

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

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

	September 30, 2017 (Reviewed)		December 31, 2016 (Audited)		September 30, 2016 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 2,317,261	20	\$ 2,679,526	25	\$ 2,481,495	25
Financial assets at fair value through profit or loss - current	1,103	-	-	-	-	-
Debt investments with no active market - current	1,240,511	11	667,849	6	532,831	5
Accounts receivable, net	739,572	6	582,472	5	528,156	5
Other receivables	18,774	-	35,972	-	13,140	-
Inventories	1,620,664	14	1,312,193	12	1,135,231	11
Prepayments	63,994	1	53,398	1	52,370	1
Total current assets	<u>6,001,879</u>	<u>52</u>	<u>5,331,410</u>	<u>49</u>	<u>4,743,223</u>	<u>47</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets measured at cost - non-current	157,908	2	131,259	1	130,157	1
Debt investment with no active market - non-current	30,260	-	32,250	-	-	-
Investments accounted for using the equity method	626,089	6	629,921	6	636,539	7
Property, plant and equipment	545,348	5	387,356	4	299,287	3
Goodwill	2,430,525	21	2,546,052	24	2,527,897	25
Other intangible assets	1,374,838	12	1,598,323	15	1,487,070	15
Deferred tax assets	39,036	-	38,697	-	34,171	1
Refundable deposits	32,935	-	28,006	-	27,249	-
Net defined benefit assets - non-current	903	-	829	-	819	-
Long-term prepayments	252,961	2	103,972	1	102,076	1
Total non-current assets	<u>5,490,803</u>	<u>48</u>	<u>5,496,665</u>	<u>51</u>	<u>5,245,265</u>	<u>53</u>
<b>TOTAL</b>	<u>\$ 11,492,682</u>	<u>100</u>	<u>\$ 10,828,075</u>	<u>100</u>	<u>\$ 9,988,488</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Financial liabilities at fair value through profit or loss - current	\$ -	-	\$ 10,170	-	\$ 7,968	-
Accounts payable	367,725	3	460,318	4	531,937	5
Other payables	314,675	3	317,232	3	233,740	3
Current tax liabilities	80	-	5	-	8,185	-
Other current liabilities	49,408	-	5,209	-	6,240	-
Total current liabilities	<u>731,888</u>	<u>6</u>	<u>792,934</u>	<u>7</u>	<u>788,070</u>	<u>8</u>
<b>NON-CURRENT LIABILITIES</b>						
Bonds payable	683,983	6	1,758,758	16	2,691,329	27
Deferred tax liabilities	59	-	59	-	63	-
Guarantee deposits	684	-	9,001	-	9,092	-
Other payables - non-current	54,468	1	72,563	1	-	-
Total non-current liabilities	<u>739,194</u>	<u>7</u>	<u>1,840,381</u>	<u>17</u>	<u>2,700,484</u>	<u>27</u>
Total liabilities	<u>1,471,082</u>	<u>13</u>	<u>2,633,315</u>	<u>24</u>	<u>3,488,554</u>	<u>35</u>
<b>EQUITY</b>						
Common shares	873,905	7	840,232	8	812,558	8
Capital surplus						
Paid-in capital	4,504,745	39	3,285,208	30	2,161,331	22
Employee share options	223,312	2	139,405	1	112,322	1
Share options	60,433	1	147,974	2	234,023	2
Restricted shares for employees	247,607	2	191,155	2	201,019	2
Total capital surplus	<u>5,036,097</u>	<u>44</u>	<u>3,763,742</u>	<u>35</u>	<u>2,708,695</u>	<u>27</u>
Retained earnings						
Legal reserve	400,194	3	253,228	2	253,228	3
Unappropriated earnings	4,095,327	36	3,332,282	31	2,831,206	28
Total retained earnings	<u>4,495,521</u>	<u>39</u>	<u>3,585,510</u>	<u>33</u>	<u>3,084,434</u>	<u>31</u>
Other equity						
Exchange differences on translating foreign operations	(254,190)	(2)	91,948	1	(8,022)	-
Unearned employee benefits	(129,733)	(1)	(86,672)	(1)	(97,731)	(1)
Total other equity	<u>(383,923)</u>	<u>(3)</u>	<u>5,276</u>	<u>-</u>	<u>(105,753)</u>	<u>(1)</u>
Total equity	<u>10,021,600</u>	<u>87</u>	<u>8,194,760</u>	<u>76</u>	<u>6,499,934</u>	<u>65</u>
<b>TOTAL</b>	<u>\$ 11,492,682</u>	<u>100</u>	<u>\$ 10,828,075</u>	<u>100</u>	<u>\$ 9,988,488</u>	<u>100</u>

