

PAN JIT INTERNATIONAL INC.

2017 2nd IFRS Consolidated Financial Statements

Unit: NT\$ thousand

Accounting Title	2017/6/30	2016/12/31	2016/6/30
Balance Sheet			
Assets			
Current assets			
Cash and cash equivalents			
Total cash and cash equivalents	1,218,199	875,026	1,252,529
Current financial assets at fair value through profit or loss			
Total current financial assets at fair value through profit or loss	1,855	2,552	10,422
Current bond investment without active market			
Total Current investments in debt instrument without active market	0	46,170	9,683
Notes receivable, net			
Notes receivable, net	631,014	390,399	597,969
Accounts receivable, net			
Accounts receivable, net	3,285,447	4,006,013	3,840,236
Accounts receivable due from related parties, net			
Accounts receivable due from related parties, net	95,559	0	328
Other receivables			
Other receivables, net	45,088	44,663	82,823
Other receivables due from related parties			
Other receivables due from related parties, net	166,599	131,922	345
Inventories			
Total inventories	1,867,980	1,863,313	2,280,911
Prepayments			
Total prepayments	484,899	477,248	430,047
Other current assets			
Total other current assets	139,229	101,946	141,068
Total current assets	7,935,869	7,939,252	8,646,361
Non-current assets			
Non-current available-for-sale financial assets			
Non-current available-for-sale financial assets, net	1,568,011	1,452,005	1,877,707
Non-current financial assets at cost			
Non-current financial assets at cost, net	531,668	529,613	535,108
Investments accounted for using equity method			
Investments accounted for using equity method, net	463,507	155,375	48,134
Property, plant and equipment			
Total property, plant and equipment	7,032,661	7,443,406	7,794,977
Intangible assets			
Total intangible assets	609,834	640,353	631,348
Deferred tax assets	748,573	771,789	758,540
Other non-current assets			
Prepayments for business facilities	99,690	97,417	111,651
Guarantee deposits paid	340,437	410,293	438,501
Long-term prepaid rents	533,599	556,278	589,961
Other non-current assets, others			
Total other non-current assets, others	1,725	1,412	29,068
Total other non-current assets	975,451	1,065,400	1,169,181
Total non-current assets	11,929,705	12,057,941	12,814,995
Total assets	19,865,574	19,997,193	21,461,356
Liabilities and equity			
Liabilities			
Current liabilities			

Accounting Title	2017/6/30	2016/12/31	2016/6/30
Short-term borrowings			
Total short-term borrowings	1,072,563	839,754	1,104,867
Short-term notes and bills payable			
Total short-term notes and bills payable	164,929	0	49,954
Current financial liabilities at fair value through profit or loss			
Total current financial liabilities at fair value through profit or loss	3,188	4,465	0
Notes payable			
Total notes payable	429,975	304,606	276,921
Accounts payable			
Total accounts payable	1,370,113	1,464,356	1,472,808
Accounts payable to related parties			
Total accounts payable to related parties	12,825	0	0
Other payables			
Total other payables	1,521,181	1,342,035	1,566,828
Current tax liabilities	83,837	89,222	108,675
Other current liabilities			
Long-term liabilities, current portion			
Bonds payable, current portion	0	0	64,351
Long-term borrowings, current portion	66,000	32,140	1,040,696
Total long-term liabilities, current portion	66,000	32,140	1,105,047
Current lease obligations payable	12,497	194,602	541,927
Other current liabilities, others	178,438	207,269	120,302
Total other current liabilities	256,935	434,011	1,767,276
Total current liabilities	4,915,546	4,478,449	6,347,329
Non-current liabilities			
Long-term borrowings			
Total long-term borrowings	6,015,347	6,187,454	5,510,682
Deferred tax liabilities			
Total deferred tax liabilities	92,035	99,472	118,424
Other non-current liabilities			
Long-term notes and accounts payable			
Non-current lease obligations payable	196,577	225,836	216,119
Total long-term notes and accounts payable	196,577	225,836	216,119
Long-term deferred revenue	336,741	352,488	520,493
Net defined benefit liability, non-current	150,936	149,655	159,799
Other non-current liabilities, others	303,049	296,687	152,834
Total other non-current liabilities	987,303	1,024,666	1,049,245
Total non-current liabilities	7,094,685	7,311,592	6,678,351
Total liabilities	12,010,231	11,790,041	13,025,680
Equity			
Equity attributable to owners of parent			
Share capital			
Ordinary share	3,697,944	3,697,944	3,635,988
Certificate of entitlement to new shares from convertible bond	0	0	5,497
Total capital stock	3,697,944	3,697,944	3,641,485
Capital surplus			
Total capital surplus	2,202,082	2,348,607	2,336,100
Retained earnings			
Legal reserve	384,001	342,511	342,511
Special reserve	264,359	209,894	209,894
Unappropriated retained earnings (accumulated deficit)			
Total unappropriated retained earnings (accumulated deficit)	406,203	414,896	348,817
Total retained earnings	1,054,563	967,301	901,222
Other equity interest			
Total other equity interest	(350,061)	(264,359)	184,261

