TOPBI INTERNATIONAL HOLDINGS LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2016 AND 2015
(In Thousands of New Taiwan Dollars)

	2016		2015	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash	$ 1,808,104	29	$ 2,304,022	41
Debt investments with no active market - current	1,615,950	26	549,450	10
Accounts receivable	2,067,681	34	1,969,579	35
Other receivables	3,407	-	3,235	-
Other receivables from related parties	341	-	-	-
Inventories	49,584	1	59,573	1
Prepayments	6,567	-	22,080	1
Other current assets	627	-	663	-
Total current assets	5,552,261	90	4,908,602	88
NON-CURRENT ASSETS				
Property, plant and equipment	365,340	6	420,428	7
Deferred tax assets	14,056	-	1,443	-
Refundable deposits	231	-	280	-
Long-term prepayments for lease	231,738	4	257,410	5
Total non-current assets	611,365	10	679,561	12
TOTAL	$ 6,163,626	100	$ 5,588,163	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	$ 768,675	12	$ 421,662	8
Accounts payable	1,151,760	19	1,050,916	19
Other payables	137,064	2	131,262	2
Other payables from related parties	365	-	-	-
Current tax liabilities	48,609	1	115,390	2
Other current liabilities	3	-	3	-
Total current liabilities	2,106,476	34	1,719,233	31
NON-CURRENT LIABILITIES				
Deferred tax liabilities	311,324	5	336,700	6
Guarantee deposit received	3,937	-	6,208	-
Total non-current liabilities	315,261	5	342,908	6
Total liabilities	2,421,737	39	2,062,141	37
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	702,760	11	580,800	10
Capital surplus	1,398,377	23	1,318,627	24
Retained earnings				
Legal reserve	220,116	4	136,483	2
Unappropriated earnings	1,612,777	26	1,396,760	25
Total retained earnings	1,832,893	30	1,533,243	27
Other equity	(192,141)	(3)	93,352	2
Total equity	3,741,889	61	3,526,022	63
TOTAL	$ 6,163,626	100	$ 5,588,163	100

TOPBI INTERNATIONAL HOLDINGS LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2016		2015	
	Amount	**%**	**Amount**	**%**
SALES	$ 5,695,817	100	$ 5,371,411	100
COST OF GOODS SOLD	3,488,434	61	3,231,825	60
GROSS PROFIT	2,207,383	39	2,139,586	40
OPERATING EXPENSES				
Selling and marketing expenses	851,206	15	723,150	14
General and administrative expenses	266,938	5	178,723	3
Research and development expenses	56,900	1	60,561	1
Total operating expenses	1,175,044	21	962,434	18
PROFIT FROM OPERATIONS	1,032,339	18	1,177,152	22
NON-OPERATING INCOME AND EXPENSES				
Interest income	17,785	-	21,651	-
Rental revenue	43,884	1	52,879	1
Other income	1,737	-	2,245	-
Interest expenses	(7,574)	-	(537)	-
Other expenses	(43)	-	(33)	-
Loss on disposal of property, plant and equipment	(1)	-	(24)	-
Gain (loss) on foreign currency exchange	(47,648)	(1)	1,675	-
Total non-operating income and expenses	8,140	-	77,856	1
PROFIT BEFORE INCOME TAX	1,040,479	18	1,255,008	23
INCOME TAX EXPENSE	305,229	5	418,682	8
NET PROFIT FOR THE YEAR	735,250	13	836,326	15
OTHER COMPREHENSIVE LOSS				
Items that will not be reclassified subsequently to profit or loss:				
Exchange differences arising on translation to the presentation currency	(285,493)	(5)	(67,251)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 449,757	8	$ 769,075	14
NET PROFIT ATTRIBUTABLE TO:				

(Continued)

TOPBI INTERNATIONAL HOLDINGS LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2016		2015	
	Amount	**%**	**Amount**	**%**
Owner of the Company	$ 735,250	13	$ 836,326	16
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owner of the Company	$ 449,757	8	$ 769,075	14
EARNINGS PER SHARE				
Basic	$ 10.54		$ 12.00	
Diluted	$ 10.52		$ 11.98	

(Concluded)

