

**Stock Code :8201**

**INVENTEC BESTA CO., LTD. AND ITS SUBSIDIARIES**  
**2017 Interim Consolidated Financial Statements—**  
**NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016**

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**INVENTEC BESTA CO., LTD. AND ITS SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**September 30, 2017, December 31, 2016, and September 30, 2016**  
**(Expressed in Thousands of New Taiwan Dollars)**

Accounting Title	2017/9/30	2016/12/31	2016/9/30
<b>Balance Sheet</b>			
Assets			
Current assets			
Cash and cash equivalents			
Total cash and cash equivalents	299,157	492,218	376,551
Current available-for-sale financial assets			
Current available-for-sale financial assets, net	0	16,198	0
Notes receivable, net			
Notes receivable, net	22	4,957	1,085
Accounts receivable, net			
Accounts receivable, net	176,400	97,416	143,810
Accounts receivable due from related parties, net			
Accounts receivable due from related parties, net	385	7,484	10,550
Other receivables			
Other receivables, net	82,255	64,795	117,471
Current tax assets			
Total current tax assets	271	1,323	1,269
Inventories			
Total inventories	64,506	41,812	46,755

Other current assets			
Other current financial assets	0	1,995	33,808
Other current assets, others	34,348	12,103	15,561
Total other current assets	34,348	14,098	49,369
Total current assets	657,344	740,301	746,860
Non-current assets			
Non-current financial assets at cost			
Non-current financial assets at cost, net	155,400	155,400	155,400
Investments accounted for using equity method			
Investments accounted for using equity method, net	15,399	17,765	20,677
Property, plant and equipment			
Total property, plant and equipment	289,147	292,311	294,313
Intangible assets			
Total intangible assets	12,122	23,351	33,822
Deferred tax assets	3,000	3,000	6,000
Other non-current assets			
Guarantee deposits paid	3,402	1,187	811
Other non-current financial assets			
Total other non-current financial assets	3,936	3,936	5,898
Other non-current assets, others			
Total other non-current assets, others	0	0	460
Total other non-current assets	7,338	5,123	7,169
Total non-current assets	482,406	496,950	517,381
Total assets	1,139,750	1,237,251	1,264,241
Liabilities and equity			

Liabilities			
Current liabilities			
Accounts payable			
Total accounts payable	100,901	88,472	93,324
Other payables			
Total other payables	51,270	45,948	54,467
Current tax liabilities	226	9,261	0
Current provisions			
Total current provisions	1,064	558	746
Other current liabilities			
Total other current liabilities	21,406	29,465	29,753
Total current liabilities	174,867	173,704	178,290
Non-current liabilities			
Deferred tax liabilities			
Total deferred tax liabilities	11,849	12,079	12,423
Other non-current liabilities			
Net defined benefit liability, non-current	62,203	81,919	66,236
Other non-current liabilities, others	2,654	3,224	4,393
Total other non-current liabilities	64,857	85,143	70,629
Total non-current liabilities	76,706	97,222	83,052
Total liabilities	251,573	270,926	261,342
Equity			
Equity attributable to owners of parent			
Share capital			
Ordinary share	623,663	623,663	623,663

Total capital stock	623,663	623,663	623,663
Capital surplus			
Total capital surplus	296,189	390,839	390,839
Retained earnings			
Unappropriated retained earnings (accumulated deficit)			
Total unappropriated retained earnings (accumulated deficit)	(77,026)	(94,650)	(59,756)
Total retained earnings	(77,026)	(94,650)	(59,756)
Other equity interest			
Total other equity interest	45,351	46,473	48,153
Total equity attributable to owners of parent	888,177	966,325	1,002,899
Total equity	888,177	966,325	1,002,899
Total liabilities and equity	1,139,750	1,237,251	1,264,241
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

**INVENTEC BESTA CO., LTD. AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**For the Nine Months Ended September 30, 2017 and 2016**  
**(Expressed in Thousands of New Taiwan Dollars)**