Accounting Title	2017/6/30	2016/12/31	2016/6/30
Treasury shares	0	0	0
Total equity attributable to owners of parent	6,604,528	6,749,493	7,063,068
Non-controlling interests	1,250,815	1,457,659	1,372,608
Total equity	7,855,343	8,207,152	8,435,676
Total liabilities and equity	19,865,574	19,997,193	21,461,356
Equivalent issue shares of advance receipts for ordinary share	0	0	549,712
Number of shares in entity held by entity and by its subsidiaries	0	0	0

PAN JIT INTERNATIONAL INC.
2017 2nd IFRS Consolidated Financial Statements

Unit: NT\$ thousand

Accounting Title	2017/2nd	2016/2nd	2017/01/01 To2017/06/ 30	2016/01/01 To2016/06/ 30
Statement of comprehensive income				
Operating revenue				
Total operating revenue	2,845,120	3,385,700	5,737,439	6,551,489
Operating costs				
Total operating costs	2,227,893	2,755,375	4,486,678	5,200,736
Gross profit (loss) from operations	617,227	630,325	1,250,761	1,350,753
Gross profit (loss) from operations	617,227	630,325	1,250,761	1,350,753
Operating expenses				
Selling expenses				
Total selling expenses	130,789	161,338	283,619	330,322
Administrative expenses				
Total administrative expenses	188,575	194,849	371,022	403,863
Research and development expenses				
Total research and development expenses	86,175	111,848	180,630	214,702
Total operating expenses	405,539	468,035	835,271	948,887
Net operating income (loss)	211,688	162,290	415,490	401,866
Non-operating income and expenses				
Other income				
Total other income	150,695	118,618	302,389	269,939
Other gains and losses				
Other gains and losses, net	10,185	(12,122)	(54,096)	(32,410)
Finance costs				
Finance costs, net	32,546	56,061	73,535	115,740
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	(4,131)	(1,981)	(10,323)	(3,996)
Total non-operating income and expenses	124,203	48,454	164,435	117,793
Profit (loss) from continuing operations before tax	335,891	210,744	579,925	519,659
Tax expense (income)				
Total tax expense (income)	67,085	49,883	105,506	132,736
Profit (loss) from continuing operations	268,806	160,861	474,419	386,923
Profit (loss)	268,806	160,861	474,419	386,923
Other comprehensive income				
Components of other comprehensive income that will be reclassified to profit or loss				
Exchange differences on translation	129,416	(161,609)	(199,134)	(176,660)
Unrealised gains (losses) on valuation of available-for-sale financial assets	(40,029)	590,839	(26,872)	594,649
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	16,735	(21,590)	(25,306)	(31,150)
Components of other comprehensive income that will be reclassified to profit or loss	72,652	450,820	(200,700)	449,139
Other comprehensive income, net	72,652	450,820	(200,700)	449,139
Total comprehensive income	341,458	611,681	273,719	836,062
Profit (loss), attributable to:				
Profit (loss), attributable to owners of parent	203,457	135,277	330,016	313,395
Profit (loss), attributable to non-controlling interests	65,349	25,584	144,403	73,528
Comprehensive income attributable to:				
Comprehensive income, attributable to owners of parent	300,607	233,486	243,928	405,578
Comprehensive income, attributable to non-controlling interests	40,851	378,195	29,791	430,484
Basic earnings per share				
Total basic earnings per share	0.55	0.37	0.89	0.87
Diluted earnings per share				
Total diluted earnings per share	0.55	0.37	0.89	0.85