TOPBI INTERNATIONAL HOLDINGS LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owners of the Company							
						Other Equity		
	Share Capital			Retained Earnings		Exchange Differences on Translating Foreign Operations	Employee Unearned Benefit	
	Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Unappropriated Earnings			Total Equity
BALANCE AT JANUARY 1, 2015	58,080	$ 580,800	$ 1,318,627	$ 61,077	$ 1,013,360	$ 160,603	$ -	$ 3,134,467
Appropriation of 2014 earnings								
Legal reserve	-	-	-	75,406	(75,406)	-	-	-
Cash dividends distributed by the Company - NT$6.5 per share	-	-	-	-	(377,520)	-	-	(377,520)
	-	-	-	75,406	(452,926)	-	-	(377,520)
Net profit for the year ended December 31, 2015	-	-	-	-	836,326	-	-	836,326
Other comprehensive income (loss) for the year ended December 31, 2015, net of income tax	-	-	-	-	-	(67,251)	-	(67,251)
Total comprehensive income (loss) for the year ended December 31, 2015	-	-	-	-	836,326	(67,251)	-	769,075
BALANCE AT DECEMBER 31, 2015	58,080	580,800	1,318,627	136,483	1,396,760	93,352	-	3,526,022
Appropriation of 2015 earnings								
Legal reserve	-	-	-	83,633	(83,633)	-	-	-
Cash dividends distributed by the Company - NT$5.5 per share	-	-	-	-	(319,440)	-	-	(319,440)
Share dividends distributed by the Company - NT$2.0 per share	11,616	116,160	-	-	(116,160)	-	-	-
	11,616	116,160	-	83,633	(519,233)	-	-	(319,440)
Net profit for the year ended December 31, 2016	-	-	-	-	735,250	-	-	735,250
Other comprehensive income (loss) for the year ended December 31, 2016, net of income tax	-	-	-	-	-	(285,493)	-	(285,493)
Total comprehensive income (loss) for the year ended December 31, 2016	-	-	-	-	735,250	(285,493)	-	449,757
Issue of employee restricted shares	580	5,800	79,750	-	-	-	(85,550)	-
Compensation cost of employee restricted shares	-	-	-	-	-	-	85,550	85,550
BALANCE AT DECEMBER 31, 2016	70,276	$ 702,760	$ 1,398,377	$ 220,116	$ 1,612,777	$ (192,141)	$ -	$ 3,741,889

TOPBI INTERNATIONAL HOLDINGS LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(In Thousands of New Taiwan Dollars)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,040,479	$ 1,255,008
Adjustments for:		
Depreciation expenses	24,440	25,591
Interest expenses	7,574	537
Interest income	(17,785)	(21,651)
Compensation cost of share-based payments	85,550	-
Loss on disposal of property, plant and equipment	1	24
Write down of inventories	1,560	1,165
Amortization of prepayments for lease	6,505	6,751
Changes in operating assets and liabilities		
Accounts receivable	(259,570)	(133,995)
Other receivables	-	91
Other receivables from related parties	(341)	-
Inventories	4,197	237
Prepayments	14,537	36,607
Other current assets	(15)	(19)
Accounts payable	189,436	(9,351)
Other payables	6,757	2,488
Other payables from related parties	365	-
Other current liabilities	-	(2)
Cash generated from operations	1,103,690	1,163,481
Income tax paid	(379,448)	(318,842)
Net cash generated from operating activities	724,242	844,639
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of debt investments with no active market	(2,230,540)	(754,962)
Proceeds on sale of debt investments with no active market	1,066,780	654,301
Payments for property, plant and equipment	-	(487)
Proceeds from disposal of property, plant and equipment	-	4
Decrease in refundable deposits	29	-
Interest received	17,347	21,735
Net cash used in investing activities	(1,146,384)	(79,409)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	397,963	421,662
Proceeds from guarantee deposit received	-	1,720
Refund to guarantee deposit received	(1,891)	-
Dividends paid to owners of the Company	(309,672)	(377,520)
Interest paid	(7,574)	(537)
Net cash generated from financing activities	78,826	45,325

(Continued)

TOPBI INTERNATIONAL HOLDINGS LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(In Thousands of New Taiwan Dollars)

	2016	2015
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(152,602)	(36,155)
NET INCREASE/(DECREASE) IN CASH	(495,918)	774,400
CASH AT THE BEGINNING OF THE YEAR	2,304,022	1,529,622
CASH AT THE END OF THE YEAR	$ 1,808,104	$ 2,304,022

(Concluded)