



**Integrated Micro-Electronics, Inc.**

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November 4, 2016

**Securities and Exchange Commission**  
SEC Building, EDSA, Mandaluyong City

Attention: Ms. Justina F. Callangan  
Director, Corporation & Finance Department

**Philippine Stock Exchange**  
Philippine Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue, Makati City

Attention: Mr. Jose Valeriano B. Zuño III  
OIC –Head, Disclosure Department

Subject: **IMI's Operating Profit Up 4% in the First Nine Months of 2016**

Integrated Micro-Electronics Inc. (IMI), a leading global manufacturing solutions company, today announced that it posted \$28.8 million (Php1.35 billion) in operating income for the period of January to September 2016—4 percent higher than that for the same period of 2015, despite a slight decrease in revenues to \$615.7 million (Php28.9 billion) from \$621.5 million.

Please refer to the attached press release and financial statements. Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "JAIME G. SANCHEZ", is written over a horizontal line.

**JAIME G. SANCHEZ**  
Vice President, Deputy CFO and Group Controller  
Compliance Officer



## PRESS RELEASE

### **IMI's Operating Profit Grows 4 Percent Despite Revenue Dip in the First Nine Months of 2016**

**November 4, 2016, Laguna, Philippines** — Integrated Micro-Electronics Inc. (IMI), a leading global manufacturing solutions company, today announced that it posted \$28.8 million (Php1.35 billion) in operating income for the period of January to September 2016—4 percent higher than that for the same period of 2015, despite a slight decrease in revenues to \$615.7 million (Php28.9 billion) from \$621.5 million.

“We're constantly striking a balance between growth and profitability, while making disciplined investments in innovative growth platforms. Despite pressure on revenues in our non-core segments like consumer and computing, our productivity improvements more than made up for the volume declines and translated to an improvement in our operating income. At the same time, we spent \$41.1 million or 6.7 percent of revenues on capital expenditures to fund growth initiatives,” said Gilles Bernard, IMI president and chief operating officer.

The company's reported net income after tax for the first nine months of 2016 decreased 5 percent to \$20.8 million (Php977.8 million) due to higher depreciation from recent expansion capex.

Revenues from Europe and Mexico operations climbed 12 percent year-on-year to \$228.9 million in the first nine months of 2016 driven by robust sales of automotive body controls.

The company's China operations posted \$195.8 million in revenues, down 9 percent year-on-year, due to the impact of strategic decision to exit a certain consumer electronics business and weaker demand from a telecom infrastructure customer.

Revenues for IMI's EMS operations in the Philippines was down 1 percent to \$166.6 million following end-of-support for computing peripherals.

“We continue to move up the value chain as we partner with our customers who are also navigating their own transformations,” IMI chief executive officer Arthur Tan commented. “Our operating results reflect our commitment to sustainable growth, and we are confident that we have the right strategies in place to enable us to seize the many opportunities ahead. In August, we announced our acquisition of VIA optronics. The rationale is compelling. It allows us to integrate VIA's proprietary display solutions with IMI, enhancing customer engagement as well as IMI's platform portfolio to further enable our customers.”

“I foresee an IMI that will be a partner of choice for any company that requires a certain level of complexity, reliability and product quality. We will continue to focus as a core manufacturing entity for Ayala Corp. Our experience in creating new business ventures to produce different solutions for diverse markets provides opportunities for exciting long-term growth,” Tan added.

At end-September 2016, current ratio and debt-to-equity ratio were at 1.22:1 and 0.74:1, respectively. The increased bank borrowing is a result of the debt incurred to partially fund the acquisition of VIA optronics.

**About IMI**

Integrated Micro-Electronics Inc. (IMI), a subsidiary of Ayala Corporation, is among the top 50 electronics manufacturing services (EMS) providers in the world based on the latest list of Manufacturing Market Insider based on EMS-related revenues. In the automotive segment, it is the 6th largest EMS provider in the world per New Venture Research. IMI specializes in durable electronics for long-product life cycle segments such as automotive and industrial electronics. For the automotive segment, IMI delivers customized solutions for safety and security, among others. It supplies cameras that are integral technology to the advanced driver assistance systems (ADAS). For the industrial segment, it manufactures security and access control devices, power modules, and building automation, among others. From its manufacturing plants in the United States, Mexico, Bulgaria, Czech Republic, China, and the Philippines, IMI provides engineering, manufacturing, and support and fulfillment capabilities to diverse industries globally. For more information, visit [www.global-imi.com](http://www.global-imi.com).

**INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES**  
**UNAUDITED INTERIM CONSOLIDATED BALANCE SHEET**  
**AS OF SEPTEMBER 30, 2016**  
(With Comparative Audited Figures as of December 31, 2015)  
(In thousand dollars)

|                                       | (Unaudited)<br>Sep 30, 2016 | (Audited)<br>Dec 31, 2015 |
|---------------------------------------|-----------------------------|---------------------------|
| <b>ASSETS</b>                         |                             |                           |
| <b>Current Assets</b>                 |                             |                           |
| Cash and cash equivalents             | \$86,492                    | \$101,532                 |
| Receivables - net                     | 215,444                     | 169,292                   |
| Inventories                           | 110,648                     | 88,255                    |
| Other current assets                  | 21,685                      | 10,936                    |
| Total Current Assets                  | 434,269                     | 370,015                   |
| <b>Noncurrent Assets</b>              |                             |                           |
| Property, plant and equipment – net   | 117,230                     | 93,102                    |
| Goodwill                              | 95,028                      | 46,876                    |
| Intangible assets                     | 3,157                       | 2,398                     |
| Available-for-sale financial assets   | 677                         | 584                       |
| Deferred tax assets                   | 1,635                       | 1,528                     |
| Other noncurrent assets               | 2,245                       | 2,032                     |
| Total Noncurrent Assets               | 219,972                     | 146,520                   |
|                                       | \$654,241                   | \$516,535                 |
| <b>LIABILITIES AND EQUITY</b>         |                             |                           |
| <b>Current Liabilities</b>            |                             |                           |
| Accounts payable and accrued expenses | \$203,856                   | \$152,817                 |
| Trust receipts and loans payable      | 98,900                      | 42,298                    |
| Current portion of long-term debt     | 48,741                      | 42,953                    |
| Income tax payable                    | 3,853                       | 2,534                     |
| Total Current Liabilities             | 355,350                     | 240,602                   |
| <b>Noncurrent Liabilities</b>         |                             |                           |
| Noncurrent portion of:                |                             |                           |
| Long-term debt                        | 41,764                      | 34,649                    |
| Advances from customers               | 1,208                       | 1,123                     |
| Net retirement liabilities            | 4,961                       | 5,792                     |
| Deferred tax liabilities              | 1,113                       | 1,358                     |
| Accrued rent                          | 98                          | 455                       |
| Other noncurrent liabilities          | 162                         | 118                       |
| Total Noncurrent Liabilities          | 49,306                      | 43,495                    |
| Total Liabilities                     | 404,656                     | 284,097                   |

(Forward)

|  | (Unaudited)<br>Sep 30, 2016 | (Audited)<br>Dec 31, 2015 |
|--|-----------------------------|---------------------------|
| <b>EQUITY</b>  |                             |                           |
| <b>Equity attributable to equity holders of the<br/>Parent Company</b>                   |                             |                           |
| Capital stock - common   | <b>\$34,936</b>             | \$34,934                  |
| Subscribed capital stock   | <b>1,861</b>                | 1,908                     |
| Additional paid-in capital   | <b>82,911</b>               | 82,528                    |
| Subscriptions receivable   | <b>(12,374)</b>             | (13,132)                  |
| Retained earnings unappropriated   | <b>161,636</b>              | 149,437                   |
| Treasury stock   | <b>(1,013)</b>              | (1,013)                   |
| Reserve for fluctuation on available-for-sale financial assets                           | <b>312</b>                  | 251                       |
| Cumulative translation adjustment  | <b>(14,486)</b>             | (16,545)                  |
| Other comprehensive loss   | <b>(6,238)</b>              | (6,296)                   |
| Other reserves   | <b>171</b>                  | 171                       |
|  | <b>247,716</b>              | 232,243                   |
| <b>Equity attributable to non-controlling interests in<br/>consolidated subsidiaries</b> |                             |                           |
|  | <b>1,869</b>                | 195                       |
| Total Equity   | <b>249,585</b>              | 232,438                   |
|  | <b>\$654,241</b>            | \$516,535                 |

**INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES**  
**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015**  
(In thousand dollars, except Earnings per Share)

|   | Unaudited 2016 |            | Unaudited 2015 |            |
|---|----------------|------------|----------------|------------|
|   | Jul to Sep     | Jan to Sep | Jul to Sep     | Jan to Sep |
| <b>REVENUES FROM SALES AND SERVICES</b>   | \$205,998      | \$615,739  | \$205,132      | \$621,479  |
| <b>COST OF GOODS SOLD AND SERVICES</b>    | 181,781        | 544,200    | 179,184        | 549,658    |
| <b>GROSS PROFIT</b>                       | 24,217         | 71,539     | 25,948         | 71,821     |
| <b>OPERATING EXPENSES</b>                 | (16,068)       | (42,708)   | (15,702)       | (44,180)   |
| <b>OTHERS - Net</b>                       |                |            |                |            |
| Interest and bank charges                 | (829)          | (2,341)    | (624)          | (1,910)    |
| Foreign exchange gains (losses)           | 262            | (1,063)    | (1,515)        | (1,591)    |
| Interest income                           | 82             | 210        | 249            | 565        |
| Rental income                             | 1              | 2          | 122            | 361        |
| Miscellaneous income - net                | 59             | 194        | (194)          | 1,253      |
| <b>INCOME BEFORE INCOME TAX</b>           | 7,724          | 25,833     | 8,284          | 26,319     |
| <b>PROVISION FOR INCOME TAX</b>           | (1,869)        | (5,015)    | (1,461)        | (4,315)    |
| <b>NET INCOME</b>                         | \$5,855        | \$20,818   | \$6,823        | \$22,004   |
| <b>Net Income (Loss) Attributable to:</b> |                |            |                |            |
| Equity holders of the Parent Company      | \$5,853        | \$20,820   | \$6,828        | \$22,021   |
| Non-controlling interests                 | 2              | (2)        | (5)            | (17)       |
|   | \$5,855        | \$20,818   | \$6,823        | \$22,004   |
| <b>Earnings Per Share</b>                 |                |            |                |            |
| Basic and diluted                         |                | \$0.011    |                | \$0.012    |

**INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES**  
**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE**  
**INCOME**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015**  
(In thousand dollars)

|   | Unaudited 2016 |                 | Unaudited 2015 |                 |
|---|----------------|-----------------|----------------|-----------------|
|   | Jul to<br>Sep  | Jan to<br>Sep   | Jul to<br>Sep  | Jan to<br>Sep   |
| <b>NET INCOME FOR THE PERIOD</b>  | <b>\$5,855</b> | <b>\$20,818</b> | <b>\$6,823</b> | <b>\$22,004</b> |
| <b>OTHER COMPREHENSIVE INCOME (LOSS)</b>  |                |                 |                |                 |
| Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:       |                |                 |                |                 |
| Exchange differences arising from translation of foreign operations                                 | 869            | 2,059           | 887            | (3,425)         |
| Fair value changes on available-for-sale financial assets   | 19             | 61              | (7)            | 42              |
|   | <b>888</b>     | <b>2,120</b>    | <b>880</b>     | <b>(3,383)</b>  |
| Other comprehensive income (loss) not to be reclassified into profit or loss in subsequent periods: |                |                 |                |                 |
| Remeasurement gains on defined benefit plans  | –              | 58              | –              | –               |
|   | <b>888</b>     | <b>2,178</b>    | <b>880</b>     | <b>(3,383)</b>  |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>  | <b>\$6,743</b> | <b>\$22,996</b> | <b>\$7,703</b> | <b>\$18,621</b> |
| <b>Total Comprehensive Income (Loss) Attributable to:</b>   |                |                 |                |                 |
| Equity holders of the Parent Company  | <b>\$6,741</b> | <b>\$22,998</b> | <b>\$7,708</b> | <b>\$18,638</b> |
| Non-controlling interests   | <b>2</b>       | <b>(2)</b>      | <b>(5)</b>     | <b>(17)</b>     |
|   | <b>\$6,743</b> | <b>\$22,996</b> | <b>\$7,703</b> | <b>\$18,621</b> |

# INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES

## UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015 AND FOR THE YEAR ENDED DECEMBER 31, 2015

(in thousand dollars)

### Attributable to Equity Holders of the Parent Company

|  | Capital Stock - Common | Capital Stock - Preferred | Subscribed Capital Stock | Additional Paid-in Capital | Subscriptions Receivable | Retained Earnings Appropriated for Expansion | Retained Earnings Unappropriated | Treasury Stock   | Reserve for Fluctuation on Available-for-Sale Financial Assets | Cumulative Translation Adjustment | Other Comprehensive Loss | Other Reserves | Attributable to Non-controlling Interest | Total            |
|--|------------------------|---------------------------|--------------------------|----------------------------|--------------------------|--|----------------------------------|------------------|--|-----------------------------------|--------------------------|----------------|--|------------------|
| Balances at January 1, 2016  | \$34,934               | \$-                       | \$1,908                  | \$82,528                   | (\$13,132)               | \$-  | \$149,437                        | (\$1,013)        | \$251  | (\$16,545)                        | (\$6,296)                | \$171          | \$195                                    | \$232,438        |
| Shares issued during the period                                      | 2                      | -                         | (2)                      | -                          | -                        | -  | -                                | -                | -  | -                                 | -                        | -              | -  | -                |
| Cost of share-based payments   | -                      | -                         | -                        | 636                        | -                        | -  | -                                | -                | -  | -                                 | -                        | -              | -  | 636              |
| Forfeitures during the period  | -                      | -                         | (45)                     | (253)                      | 298                      | -  | -                                | -                | -  | -                                 | -                        | -              | -  | -                |
| Collections on subscriptions   | -                      | -                         | -                        | -                          | 460                      | -  | -                                | -                | -  | -                                 | -                        | -              | -  | 460              |
| Increase in noncontrolling interest due to acquisition of subsidiary | -                      | -                         | -                        | -                          | -                        | -  | -                                | -                | -  | -                                 | -                        | -              | 1,676                                    | 1,676            |
| Cash dividends   | -                      | -                         | -                        | -                          | -                        | -  | (8,621)                          | -                | -  | -                                 | -                        | -              | -  | (8,621)          |
|  | 34,936                 | -                         | 1,861                    | 82,911                     | (12,374)                 | -  | 140,816                          | (1,013)          | 251  | (16,545)                          | (6,296)                  | 171            | 1,871                                    | 226,589          |
| Net income (loss)  | -                      | -                         | -                        | -                          | -                        | -  | 20,820                           | -                | -  | -                                 | -                        | -              | (2)                                      | 20,818           |
| Other comprehensive income   | -                      | -                         | -                        | -                          | -                        | -  | -                                | -                | 61   | 2,059                             | 58                       | -              | -  | 2,178            |
| Total comprehensive income (loss)                                    | -                      | -                         | -                        | -                          | -                        | -  | 20,820                           | -                | 61   | 2,059                             | 58                       | -              | (2)                                      | 22,996           |
| <b>Balances at September 30, 2016</b>                                | <b>\$34,936</b>        | <b>\$-</b>                | <b>\$1,861</b>           | <b>\$82,911</b>            | <b>(\$12,374)</b>        | <b>\$-</b>                                   | <b>\$161,636</b>                 | <b>(\$1,013)</b> | <b>\$312</b>   | <b>(\$14,486)</b>                 | <b>(\$6,238)</b>         | <b>\$171</b>   | <b>\$1,869</b>                           | <b>\$249,585</b> |