Accounting Title	2017/3rd	2016/3rd	2017/01/01To 2017/09/30	2016/01/01To 2016/09/30
<b>Statement of comprehensive income</b>				
Operating revenue				
Total operating revenue	290,847	233,234	915,534	512,523
Operating costs				
Total operating costs	233,502	200,113	774,786	423,997
Gross profit (loss) from operations	57,345	33,121	140,748	88,526
Unrealized profit (loss) from sales	0	624	967	1,575
Realized profit (loss) on from sales	0	0	763	536
Gross profit (loss) from operations	57,345	32,497	140,544	87,487
Operating expenses				
Selling expenses				
Total selling expenses	29,151	26,273	89,618	74,994

Administrative expenses				
Total administrative expenses	17,414	22,096	54,371	64,735
Research and development expenses				
Total research and development expenses	23,043	20,949	67,993	66,674
Total operating expenses	69,608	69,318	211,982	206,403
Net operating income (loss)	(12,263)	(36,821)	(71,438)	(118,916)
Non-operating income and expenses				
Other income				
Total other income	804	1,136	2,994	4,426
Other gains and losses				
Other gains and losses, net	2,413	(5,201)	(5,537)	57,358
Finance costs				
Finance costs, net	21	57	33	58
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	(916)	(1,289)	(2,387)	(2,521)
Total non-operating income and expenses	2,280	(5,411)	(4,963)	59,205
Profit (loss) from continuing operations before tax	(9,983)	(42,232)	(76,401)	(59,711)
Tax expense (income)				
Total tax expense (income)	134	(1)	625	45
Profit (loss) from continuing operations	(10,117)	(42,231)	(77,026)	(59,756)
Profit (loss)	(10,117)	(42,231)	(77,026)	(59,756)
Other comprehensive income				
Components of other comprehensive income that will be reclassified to profit or loss				
Exchange differences on translation	1,733	(3,494)	(1,373)	(17,727)
Unrealised gains (losses) on valuation of available-for-sale financial assets	0	0	0	(41,034)

Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss				
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	212	(939)	21	(242)
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	329	(754)	(230)	(3,055)
Components of other comprehensive income that will be reclassified to profit or loss	1,616	(3,679)	(1,122)	(55,948)
Other comprehensive income, net	1,616	(3,679)	(1,122)	(55,948)

Total comprehensive income	(8,501)	(45,910)	(78,148)	(115,704)
Profit (loss), attributable to:				
Profit (loss), attributable to owners of parent	(10,117)	(42,231)	(77,026)	(59,756)
Profit (loss), attributable to non-controlling interests	0	0	0	0
Comprehensive income attributable to:				
Comprehensive income, attributable to owners of parent	(8,501)	(45,910)	(78,148)	(115,704)
Comprehensive income, attributable to non-controlling interests	0	0	0	0
Basic earnings per share				
Total basic earnings per share	(0.16)	(0.68)	(1.24)	(0.78)

**INVENTEC BESTA CO., LTD. AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**For the Nine Months Ended September 30, 2017 and 2016**  
**(Expressed in Thousands of New Taiwan Dollars)**

**2017/09/30 Statement of Stockholders' Equity**

	Ordinary share	Total share capital	Capital surplus	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	Total equity
Equity	623,663	623,663	390,839	(94,650)	(94,650)	46,473	46,473	966,325	966,325
Capital surplus used to offset accumulated deficits			(94,650)	94,650	94,650			0	0
Profit (loss)				(77,026)	(77,026)			(77,026)	(77,026)
Other comprehensive income				0	0	(1,122)	(1,122)	(1,122)	(1,122)
Total comprehensive income				(77,026)	(77,026)	(1,122)	(1,122)	(78,148)	(78,148)
Total increase (decrease) in equity	0	0	(94,650)	17,624	17,624	(1,122)	(1,122)	(78,148)	(78,148)
Equity	623,663	623,663	296,189	(77,026)	(77,026)	45,351	45,351	888,177	888,177

