

6112 SYSAGE THCHNOLOGY CO., LTD  
2019Q1 Consolidated Financial Report

Unit: NT\$ thousands

| Balance Sheet |  |                  |                  |                  |
|---------------|--|------------------|------------------|------------------|
| Code          | Accounting Title   | 2019/3/31        | 2018/12/31       | 2018/3/31        |
|               | <b>Assets</b>  |                  |                  |                  |
|               | <b>Current assets</b>  |                  |                  |                  |
| 1100          | Cash and cash equivalents  | 383,080          | 572,181          | 476,324          |
| 1110          | Current financial assets at fair value through profit or loss      | 100,966          | 100,062          | 2,010            |
| 1170          | Accounts receivable, net   | 1,902,933        | 1,988,581        | 1,614,084        |
| 130X          | Current inventories  | 3,010,565        | 2,729,426        | 2,758,143        |
| 1300          | Inventories, merchandising business                                | 3,010,565        | 2,729,426        | 2,758,143        |
| 1410          | Prepayments  | 70,590           | 66,425           | 50,780           |
| 1470          | Other current assets   | 22,387           | 25,410           | 44,017           |
| 11XX          | <b>Total current assets</b>  | <b>5,490,521</b> | <b>5,482,085</b> | <b>4,945,358</b> |
|               | <b>Non-current assets</b>  |                  |                  |                  |
| 1510          | Non-current financial assets at fair value through profit or loss  | 94,200           | 59,351           | 62,816           |
| 1550          | Investments accounted for using equity method                      | 2,650            | 2,416            | 2,855            |
| 1600          | Property, plant and equipment                                      | 988,125          | 865,896          | 840,509          |
| 1755          | Right-of-use assets  | 171,044          | 0                | 0                |
| 175C          | Right-of-use assets, buildings and structures, net                 | 171,044          | 0                | 0                |
| 1840          | Deferred tax assets  | 48,609           | 48,807           | 40,482           |
| 1900          | Other non-current assets   | 99,426           | 103,652          | 79,065           |
| 1930          | Long-term notes and accounts receivable                            | 11,072           | 11,565           | 0                |
| 1931          | Long-term notes receivable   | 11,072           | 11,565           | 0                |
| 1990          | Other non-current assets, others                                   | 88,354           | 92,087           | 79,065           |
| 1995          | Other non-current assets, others                                   | 88,354           | 92,087           | 79,065           |
| 15XX          | <b>Total non-current assets</b>                                    | <b>1,404,054</b> | <b>1,080,122</b> | <b>1,025,727</b> |
| 1XXX          | <b>Total assets</b>  | <b>6,894,575</b> | <b>6,562,207</b> | <b>5,971,085</b> |
|               | <b>Liabilities and equity</b>                                      |                  |                  |                  |
|               | <b>Liabilities</b>   |                  |                  |                  |
|               | <b>Current liabilities</b>   |                  |                  |                  |
| 2100          | Current borrowings   | 1,116,500        | 1,075,000        | 1,050,000        |
| 2120          | Current financial liabilities at fair value through profit or loss | 0                | 1,010            | 1,279            |
| 2130          | Current contract liabilities                                       | 891,988          | 761,509          | 882,584          |
| 2170          | Accounts payable   | 1,384,046        | 1,557,207        | 1,120,339        |
| 2200          | Other payables   | 349,518          | 377,479          | 311,875          |
| 2280          | Current lease liabilities  | 19,961           | 0                | 0                |
| 2300          | Other current liabilities  | 50,775           | 35,125           | 29,790           |
| 2310          | Advance receipts   | 33,519           | 21,434           | 20,247           |
| 2320          | Long-term liabilities, current portion                             | 16,138           | 11,218           | 8,479            |
| 2399          | Other current liabilities, others                                  | 1,118            | 2,473            | 1,064            |
| 21XX          | <b>Total current liabilities</b>                                   | <b>3,812,788</b> | <b>3,807,330</b> | <b>3,395,867</b> |
|               | <b>Non-current liabilities</b>                                     |                  |                  |                  |
| 2540          | Non-current portion of non-current borrowings                      | 323,125          | 231,127          | 239,108          |
| 2580          | Non-current lease liabilities                                      | 151,374          | 0                | 0                |
| 2600          | Other non-current liabilities                                      | 7,189            | 7,303            | 6,329            |
| 25XX          | <b>Total non-current liabilities</b>                               | <b>481,688</b>   | <b>238,430</b>   | <b>245,437</b>   |
| 2XXX          | <b>Total liabilities</b>   | <b>4,294,476</b> | <b>4,045,760</b> | <b>3,641,304</b> |
|               | <b>Equity</b>  |                  |                  |                  |
|               | Equity attributable to owners of parent                            |                  |                  |                  |
|               | Share capital  |                  |                  |                  |
| 3110          | Ordinary share   | 1,112,339        | 1,112,339        | 1,011,217        |
| 3100          | Total capital stock  | 1,112,339        | 1,112,339        | 1,011,217        |
|               | Capital surplus  |                  |                  |                  |
| 3200          | Total capital surplus  | 422,237          | 422,237          | 444,122          |
|               | Retained earnings  |                  |                  |                  |
| 3310          | Legal reserve  | 258,636          | 258,636          | 230,297          |
| 3350          | Unappropriated retained earnings (accumulated deficit)             | 542,818          | 466,791          | 463,659          |
| 3300          | Total retained earnings  | 801,454          | 725,427          | 693,956          |
|               | Other equity interest  |                  |                  |                  |
| 3400          | Total other equity interest  | 0                | 0                | 0                |
| 31XX          | <b>Total equity attributable to owners of parent</b>               | <b>2,336,030</b> | <b>2,260,003</b> | <b>2,149,295</b> |
| 36XX          | Non-controlling interests  | 264,069          | 256,444          | 180,486          |
| 3XXX          | <b>Total equity</b>  | <b>2,600,099</b> | <b>2,516,447</b> | <b>2,329,781</b> |
| 3X2X          | <b>Total liabilities and equity</b>                                | <b>6,894,575</b> | <b>6,562,207</b> | <b>5,971,085</b> |

