

## KMC (KUEI MENG) INTERNATIONAL INC.

Unit: NT\$ thousand

Accounting Title	2016/6/30	2015/12/31	2015/6/30
<b>Balance Sheet</b>			
Assets			
Current assets			
Cash and cash equivalents			
Total cash and cash equivalents	2,143,063	1,560,255	2,329,638
Notes receivable, net			
Notes receivable, net	16,580	25,262	26,753
Accounts receivable, net			
Accounts receivable, net	488,025	481,971	392,692
Accounts receivable due from related parties, net			
Accounts receivable due from related parties, net	73,066	71,485	40,764
Current tax assets			
Total current tax assets	1,147	3,341	5,260
Inventories			
Total inventories	520,254	548,608	439,708
Other current assets			
Other current financial assets	323,108	298,578	308,241
Other current assets, others	103,342	90,865	53,929
Total other current assets	426,450	389,443	362,170
Total current assets	3,668,585	3,080,365	3,596,985
Non-current assets			
Investments accounted for using equity method			
Investments accounted for using equity method, net	11,086	0	0
Property, plant and equipment			
Total property, plant and equipment	2,382,825	2,476,065	781,781
Investment property, net			
Investment property, net	0	0	38,649
Intangible assets			
Goodwill	311,818	312,824	204,940
Other intangible assets, net			
Other intangible assets, net	86,073	114,809	142,575
Total intangible assets	397,891	427,633	347,515
Deferred tax assets	101,696	93,016	78,442
Other non-current assets			
Other non-current financial assets			
Total other non-current financial assets	10,305	11,863	6,525
Long-term prepaid rents	978,613	862,855	256,848
Other non-current assets, others			
Total other non-current assets, others	33,521	17,029	3,968
Total other non-current assets	1,022,439	891,747	267,341
Total non-current assets	3,915,937	3,888,461	1,513,728
Total assets	7,584,522	6,968,826	5,110,713
Liabilities and equity			
Liabilities			
Current liabilities			
Short-term borrowings			
Total short-term borrowings	1,683,427	498,865	1,389,596
Short-term notes and bills payable			
Total short-term notes and bills payable	149,872	0	99,928
Notes payable			
Total notes payable	35,114	33,395	37,699
Accounts payable			
Total accounts payable	130,515	131,327	93,908
Accounts payable to related parties			
Total accounts payable to related parties	45,706	44,633	84,817
Other payables			
Total other payables	425,796	141,536	263,325
Other payables to related parties	0	599,542	0
Current tax liabilities	92,474	96,685	61,986
Other current liabilities			
Other current liabilities, others	8,221	12,749	4,504
Total other current liabilities	8,221	12,749	4,504
Total current liabilities	2,571,125	1,558,732	2,035,763
Non-current liabilities			
Long-term borrowings			
Total long-term borrowings	414,925	750,000	500,000
Deferred tax liabilities			
Total deferred tax liabilities	601,551	609,376	205,956

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<b>Balance Sheet</b>			
Other non-current liabilities			
Net defined benefit liability, non-current	44,449	44,041	24,747
Total other non-current liabilities	44,449	44,041	24,747
Total non-current liabilities	1,060,925	1,403,417	730,703
Total liabilities	3,632,050	2,962,149	2,766,466
Equity			
Equity attributable to owners of parent			
Share capital			
Ordinary share	1,200,000	1,200,000	1,092,102
Total capital stock	1,200,000	1,200,000	1,092,102
Capital surplus			
Total capital surplus	1,541,021	1,541,021	352,800
Retained earnings			
Legal reserve	164,522	94,528	94,528
Special reserve	25,041	0	0
Unappropriated retained earnings (accumulated deficit)			
Total unappropriated retained earnings (accumulated deficit)	1,164,086	1,195,993	803,761
Total retained earnings	1,353,649	1,290,521	898,289
Other equity interest			
Total other equity interest	(142,390)	(25,041)	876
Total equity attributable to owners of parent	3,952,280	4,006,501	2,344,067
Non-controlling interests	192	176	180
Total equity	3,952,472	4,006,677	2,344,247
Total liabilities and equity	7,584,522	6,968,826	5,110,713
Equivalent issue shares of advance receipts for ordinary share	0	0	0
Number of shares in entity held by entity and by its subsidiaries	0	0	0