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2017		2016		2017		2016	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE	\$ 2,282,365	100	\$ 1,892,903	100	\$ 6,297,538	100	\$ 5,008,947	100
OPERATING COSTS	<u>1,197,401</u>	<u>53</u>	<u>995,941</u>	<u>53</u>	<u>3,271,360</u>	<u>52</u>	<u>2,669,245</u>	<u>53</u>
GROSS PROFIT	<u>1,084,964</u>	<u>47</u>	<u>896,962</u>	<u>47</u>	<u>3,026,178</u>	<u>48</u>	<u>2,339,702</u>	<u>47</u>
OPERATING EXPENSES								
Selling and marketing expenses	168,011	7	118,313	6	456,772	7	315,343	6
General and administrative expenses	108,783	5	150,662	8	331,542	5	373,505	7
Research and development expenses	<u>302,752</u>	<u>13</u>	<u>291,368</u>	<u>15</u>	<u>863,349</u>	<u>14</u>	<u>729,067</u>	<u>15</u>
Total operating expenses	<u>579,546</u>	<u>25</u>	<u>560,343</u>	<u>29</u>	<u>1,651,663</u>	<u>26</u>	<u>1,417,915</u>	<u>28</u>
OTHER OPERATING INCOME AND EXPENSES, NET	<u>4,383</u>	<u>-</u>	<u>4,593</u>	<u>-</u>	<u>13,004</u>	<u>-</u>	<u>14,259</u>	<u>-</u>
OPERATING INCOME	<u>509,801</u>	<u>22</u>	<u>341,212</u>	<u>18</u>	<u>1,387,519</u>	<u>22</u>	<u>936,046</u>	<u>19</u>
NONOPERATING INCOME AND EXPENSES								
Interest income	6,856	-	3,300	-	18,938	-	9,093	-
Other income	12,856	1	62,987	4	29,798	1	91,552	2
Foreign exchange gain (loss), net	(43,075)	(2)	1,367	-	(47,468)	(1)	9,207	-
Interest expenses	(4,582)	-	(21,804)	(1)	(17,265)	-	(49,592)	(1)
Gains on financial instruments at fair value through profit or loss	521	-	6,080	-	10,882	-	6,080	-
Share of loss of associates	(3,420)	-	(4,712)	-	(4,825)	-	(12,773)	-
Miscellaneous expenses	<u>(1,216)</u>	<u>-</u>	<u>(1,802)</u>	<u>-</u>	<u>(6,676)</u>	<u>-</u>	<u>(3,495)</u>	<u>-</u>
Total nonoperating income and expenses	<u>(32,060)</u>	<u>(1)</u>	<u>45,416</u>	<u>3</u>	<u>(16,616)</u>	<u>-</u>	<u>50,072</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	477,741	21	386,628	21	1,370,903	22	986,118	20
INCOME TAX BENEFIT (EXPENSE)	<u>(14,321)</u>	<u>(1)</u>	<u>872</u>	<u>-</u>	<u>(40,776)</u>	<u>(1)</u>	<u>(17,555)</u>	<u>(1)</u>
NET PROFIT FOR THE PERIOD	<u>463,420</u>	<u>20</u>	<u>387,500</u>	<u>21</u>	<u>1,330,127</u>	<u>21</u>	<u>968,563</u>	<u>19</u>
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								

(Continued)