PAN JIT INTERNATIONAL INC.
2017 2nd IFRS Consolidated Financial Statements

Unit: NT\$ thousand

Accounting Title	2017/01/01 To 2017/06/30	2016/01/01 To 2016/06/30
Statement of cash flows		
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	579,925	519,659
Profit (loss) before tax	579,925	519,659
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	476,494	583,775
Amortization expense	24,141	33,211
Provision (reversal of provision) for bad debt expense	(10,768)	17,250
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	1,294	(6,937)
Interest expense	73,535	115,740
Interest income	(4,237)	(3,559)
Dividend income	(8,409)	(8,495)
Share of loss (profit) of associates and joint ventures accounted for using equity method	10,323	3,996
Loss (gain) on disposal of property, plan and equipment	3,053	8,712
Loss (gain) on disposal of investments	229	79
Impairment loss on financial assets	9,000	9,869
Impairment loss on non-financial assets	2,588	0
Reversal of impairment loss on non-financial assets	(1,089)	(12,508)
Other adjustments to reconcile profit (loss)	(205,271)	(239,781)
Total adjustments to reconcile profit (loss)	370,883	501,352
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets held for trading	1,066	4,709
Decrease (increase) in notes receivable	(242,179)	(100,676)
Decrease (increase) in accounts receivable	197,888	161,034
Decrease (increase) in accounts receivable due from related parties	(108,203)	0
Decrease (increase) in other receivable	4,616	114,138
Decrease (increase) in other receivable due from related parties	(34,677)	0
Decrease (increase) in inventories	(182,241)	(94,848)
Decrease (increase) in prepayments	(46,537)	(6,480)
Decrease (increase) in other current assets	(38,892)	1,922
Total changes in operating assets	(449,159)	79,799
Changes in operating liabilities		
Increase (decrease) in financial liabilities held for trading	(4,465)	(5,852)
Increase (decrease) in notes payable	125,369	72,853
Increase (decrease) in accounts payable	289,493	245,883
Increase (decrease) in accounts payable to related parties	12,825	0
Increase (decrease) in other payable	224,324	(113,924)
Increase (decrease) in other current liabilities	(28,740)	(18,898)
Increase (decrease) in net defined benefit liability	1,281	(6,022)
Increase (decrease) in other operating liabilities	0	(2,134)
Total changes in operating liabilities	620,087	171,906
Total changes in operating assets and liabilities	170,928	251,705
Total adjustments	541,811	753,057
Cash inflow (outflow) generated from operations	1,121,736	1,272,716
Interest received	4,237	3,559
Income taxes refund (paid)	(63,430)	(192,072)
Net cash flows from (used in) operating activities	1,062,543	1,084,203
Cash flows from (used in) investing activities		
Proceeds from disposal of investments in debt instrument without active market	46,170	166
Acquisition of financial assets at cost	(18,479)	(7,268)
Acquisition of investments accounted for using equity method	0	(38,000)
Acquisition of property, plant and equipment	(286,117)	(449,394)
Proceeds from disposal of property, plant and equipment	4,032	57,422
Decrease in refundable deposits	64,081	109,248

Accounting Title	2017/01/01 To 2017/06/30	2016/01/01 To 2016/06/30
Acquisition of intangible assets	(22,285)	(10,598)
Proceeds from disposal of intangible assets	56	726
Increase in other non-current assets	(313)	0
Decrease in other non-current assets	0	53,111
Increase in prepayments for business facilities	(360,240)	(157,615)
Dividends received	8,409	8,495
Net cash flows from (used in) investing activities	(564,686)	(433,707)
Cash flows from (used in) financing activities		
Increase in short-term loans	232,809	0
Decrease in short-term loans	0	(18,214)
Increase in short-term notes and bills payable	164,929	49,954
Proceeds from long-term debt	0	473,639
Repayments of long-term debt	(38,003)	0
Decrease in lease payable	(169,000)	(546,255)
Increase in other non-current liabilities	30,117	0
Cash dividends paid	(13,952)	(15,071)
Payments to acquire treasury shares	0	(46,454)
Interest paid	(75,321)	(117,974)
Change in non-controlling interests	166,545	0
Other financing activities	(164,628)	0
Net cash flows from (used in) financing activities	133,496	(220,375)
Effect of exchange rate changes on cash and cash equivalents	(288,180)	(134,265)
Net increase (decrease) in cash and cash equivalents	343,173	295,856
Cash and cash equivalents at beginning of period	875,026	956,673
Cash and cash equivalents at end of period	1,218,199	1,252,529
Cash and cash equivalents reported in the statement of financial position	1,218,199	1,252,529

