</u>	<u>(101,268)</u>	<u>(1)</u>	<u>(471,138)</u>	<u>(5)</u>
							Total equity attributable to owners of parent:	7,044,467	77	6,899,178	76	7,264,843	79
							36XX Non-controlling interests	<u>(18,765)</u>	<u>0</u>	<u>(3,036)</u>	<u>0</u>	<u>39,179</u>	<u>0</u>
							Total equity	<u>7,025,702</u>	<u>77</u>	<u>6,896,142</u>	<u>76</u>	<u>7,304,022</u>	<u>79</u>
Total assets	<u>\$9,233,477</u>	<u>100</u>	<u>9,131,230</u>	<u>100</u>	<u>9,213,813</u>	<u>100</u>	Total liabilities and equity	<u>\$9,233,477</u>	<u>100</u>	<u>9,131,230</u>	<u>100</u>	<u>9,213,813</u>	<u>100</u>

ELAN MICROELECTRONICS CORPORATION AND ITS SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended March 31, 2017 and 2016
(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

For the three Months Ended March 31

		2017		2016	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(q) and 7)	\$1,589,240	100	1,399,790	100
5000	Operating costs (notes 6(d), (i), (j) and 7)	<u>893,041</u>	<u>56</u>	<u>834,138</u>	<u>61</u>
	Gross profit from operations	696,199	44	565,652	39
5920	Add: realized (unrealized) profit	<u>413</u>	<u>0</u>	<u>632</u>	<u>0</u>
		<u>696,612</u>	<u>44</u>	<u>566,284</u>	<u>39</u>
	Operating expenses: (notes 6 (i),(j), (l), 7 and 12)				
6100	Selling expenses	65,465	4	66,552	5
6200	Administrative expenses	73,125	5	72,160	5
6300	Research and development expenses	<u>330,882</u>	<u>21</u>	<u>308,893</u>	<u>22</u>
		<u>469,472</u>	<u>30</u>	<u>447,605</u>	<u>32</u>
	Income from operations	<u>227,140</u>	<u>14</u>	<u>118,679</u>	<u>7</u>
	Non-operating income and expenses:				
7010	Other revenue (notes 6(q) and 9)	9,174	1	13,125	1
7020	Other gains and losses (notes 6(f), (h) and (q))	(69,075)	(5)	(32,235)	(1)
7050	Finance costs	(698)	0	(399)	0
7590	Miscellaneous expense	(1,658)	0	(38)	0
7770	Share of loss of associates and joint ventures accounted for using equity method (note 6(g))	<u>(6,309)</u>	<u>0</u>	<u>13,104</u>	<u>1</u>
		<u>(68,566)</u>	<u>(4)</u>	<u>(6,443)</u>	<u>1</u>
	Income before income tax	158,574	10	112,236	8
8110	Income tax expenses (note 6(m))	<u>33,691</u>	<u>2</u>	<u>22,077</u>	<u>2</u>
	Net income	<u>124,883</u>	<u>8</u>	<u>90,159</u>	<u>6</u>
8300	Other comprehensive income:				
8360	Items that may be reclassified subsequently to profit or loss				
8361	Foreign currency translation differences	(2,151)	0	(984)	0
8362	Net change in fair value of available for-sale financial	6,559	0	76,395	6
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	269	0	(15,180)	(1)
	Components of other comprehensive income that will be reclassified to profit or loss	<u>4,677</u>	<u>0</u>	<u>60,231</u>	<u>5</u>
8300	Other comprehensive income, net of tax	<u>4,677</u>	<u>0</u>	<u>60,231</u>	<u>5</u>
	Comprehensive income	<u>\$129,560</u>	<u>8</u>	<u>150,390</u>	<u>11</u>
	Net income for the period attributable to:				
	Owners of the parent	\$140,314	9	109,652	7
	Non-controlling interests	<u>(15,431)</u>	<u>(1)</u>	<u>(19,493)</u>	<u>(1)</u>
		<u>\$124,883</u>	<u>8</u>	<u>90,159</u>	<u>6</u>
	Total comprehensive income for the period attributable to:				
	Owners of the parent	\$145,289	9	170,201	12
	Non-controlling interests	<u>(15,729)</u>	<u>(1)</u>	<u>(19,811)</u>	<u>(1)</u>
		<u>\$129,560</u>	<u>8</u>	<u>150,390</u>	<u>11</u>
	Earnings per share (note 6(p))				
	Basic earnings per share		<u>\$0.34</u>		<u>0.26</u>
	Diluted earnings per share		<u>\$0.33</u>		<u>0.26</u>