**SILERGY CORP.**

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**AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2017		2016		2017		2016	
	Amount	%	Amount	%	Amount	%	Amount	%
Exchange differences arising from translation to the presentation currency	(47,240)	(2)	(151,563)	(8)	(495,933)	(8)	(233,959)	(5)
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	59,828	3	(6,454)	(1)	122,618	2	(43,427)	(1)
Share of the other comprehensive gain (loss) of associates accounted for using the equity method	<u>12,693</u>	-	<u>(4,460)</u>	-	<u>27,177</u>	1	<u>(18,653)</u>	-
Other comprehensive income (loss) for the period, net of income tax	<u>25,281</u>	1	<u>(162,477)</u>	(9)	<u>(346,138)</u>	(5)	<u>(296,039)</u>	(6)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>\$ 488,701</u>	<u>21</u>	<u>\$ 225,023</u>	<u>12</u>	<u>\$ 983,989</u>	<u>16</u>	<u>\$ 672,524</u>	<u>13</u>
<b>EARNINGS PER SHARE</b>								
Basic	<u>\$ 5.41</u>		<u>\$ 4.96</u>		<u>\$ 15.67</u>		<u>\$ 12.49</u>	
Diluted	<u>\$ 5.12</u>		<u>\$ 4.69</u>		<u>\$ 14.74</u>		<u>\$ 11.92</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
Appropriation of the 2015 earnings														
Legal reserve	-	-	-	-	-	-	-	120,125	(120,125)	-	-	-	-	-
Cash dividends distributed by Silergy Corp.	-	-	-	-	-	-	-	-	(156,510)	(156,510)	-	-	-	(156,510)
Equity component of convertible bonds issued by Silergy Corp.	-	-	-	-	310,870	-	310,870	-	-	-	-	-	-	310,870
Convertible bonds converted to common shares	2,359	23,591	938,907	-	(76,847)	-	862,060	-	-	-	-	-	-	885,651
Recognition of employee share options by Silergy Corp.	-	-	-	77,330	-	-	77,330	-	-	-	-	-	-	77,330
Net profit for the nine months ended September 30, 2016	-	-	-	-	-	-	-	-	968,563	968,563	-	-	-	968,563
Other comprehensive income (loss) for the nine months ended September 30, 2016, net of income tax	-	-	-	-	-	-	-	-	-	-	(296,039)	-	(296,039)	(296,039)
Total comprehensive income (loss) for the nine months ended September 30, 2016	-	-	-	-	-	-	-	-	968,563	968,563	(296,039)	-	(296,039)	672,524
Issue of common shares under employee share options	444	4,443	9,560	(3,194)	-	-	6,366	-	-	-	-	-	-	10,809
Recognition of restricted employee shares issued by Silergy Corp.	232	2,318	50,766	-	-	44,813	95,579	-	-	-	-	(6,489)	(6,489)	91,408
BALANCE AT SEPTEMBER 30, 2016	81,256	\$ 812,558	\$ 2,161,331	\$ 112,322	\$ 234,023	\$ 201,019	\$ 2,708,695	\$ 253,228	\$ 2,831,206	\$ 3,084,434	\$ (8,022)	\$ (97,731)	\$ (105,753)	\$ 6,499,934
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
Appropriation of the 2016 earnings														
Legal reserve	-	-	-	-	-	-	-	146,966	(146,966)	-	-	-	-	-
Cash dividends distributed by Silergy Corp.	-	-	-	-	-	-	-	-	(420,116)	(420,116)	-	-	-	(420,116)
Recognition of employee share options by Silergy Corp.	-	-	-	102,151	-	-	102,151	-	-	-	-	-	-	102,151
Convertible bonds converted to common shares	2,695	26,947	1,046,501	-	(87,541)	-	958,960	-	-	-	-	-	-	985,907
Net profit for the nine months ended September 30, 2017	-	-	-	-	-	-	-	-	1,330,127	1,330,127	-	-	-	1,330,127
Other comprehensive income (loss) for the nine months ended September 30, 2017, net of income tax	-	-	-	-	-	-	-	-	-	-	(346,138)	-	(346,138)	(346,138)
Total comprehensive income (loss) for the nine months ended September 30, 2017	-	-	-	-	-	-	-	-	1,330,127	1,330,127	(346,138)	-	(346,138)	983,989
Issue of common shares under employee share options	387	3,868	66,638	(18,244)	-	-	48,394	-	-	-	-	-	-	52,262
Recognition of restricted employee shares issued by Silergy Corp.	286	2,858	106,398	-	-	56,452	162,850	-	-	-	-	(43,061)	(43,061)	122,647
BALANCE AT SEPTEMBER 30, 2017	87,391	\$ 873,905	\$ 4,504,745	\$ 223,312	\$ 60,433	\$ 247,607	\$ 5,036,097	\$ 400,194	\$ 4,095,327	\$ 4,495,521	\$ (254,190)	\$ (129,733)	\$ (383,923)	\$ 10,021,600