|      |   |   |   |   |
|------|---|---|---|---|
| 3998 | Equivalent issue shares of advance receipts for ordinary share    | 0 | 0 | 0 |
| 3999 | Number of shares in entity held by entity and by its subsidiaries | 0 | 0 | 0 |

Unit: NT\$ thousands EPS Unit: NT\$

| Statement of Comprehensive Income |  |                |                |  |
|-----------------------------------|--|----------------|----------------|--|
| Code                              | Accounting Title   | 2019/1/1To3/31 | 2018/1/1To3/31 |  |
|                                   | Operating revenue  |                |                |  |
| 4000                              | Total operating revenue  | 2,967,395      | 2,710,068      |  |
|                                   | Operating costs  |                |                |  |
| 5000                              | Total operating costs  | 2,689,555      | 2,453,064      |  |
| 5900                              | Gross profit (loss) from operations  | 277,840        | 257,004        |  |
| 5950                              | Gross profit (loss) from operations  | 277,840        | 257,004        |  |
|                                   | Operating expenses   |                |                |  |
| 6100                              | Selling expenses   | 137,629        | 104,519        |  |
| 6200                              | Administrative expenses  | 44,393         | 41,376         |  |
| 6300                              | Research and development expenses  | 3,756          | 3,992          |  |
| 6450                              | Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9 | (1,400)        | 1,100          |  |
| 6000                              | Total operating expenses   | 184,378        | 150,987        |  |
| 6900                              | Net operating income (loss)  | 93,462         | 106,017        |  |
|                                   | Non-operating income and expenses  |                |                |  |
|                                   | Other income   |                |                |  |
| 7010                              | Total other income   | 746            | 3,639          |  |
|                                   | Other gains and losses   |                |                |  |
| 7020                              | Other gains and losses, net  | 13,709         | 2,671          |  |
|                                   | Finance costs  |                |                |  |
| 7050                              | Finance costs, net   | 3,806          | 3,284          |  |
|                                   | Share of profit (loss) of associates and joint ventures accounted for using equity method              |                |                |  |
| 7060                              | Share of profit (loss) of associates and joint ventures accounted for using equity method, net         | 234            | 277            |  |
| 7000                              | Total non-operating income and expenses  | 10,883         | 3,303          |  |
| 7900                              | Profit (loss) from continuing operations before tax  | 104,345        | 109,320        |  |
|                                   | Tax expense (income)   |                |                |  |
| 7950                              | Total tax expense (income)   | 20,693         | 18,822         |  |
| 8000                              | Profit (loss) from continuing operations   | 83,652         | 90,498         |  |
| 8200                              | Profit (loss)  | 83,652         | 90,498         |  |
| 8500                              | Total comprehensive income   | 83,652         | 90,498         |  |
|                                   | Profit (loss), attributable to:  |                |                |  |
| 8610                              | Profit (loss), attributable to owners of parent  | 76,027         | 84,340         |  |
| 8620                              | Profit (loss), attributable to non-controlling interests   | 7,625          | 6,158          |  |
|                                   | Comprehensive income attributable to:  |                |                |  |
| 8710                              | Comprehensive income, attributable to owners of parent   | 76,027         | 84,340         |  |
| 8720                              | Comprehensive income, attributable to non-controlling interests  | 7,625          | 6,158          |  |
|                                   | Basic earnings per share   |                |                |  |
| 9750                              | Total basic earnings per share   | 0.68           | 0.76           |  |
|                                   | Diluted earnings per share   |                |                |  |
| 9850                              | Total diluted earnings per share   | 0.68           | 0.75           |  |