## KMC (KUEI MENG) INTERNATIONAL INC.

Accounting Title	2016/2nd	2015/2nd	2016/01/01To2016/06/30	2015/01/01To2015/06/30
<b>Statement of comprehensive income</b>				
Operating revenue				
Net sales revenue				
Net sales revenue	935,976	752,643	1,889,979	1,570,599
Total operating revenue	935,976	752,643	1,889,979	1,570,599
Operating costs				
Cost of sales				
Total cost of sales	509,759	463,773	1,061,508	953,373
Total operating costs	509,759	463,773	1,061,508	953,373
Gross profit (loss) from operations	426,217	288,870	828,471	617,226
Gross profit (loss) from operations	426,217	288,870	828,471	617,226
Operating expenses				
Selling expenses				
Total selling expenses	74,724	65,283	152,319	132,267
Administrative expenses				
Total administrative expenses	65,911	39,189	148,625	80,718
Research and development expenses				
Total research and development expenses	5,365	3,531	10,309	6,707
Total operating expenses	146,000	108,003	311,253	219,692
Net other income (expenses)				
Other income	104	(119)	148	1,298
Net other income (expenses)	104	(119)	148	1,298
Net operating income (loss)	280,321	180,748	517,366	398,832
Non-operating income and expenses				
Other income				
Total other income	11,800	15,020	18,482	18,742
Other gains and losses				
Other gains and losses, net	(18,370)	3,052	(25,282)	(8,508)
Finance costs				
Interest expense	12,926	4,374	21,792	6,421
Finance costs, net	12,926	4,374	21,792	6,421
Share of profit (loss) of associates and joint ventures accounted for using equity method				
Share of profit (loss) of associates and joint ventures accounted for using equity method, net	(935)	0	(1,164)	0
Total non-operating income and expenses	(20,431)	13,698	(29,756)	3,813
Profit (loss) from continuing operations before tax	259,890	194,446	487,610	402,645
Tax expense (income)				
Total tax expense (income)	85,827	63,495	124,466	98,831
Profit (loss) from continuing operations	174,063	130,951	363,144	303,814
Profit (loss)	174,063	130,951	363,144	303,814
Other comprehensive income				
Components of other comprehensive income that will be reclassified to profit or loss				
Exchange differences on translation	(92,823)	(20,351)	(121,584)	(72,815)
Income tax related to components of other comprehensive income that will be reclassified to pro	(2,527)	(3,458)	(4,235)	(12,376)
Components of other comprehensive income that will be reclassified to profit or loss	(90,296)	(16,893)	(117,349)	(60,439)
Other comprehensive income, net	(90,296)	(16,893)	(117,349)	(60,439)
Total comprehensive income	83,767	114,058	245,795	243,375
Profit (loss), attributable to:				
Profit (loss), attributable to owners of parent	174,046	130,960	363,128	303,822
Profit (loss), attributable to non-controlling interests	17	(9)	16	(8)
Comprehensive income attributable to:				
Comprehensive income, attributable to owners of parent	83,750	114,075	245,779	243,403
Comprehensive income, attributable to non-controlling interests	17	(17)	16	(28)
Basic earnings per share				
Basic earnings (loss) per share from continuing operations	1.45	1.2	3.03	2.78
Total basic earnings per share	1.45	1.2	3.03	2.78
Diluted earnings per share				
Diluted earnings (loss) per share from continuing operations	1.45	1.2	3.02	2.78
Total diluted earnings per share	1.45	1.2	3.02	2.78