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

	<b>For the Nine Months Ended</b>	
	<b>September 30</b>	
	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 1,370,903	\$ 986,118
Adjustments for:		
Impairment loss recognized on accounts receivable	2,740	2,235
Net gain on financial instruments at fair value through profit or loss	(10,882)	(6,080)
Depreciation expenses	25,334	19,363
Amortization expenses	156,267	139,162
Interest income	(18,938)	(9,093)
Interest expenses	17,265	49,592
Compensation cost of employee share options	102,151	77,330
Compensation cost of restricted employee shares	122,647	91,408
Share of loss of associates	4,825	12,773
Loss on disposal of property, plant and equipment	5	32
Property, plant and equipment transferred to expenses	23	311
Gains on disposal of intangible assets	(13,009)	(14,291)
Write-down of inventories	37,156	51,926
Unrealized loss (gain) on foreign currency exchange	(1,301)	622
Changes in operating assets and liabilities		
Increase in accounts receivable	(158,325)	(202,581)
Decrease in other receivables	20,754	10,728
Increase in inventories	(331,000)	(8,614)
Increase in prepayments	(10,596)	(20,011)
Increase in defined benefit assets - non-current	(74)	(164)
Increase (decrease) in accounts payable	(92,691)	175,865
Increase (decrease) in other payables	9,943	(4,857)
Increase in other current liabilities	44,199	75
Cash generated from operations	1,277,396	1,351,849
Interest received	16,837	12,609
Interest paid	-	(37,908)
Income tax paid	(42,850)	(64,577)
	<u>1,251,383</u>	<u>1,261,973</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of debt investments with no active market	(572,662)	-
Proceeds from sale of debt investments with no active market	-	400,381
Net cash outflow on business combinations	(40,952)	(4,098,925)
Purchase of financial assets measured at cost	(13,695)	-
Acquisition of property, plant and equipment	(188,659)	(188,043)
Payments for intangible assets	(42,997)	(18,088)
		(Continued)

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(In Thousands of New Taiwan Dollars)  
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	<b>For the Nine Months Ended September 30</b>	
	<b>2017</b>	<b>2016</b>
Decrease in other financial assets	-	36,108
Decrease (increase) in long-term prepayments	(150,559)	750
Increase in refundable deposits	(4,929)	(1,188)
Increase (decrease) in guarantee deposits	<u>(8,317)</u>	<u>9,092</u>
Net cash used in investing activities	<u>(1,022,770)</u>	<u>(3,859,913)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	-	3,379,425
Decrease in short-term borrowings	-	(3,379,425)
Proceeds from issue of convertible bonds	-	3,925,262
Cash dividends paid	(431,422)	(153,638)
Proceeds from exercise of employee share options	52,262	10,809
Decrease in other receivables	<u>-</u>	<u>9,786</u>
Net cash generated from (used in) financing activities	<u>(379,160)</u>	<u>3,792,219</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>(211,718)</u>	<u>(133,469)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(362,265)	1,060,810
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>2,679,526</u>	<u>1,420,685</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>\$ 2,317,261</u>	<u>\$ 2,481,495</u>

(Concluded)