Unit: NT\$ thousands

| Statements of Cash Flows |  |                |                |  |
|--------------------------|--|----------------|----------------|--|
| Code                     | Accounting Title   | 2019/1/1To3/31 | 2018/1/1To3/31 |  |
|                          | Cash flows from (used in) operating activities, indirect method  |                |                |  |
| A00010                   | Profit (loss) from continuing operations before tax  | 104,345        | 109,320        |  |
| A10000                   | Profit (loss) before tax   | 104,345        | 109,320        |  |
|                          | Adjustments  |                |                |  |
|                          | Adjustments to reconcile profit (loss)   |                |                |  |
| A20100                   | Depreciation expense   | 13,753         | 5,957          |  |
| A20200                   | Amortization expense   | 995            | 1,155          |  |
| A20300                   | Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense                             | (1,400)        | 1,100          |  |
| A20400                   | Net loss (gain) on financial assets or liabilities at fair value through profit or loss                          | (5,973)        | 2,985          |  |
| A20900                   | Interest expense   | 3,806          | 3,284          |  |
| A21200                   | Interest income  | (66)           | (27)           |  |
| A21300                   | Dividend income  | 0              | (2,837)        |  |
| A22300                   | Share of loss (profit) of associates and joint ventures accounted for using equity method                        | (234)          | (277)          |  |
| A22500                   | Loss (gain) on disposal of property, plan and equipment  | (4,133)        | 0              |  |
| A20010                   | Total adjustments to reconcile profit (loss)   | 6,748          | 11,340         |  |
|                          | Changes in operating assets and liabilities  |                |                |  |
|                          | Changes in operating assets  |                |                |  |
| A31115                   | Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value | 0              | 2,003          |  |
| A31150                   | Decrease (increase) in accounts receivable   | 87,541         | 184,895        |  |
| A31200                   | Decrease (increase) in inventories   | (281,354)      | (235,120)      |  |

|        |  |           |           |
|--------|--|-----------|-----------|
| A31240 | Decrease (increase) in other current assets                                      | (1,303)   | (57,522)  |
| A31000 | Total changes in operating assets  | (195,116) | (105,744) |
|        | Changes in operating liabilities   |           |           |
| A32125 | Increase (decrease) in contract liabilities                                      | 130,479   | 69,461    |
| A32150 | Increase (decrease) in accounts payable  | (173,161) | (201,300) |
| A32180 | Increase (decrease) in other payable   | (48,277)  | (26,321)  |
| A32210 | Increase (decrease) in receipts in advance                                       | 12,085    | (390)     |
| A32230 | Increase (decrease) in other current liabilities                                 | (1,355)   | (28)      |
| A32990 | Increase (decrease) in other operating liabilities                               | (410)     | (342)     |
| A32000 | Total changes in operating liabilities   | (80,639)  | (158,920) |
| A30000 | Total changes in operating assets and liabilities                                | (275,755) | (264,664) |
| A20000 | Total adjustments  | (269,007) | (253,324) |
| A33000 | Cash inflow (outflow) generated from operations                                  | (164,662) | (144,004) |
| A33100 | Interest received  | 75        | 28        |
| A33200 | Dividends received   | 0         | 2,837     |
| A33300 | Interest paid  | (3,734)   | (3,307)   |
|        | Cash flows from (used in) operating activities, direct method                    |           |           |
| AC0500 | Income taxes refund (paid)   | (251)     | 0         |
| AAAA   | Net cash flows from (used in) operating activities                               | (168,572) | (144,446) |
|        | Cash flows from (used in) investing activities                                   |           |           |
| B00010 | Acquisition of financial assets at fair value through other comprehensive income | (30,790)  | 0         |
| B02700 | Acquisition of property, plant and equipment                                     | (137,776) | (10,063)  |
| B02800 | Proceeds from disposal of property, plant and equipment                          | 12,308    | 0         |
| B03700 | Increase in refundable deposits  | 2,890     | (4,960)   |
| B03800 | Decrease in refundable deposits  | 0         | 0         |
| BBBB   | Net cash flows from (used in) investing activities                               | (153,368) | (15,023)  |
|        | Cash flows from (used in) financing activities                                   |           |           |
| C00100 | Increase in short-term loans   | 41,500    | 197,000   |
| C01600 | Proceeds from long-term debt   | 99,940    | 0         |
| C01700 | Repayments of long-term debt   | (3,022)   | (1,453)   |
| C03000 | Increase in guarantee deposits received  | 296       | 0         |
| C04020 | Payments of lease liabilities  | (5,875)   | 0         |
| CCCC   | Net cash flows from (used in) financing activities                               | 132,839   | 195,547   |
| EEEE   | Net increase (decrease) in cash and cash equivalents                             | (189,101) | 36,078    |
| E00100 | Cash and cash equivalents at beginning of period                                 | 572,181   | 440,246   |
| E00200 | Cash and cash equivalents at end of period                                       | 383,080   | 476,324   |
| E00210 | Cash and cash equivalents reported in the statement of financial position        | 383,080   | 476,324   |