PAN JIT INTERNATIONAL INC.
2017/06/30 Statement of Stockholders' Equity

Unit: NT\$ thousand

	Ordinary share	Certificate of entitlement to new shares from convertible bond	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	Unrealized gains (losses) on available-for-sale financial assets	Others	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Equity	3,697,944	0	3,697,944	2,348,607	342,511	209,894	414,896	967,301	(388,534)	132,056	(7,881)	(264,359)	0	6,749,493	1,457,659	8,207,152
Legal reserve appropriated					41,490		(41,490)	0						0		0
Special reserve appropriated						54,465	(54,465)	0						0		0
Cash dividends of ordinary share							(221,877)	(221,877)						(221,877)		(221,877)
Cash dividends from capital surplus				(147,918)										(147,918)		(147,918)
Profit (loss)							330,016	330,016						330,016	144,403	474,419
Other comprehensive income									(121,525)	35,437		(86,088)		(86,088)	(114,612)	(200,700)
Total comprehensive income							330,016	330,016	(121,525)	35,437		(86,088)		243,928	29,791	273,719
Changes in ownership interests in subsidiaries							(20,877)	(20,877)					0	(20,877)	(213,989)	(234,866)
Changes in non-controlling interests														0	(24,962)	(24,962)
Others				1,393							386	386	0	1,779	2,316	4,095
Total increase (decrease) in equity	0	0	0	(146,525)	41,490	54,465	(8,693)	87,262	(121,525)	35,437	386	(85,702)	0	(144,965)	(206,844)	(351,809)
Equity	3,697,944	0	3,697,944	2,202,082	384,001	264,359	406,203	1,054,563	(510,059)	167,493	(7,495)	(350,061)	0	6,604,528	1,250,815	7,855,343

PAN JIT INTERNATIONAL INC.
2016/06/30 Statement of Stockholders' Equity

Unit: NT\$ thousand

	Ordinary share	Certificate of entitlement to new shares from convertible bond	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	Unrealized gains (losses) on available-for-sale financial assets	Others	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Equity	3,889,913	14,569	3,904,482	2,443,008	302,317	209,894	401,943	914,154	(3,844)	95,922	0	92,078	(463,609)	6,890,113	957,389	7,847,502
Legal reserve appropriated					40,194		(40,194)	0						0		0
Cash dividends of ordinary share							(326,286)	(326,286)						(326,286)		(326,286)
Profit (loss)							313,395	313,395						313,395	73,528	386,923
Other comprehensive income									(135,630)	227,813	0	92,183		92,183	356,956	449,139
Total comprehensive income							313,395	313,395	(135,630)	227,813	0	92,183		405,578	430,484	836,062
Conversion of convertible bonds	126,075	(9,072)	117,003	23,269										140,272		140,272
Purchase of treasury share													(46,454)	(46,454)		(46,454)
Retirement of treasury share	(380,000)		(380,000)	(130,063)									510,063	0		0
Changes in non-controlling interests															(15,070)	(15,070)
Others				(114)			(41)	(41)					0	(155)	(195)	(350)
Total increase (decrease) in equity	(253,925)	(9,072)	(262,997)	(106,908)	40,194	0	(53,126)	(12,932)	(135,630)	227,813	0	92,183	463,609	172,955	415,219	588,174
Equity	3,635,988	5,497	3,641,485	2,336,100	342,511	209,894	348,817	901,222	(139,474)	323,735	0	184,261	0	7,063,068	1,372,608	8,435,676