ELAN MICROELECTRONICS CORPORATION AND ITS SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended March 31, 2017 and 2016
(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to owners of parent										
	Common stock	Capital surplus	Retained earnings		Total other equity interest		Treasury stock	Total equity attributable to owners of parent	Non-controlling interests	Total equity
			Legal reserve	Unappropriated earnings	exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets				
Balance at January 1, 2016	<u>\$4,411,448</u>	<u>976,488</u>	<u>1,186,930</u>	<u>774,980</u>	<u>(167)</u>	<u>221,414</u>	<u>(471,138)</u>	<u>7,099,955</u>	<u>(8,792)</u>	<u>7,091,163</u>
Net Income	0	0	0	109,652	0	0	0	109,652	(19,493)	90,159
Other comprehensive income	0	0	0	0	(666)	61,215	0	60,549	(318)	60,231
Total comprehensive income	<u>\$0</u>	<u>0</u>	<u>0</u>	<u>109,652</u>	<u>(666)</u>	<u>61,215</u>	<u>0</u>	<u>170,201</u>	<u>(19,811)</u>	<u>150,390</u>
Appropriation and distribution of retained earnings:										
Changes in equity of associates and joint ventures accounted for using equity method	0	44,482	0	0	0	0	0	44,482	0	44,482
Issuance of shares for non-controlling interests	0	0	0	0	0	0	0	0	17,987	17,987
Decrease in noncontrolling interests	0	(44,482)	0	(5,313)	0	0	0	(49,795)	49,795	0
Balance at March 31, 2016	<u>\$4,411,448</u>	<u>976,488</u>	<u>1,186,930</u>	<u>879,319</u>	<u>(833)</u>	<u>282,629</u>	<u>(471,138)</u>	<u>7,264,843</u>	<u>39,179</u>	<u>7,304,022</u>
Balance at January 1, 2017	<u>\$4,341,148</u>	<u>735,781</u>	<u>1,264,428</u>	<u>481,567</u>	<u>(2,138)</u>	<u>179,660</u>	<u>(101,268)</u>	<u>6,899,178</u>	<u>(3,036)</u>	<u>6,896,142</u>
Net income	0	0	0	140,314	0	0	0	140,314	(15,431)	124,883
Other comprehensive income	0	0	0	0	(1,853)	6,828	0	4,975	(298)	4,677
Total comprehensive income	<u>\$0</u>	<u>0</u>	<u>0</u>	<u>140,314</u>	<u>(1,853)</u>	<u>6,828</u>	<u>0</u>	<u>145,289</u>	<u>(15,729)</u>	<u>129,560</u>
Appropriation and distribution of retained earnings:										
Balance at March 31, 2017	<u>\$4,341,148</u>	<u>735,781</u>	<u>1,264,428</u>	<u>621,881</u>	<u>(3,991)</u>	<u>186,488</u>	<u>(101,268)</u>	<u>7,044,467</u>	<u>(18,765)</u>	<u>7,025,702</u>

ELAN MICROELECTRONICS CORPORATION AND ITS SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended March 31, 2017 and 2016
(Expressed in Thousands of New Taiwan Dollars)

	Three Months Ended March 31	
	2017	2016
Cash flows from operating activities:		
Net income	\$158,574	112,236
Adjustments:		
Adjustments to reconcile net income:		
Depreciation expense	11,650	18,640
Amortization expense	21,883	20,400
Provision (reversal of provision) for bad debt expense	(911)	(1,207)
Net loss (gain) on financial assets at fair value through profit or loss	10,885	2,088
Interest expense	698	399
Interest income	(7,928)	(10,060)
Share of profit of associates and joint ventures accounted for using equity method	6,309	(13,104)
Loss on disposal of property, plan and equipment	23	97
Impairment loss on financial assets	13,745	22,023
(Gain) Loss on disposal of non-current financial assets carried at cost	(10,002)	0
Difference between net pension liability and actual appropriations	467	(24,390)
Impairment loss and disposal loss on inventory	24,746	18,161
Gain on disposal of available-for-sale financial assets	(2,424)	0
Others	<u>(1,761)</u>	<u>(1,167)</u>
Total adjustments to reconcile net income	<u>67,380</u>	<u>31,880</u>
Changes in operating assets and liabilities:		
Decrease (increase) in financial assets held for trading	54,419	16,418
Decrease (increase) in notes and accounts receivable	81,187	172,604
Decrease (increase) in inventories	(48,941)	7,600
Decrease (increase) in other current assets	(1,682)	62,743
Decrease (increase) in other receivables	39,439	94,412
Increase (decrease) in notes and accounts payable	(119,799)	(155,222)
Increase (decrease) in other current liabilities	<u>(11,153)</u>	<u>(53,259)</u>
Total adjustments	<u>(6,530)</u>	<u>145,296</u>
Cash inflow generated from operations	219,424	289,412
Interest received	7,900	9,969
Dividends received	0	0
Interest paid	(806)	(490)
Income taxes paid	<u>(346)</u>	<u>(4,179)</u>
Net cash flows from operating activities	<u>226,172</u>	<u>294,712</u>
Cash flows from investing activities:		
Proceeds from disposal of available-for-sale financial assets	3,419	0
Acquisition of financial assets at amortised cost	0	(26,705)
Acquisition of available-for-sale financial assets	0	(6,000)
Proceeds from disposal of financial assets at cost	10,002	16,000
Acquisition of property, plant and equipment	(8,900)	(5,717)
Acquisition of intangible assets	(59,386)	(40,008)
Decrease (Increase) in other non-current assets	1,280	1,527
Decrease in time deposit with maturity longer than three months	<u>93,860</u>	<u>(163,270)</u>
Net cash flows from investing activities	<u>40,275</u>	<u>(224,173)</u>
Cash flows used in financing activities:		
Increase in short-term loans	70,000	21,500
Decrease in short-term loans	0	(90,000)
Increase in guarantee deposits received	(65)	(127)
Change in non-controlling interests	0	17,986
Net cash flows from (used in) financing activities	<u>69,935</u>	<u>(50,641)</u>
Net increase (decrease) in cash and cash equivalents	336,382	19,898
Cash and cash equivalents at beginning of period	<u>1,843,893</u>	<u>1,087,933</u>
Cash and cash equivalents at end of period	<u>\$2,180,275</u>	<u>1,107,831</u>