## KMC (KUEI MENG) INTERNATIONAL INC.

Accounting Title	2016/01/01To2016/06/30	2015/01/01To2015/06/30
<b>Statement of cash flows</b>		
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	487,610	402,645
Profit (loss) before tax	487,610	402,645
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	67,377	39,886
Amortization expense	40,601	32,557
Provision (reversal of provision) for bad debt expense	(120)	(3,206)
Interest expense	21,792	6,421
Interest income	(10,969)	(9,696)
Share of loss (profit) of associates and joint ventures accounted for using equity r	1,164	0
Loss (gain) on disposal of property, plant and equipment	(148)	(1,298)
Loss (gain) on disposal of investments	153	0
Impairment loss on non-financial assets	6,610	3,584
Unrealized foreign exchange loss (gain)	42,062	2,248
Other adjustments to reconcile profit (loss)	(72)	(68)
Total adjustments to reconcile profit (loss)	168,450	70,428
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in notes receivable	8,682	8,138
Decrease (increase) in accounts receivable	(15,440)	(22,822)
Decrease (increase) in accounts receivable due from related parties	(1,581)	647
Decrease (increase) in inventories	23,755	82,871
Decrease (increase) in other current assets	(10,413)	(5,649)
Total changes in operating assets	5,003	63,185
Changes in operating liabilities		
Increase (decrease) in notes payable	1,719	3,546
Increase (decrease) in accounts payable	(5,472)	(19,546)
Increase (decrease) in accounts payable to related parties	1,073	(15,169)
Increase (decrease) in other payable	(16,778)	(15,056)
Increase (decrease) in other payable to related parties	(44)	0
Increase (decrease) in other current liabilities	(4,528)	(3,162)
Increase (decrease) in net defined benefit liability	408	177
Total changes in operating liabilities	(23,622)	(49,210)
Total changes in operating assets and liabilities	(18,619)	13,975
Total adjustments	149,831	84,403
Cash inflow (outflow) generated from operations	637,441	487,048
Income taxes refund (paid)	(126,602)	(83,645)
Net cash flows from (used in) operating activities	510,839	403,403
Cash flows from (used in) investing activities		
Acquisition of investments accounted for using equity method	(12,250)	0
Net cash flow from acquisition of subsidiaries	(599,498)	0
Proceeds from disposal of subsidiaries	(293)	0
Acquisition of property, plant and equipment	(53,166)	(21,720)
Proceeds from disposal of property, plant and equipment	1,219	9,099
Decrease in refundable deposits	(570)	(233)
Acquisition of intangible assets	(596)	(777)
Increase in other financial assets	(22,514)	(71,971)
Increase in other non-current assets	826	0
Increase in other prepayments	(158,854)	0
Interest received	8,852	2,840
Net cash flows from (used in) investing activities	(836,844)	(82,762)
Cash flows from (used in) financing activities		
Increase in short-term loans	2,867,403	1,627,233
Decrease in short-term loans	(1,681,830)	(321,676)
Increase in short-term notes and bills payable	149,872	99,928
Proceeds from long-term debt	789,850	0
Repayments of long-term debt	(1,124,925)	0
Interest paid	(20,363)	(6,065)
Net cash flows from (used in) financing activities	980,007	1,399,420
Effect of exchange rate changes on cash and cash equivalents	(71,194)	(54,622)
Net increase (decrease) in cash and cash equivalents	582,808	1,665,439
Cash and cash equivalents at beginning of period	1,560,255	664,199
Cash and cash equivalents at end of period	2,143,063	2,329,638
Cash and cash equivalents reported in the statement of financial position	2,143,063	2,329,638

## KMC (KUEI MENG) INTERNATIONAL INC.

**2016/06/30 Statement of Stockholders' Equity**

Unit: NT\$ thousand

	Ordinary share	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Equity	1,200,000	1,200,000	1,541,021	94,528		1,195,993	1,290,521	(25,041)	(25,041)	4,006,501	176	4,006,677
Equity at beginning of period after adjustments	1,200,000	1,200,000	1,541,021	94,528		1,195,993	1,290,521	(25,041)	(25,041)	4,006,501	176	4,006,677
Legal reserve appropriated				69,994		(69,994)	0			0		0
Special reserve appropriated					25,041	(25,041)	0			0		0
Cash dividends of ordinary share						(300,000)	(300,000)			(300,000)		(300,000)
Profit (loss)						363,128	363,128			363,128	16	363,144
Other comprehensive income								(117,349)	(117,349)	(117,349)		(117,349)
Total comprehensive income						363,128	363,128	(117,349)	(117,349)	245,779	16	245,795
Total increase (decrease) in equity				69,994	25,041	(31,907)	63,128	(117,349)	(117,349)	(54,221)	16	(54,205)
Equity	1,200,000	1,200,000	1,541,021	164,522	25,041	1,164,086	1,353,649	(142,390)	(142,390)	3,952,280	192	3,952,472

**2015/06/30 Statement of Stockholders' Equity**

Unit: NT\$ thousand

	Ordinary share	Total share capital	Capital surplus	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Equity	1,092,102	1,092,102	352,800	48,324	709,958	758,282	61,295	61,295	2,264,479	208	2,264,687
Equity at beginning of period after adjustments	1,092,102	1,092,102	352,800	48,324	709,958	758,282	61,295	61,295	2,264,479	208	2,264,687
Legal reserve appropriated				46,204	(46,204)	0			0		0
Special reserve appropriated									0		0
Cash dividends of ordinary share					(163,815)	(163,815)			(163,815)		(163,815)
Profit (loss)					303,822	303,822			303,822	(8)	303,814
Other comprehensive income							(60,419)	(60,419)	(60,419)	(20)	(60,439)
Total comprehensive income					303,822	303,822	(60,419)	(60,419)	243,403	(28)	243,375
Total increase (decrease) in equity				46,204	93,803	140,007	(60,419)	(60,419)	79,588	(28)	79,560
Equity	1,092,102	1,092,102	352,800	94,528	803,761	898,289	876	876	2,344,067	180	2,344,247