**2016/09/30 Statement of Stockholders' Equity**

	Ordinary share	Total share capital	Capital surplus	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Total other equity interest	Total equity attributable to owners of parent	Total equity
Equity	890,947	890,947	635,323	(244,484)	(244,484)	63,067	41,034	104,101	1,385,887	1,385,887
Capital surplus used to offset accumulated deficits			(244,484)	244,484	244,484				0	0
Profit (loss)				(59,756)	(59,756)				(59,756)	(59,756)
Other comprehensive income				0	0	(14,914)	(41,034)	(55,948)	(55,948)	(55,948)
Total comprehensive income				(59,756)	(59,756)	(14,914)	(41,034)	(55,948)	(115,704)	(115,704)
Capital reduction	(267,284)	(267,284)							(267,284)	(267,284)
Total increase (decrease) in equity	(267,284)	(267,284)	(244,484)	184,728	184,728	(14,914)	(41,034)	(55,948)	(382,988)	(382,988)
Equity	623,663	623,663	390,839	(59,756)	(59,756)	48,153	0	48,153	1,002,899	1,002,899

**INVENTEC BESTA CO., LTD. AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Nine Months Ended September 30, 2017 and 2016**  
**(Expressed in Thousands of New Taiwan Dollars)**

Accounting Title	2017/01/01To2017/09/30	2016/01/01To2016/09/30
<b>Statement of cash flows</b>		
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	(76,401)	(59,711)
Profit (loss) before tax	(76,401)	(59,711)
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	7,098	5,568
Amortization expense	15,994	36,691
Provision (reversal of provision) for bad debt expense	1,038	77
Interest expense	33	58
Interest income	(2,994)	(4,426)
Share of loss (profit) of associates and joint ventures accounted for using equity method	2,387	2,521
Loss (gain) on disposal of property, plan and equipment	(71)	(13,314)
Loss (gain) on disposal of investments	0	(41,312)
Other adjustments to reconcile profit (loss)	(9)	(10,518)
Total adjustments to reconcile profit (loss)	23,476	(24,655)

Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in notes receivable	4,935	(76)
Decrease (increase) in accounts receivable	(79,104)	(77,700)
Decrease (increase) in accounts receivable due from related parties	7,099	3,021
Decrease (increase) in other receivable	(18,458)	(64,938)
Decrease (increase) in inventories	(22,828)	(7,370)
Decrease (increase) in other current assets	(20,710)	6,829
Total changes in operating assets	(129,066)	(140,234)
Changes in operating liabilities		
Increase (decrease) in accounts payable	12,604	28,747
Increase (decrease) in other payable	3,128	(91,470)
Increase (decrease) in provisions	506	(5,014)
Increase (decrease) in other current liabilities	(7,851)	1,131
Increase (decrease) in net defined benefit liability	(19,716)	(48,880)
Increase (decrease) in other operating liabilities	204	1,039
Total changes in operating liabilities	(11,125)	(114,447)
Total changes in operating assets and liabilities	(140,191)	(254,681)
Total adjustments	(116,715)	(279,336)
Cash inflow (outflow) generated from operations	(193,116)	(339,047)
Interest received	2,935	4,381
Interest paid	(24)	(51)
Income taxes refund (paid)	(8,609)	1,758

Net cash flows from (used in) operating activities	(198,814)	(332,959)
Cash flows from (used in) investing activities		
Proceeds from disposal of available-for-sale financial assets	16,081	58,112
Acquisition of property, plant and equipment	(4,258)	(5,725)
Proceeds from disposal of property, plant and equipment	131	15,389
Increase in refundable deposits	(2,220)	0
Decrease in refundable deposits	0	3,432
Acquisition of intangible assets	(4,058)	(12,980)
Increase in other financial assets	0	(30,148)
Decrease in other financial assets	1,995	0
Increase in other non-current assets	0	(385)
Net cash flows from (used in) investing activities	7,671	27,695
Cash flows from (used in) financing activities		
Increase in guarantee deposits received	359	0
Decrease in guarantee deposits received	0	(1,393)
Decrease in other non-current liabilities	(1,134)	(1,428)
Capital reduction payments to shareholders	0	(267,284)
Net cash flows from (used in) financing activities	(775)	(270,105)
Effect of exchange rate changes on cash and cash equivalents	(1,143)	(7,314)
Net increase (decrease) in cash and cash equivalents	(193,061)	(582,683)
Cash and cash equivalents at beginning of period	492,218	959,234
Cash and cash equivalents at end of period	299,157	376,551
Cash and cash equivalents reported in the statement of financial position	299,157	376,551