Unit: NT\$ thousands

|    |                                     | 3110           | 3100                | 3200            | 3310          | 3350   | 3300                    | 3410  | 3400                        | 31XX  | 36XX                      | 3XXX         |
|----|-------------------------------------|----------------|---------------------|-----------------|---------------|--|-------------------------|---|-----------------------------|---|---------------------------|--------------|
|    |                                     | 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 |
| A1 | Equity at beginning of period       | 1,112,339      | 1,112,339           | 422,237         | 258,636       | 466,791  | 725,427                 | 0   | 0                           | 2,260,003                                     | 256,444                   | 2,516,447    |
| D1 | Profit (loss)                       |                |                     |                 |               | 76,027   | 76,027                  |   |                             | 76,027  | 7,625                     | 83,652       |
| D3 | Other comprehensive income          |                |                     |                 |               | 0  | 0                       | 0   | 0                           | 0   | 0                         | 0            |
| D5 | Total comprehensive income          |                |                     |                 |               | 76,027   | 76,027                  | 0   | 0                           | 76,027  | 7,625                     | 83,652       |
| Y1 | Total increase (decrease) in equity | 0              | 0                   | 0               | 0             | 76,027   | 76,027                  | 0   | 0                           | 76,027  | 7,625                     | 83,652       |
| Z1 | Equity at end of period             | 1,112,339      | 1,112,339           | 422,237         | 258,636       | 542,818  | 801,454                 | 0   | 0                           | 2,336,030                                     | 264,069                   | 2,600,099    |

Unit: NT\$ thousands

|    |                                     | 3110           | 3100                | 3200            | 3310          | 3350   | 3300                    | 3410  | 3400                        | 31XX  | 36XX                      | 3XXX         |
|----|-------------------------------------|----------------|---------------------|-----------------|---------------|--|-------------------------|---|-----------------------------|---|---------------------------|--------------|
|    |                                     | 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 |
| A1 | Equity at beginning of period       | 1,011,217      | 1,011,217           | 444,122         | 230,297       | 379,319  | 609,616                 | 0   | 0                           | 2,064,955                                     | 174,328                   | 2,239,283    |
| D1 | Profit (loss)                       |                |                     |                 |               | 84,340   | 84,340                  |   |                             | 84,340  | 6,158                     | 90,498       |
| D3 | Other comprehensive income          |                |                     |                 |               | 0  | 0                       | 0   | 0                           | 0   | 0                         | 0            |
| D5 | Total comprehensive income          |                |                     |                 |               | 84,340   | 84,340                  | 0   | 0                           | 84,340  | 6,158                     | 90,498       |
| Y1 | Total increase (decrease) in equity | 0              | 0                   | 0               | 0             | 84,340   | 84,340                  | 0   | 0                           | 84,340  | 6,158                     | 90,498       |
| Z1 | Equity at end of period             | 1,011,217      | 1,011,217           | 444,122         | 230,297       | 463,659  | 693,956                 | 0   | 0                           | 2,149,295                                     | 180,486                   | 2,329,781    |