### Attributable to Equity Holders of the Parent Company

|                                       | Capital Stock - Common | Capital Stock - Preferred | Subscribed Capital Stock | Additional Paid-in Capital | Subscriptions Receivable | Retained Earnings Appropriated for Expansion | Retained Earnings Unappropriated | Treasury Stock   | Reserve for Fluctuation on Available-for-Sale Financial Assets | Cumulative Translation Adjustment | Other Comprehensive Loss | Other Reserves | Attributable to Non-controlling Interest | Total            |
|---------------------------------------|------------------------|---------------------------|--------------------------|----------------------------|--------------------------|--|----------------------------------|------------------|--|-----------------------------------|--------------------------|----------------|--|------------------|
| Balances at January 1, 2015           | \$34,877               | \$26,601                  | \$1,798                  | \$80,481                   | (\$12,907)               | \$20,661                                     | \$109,481                        | (\$1,013)        | \$184  | (\$10,709)                        | (\$5,574)                | \$171          | \$214                                    | \$244,265        |
| Issued shares during the period       | 3                      | -                         | (3)                      | -                          | -                        | -  | -                                | -                | -  | -                                 | -                        | -              | -  | -                |
| Cost of share-based payments          | -                      | -                         | -                        | 1,240                      | -                        | -  | -                                | -                | -  | -                                 | -                        | -              | -  | 1,240            |
| Collections on subscriptions          | -                      | -                         | -                        | -                          | 384                      | -  | -                                | -                | -  | -                                 | -                        | -              | -  | 384              |
| Forfeitures during the period         | -                      | -                         | (40)                     | (330)                      | 370                      | -  | -                                | -                | -  | -                                 | -                        | -              | -  | -                |
| Reversal of appropriation             | -                      | -                         | -                        | -                          | -                        | (20,661)                                     | 20,661                           | -                | -  | -                                 | -                        | -              | -  | -                |
| Cash dividends                        | -                      | -                         | -                        | -                          | -                        | -  | (7,868)                          | -                | -  | -                                 | -                        | -              | -  | (7,868)          |
| Redemption of Preferred Shares        | -                      | 26,601                    | -                        | (1,835)                    | -                        | -  | -                                | -                | -  | -                                 | -                        | -              | -  | (28,436)         |
|                                       | 34,880                 | -                         | 1,755                    | 79,556                     | (12,153)                 | -  | 122,274                          | (1,013)          | 184  | (10,709)                          | (5,574)                  | 171            | 214                                      | \$209,585        |
| Net income (loss)                     | -                      | -                         | -                        | -                          | -                        | -  | 22,022                           | -                | -  | -                                 | -                        | -              | (12)                                     | 22,010           |
| Other comprehensive income (loss)     | -                      | -                         | -                        | -                          | -                        | -  | -                                | -                | 42   | (3,425)                           | -                        | -              | -  | (3,383)          |
| Total comprehensive income (loss)     | -                      | -                         | -                        | -                          | -                        | -  | 22,022                           | -                | 42   | (3,425)                           | -                        | -              | (12)                                     | 18,622           |
| <b>Balances at September 30, 2015</b> | <b>\$34,880</b>        | <b>\$-</b>                | <b>\$1,755</b>           | <b>\$79,556</b>            | <b>(\$12,153)</b>        | <b>\$-</b>                                   | <b>\$144,296</b>                 | <b>(\$1,013)</b> | <b>\$226</b>   | <b>(\$14,134)</b>                 | <b>(\$5,574)</b>         | <b>\$171</b>   | <b>\$202</b>                             | <b>\$228,207</b> |

**Attributable to Equity Holders of the Parent Company**

|  | Capital<br>Stock -<br>Common | Capital<br>Stock -<br>Preferred | Subscribed<br>Capital<br>Stock | Additional<br>Paid-in<br>Capital | Subscriptions<br>Receivable | Retained<br>Earnings<br>Appropriated<br>for Expansion | Retained<br>Earnings<br>Unappropriated | Treasury<br>Stock | Reserve for<br>Fluctuation on<br>Available-<br>for-Sale<br>Financial<br>Assets | Cumulative<br>Translation<br>Adjustment | Other<br>Comprehensive<br>Loss | Other<br>Reserves | Attributable to<br>Non-<br>controlling<br>Interests | Total            |
|--|------------------------------|---------------------------------|--------------------------------|----------------------------------|-----------------------------|---|--|-------------------|--|---|--------------------------------|-------------------|---|------------------|
| Balances at January 1, 2015                    | \$34,877                     | \$26,601                        | \$1,798                        | \$80,481                         | (\$12,907)                  | \$20,661  | \$109,481                              | (\$1,013)         | \$184  | (\$10,710)                              | (\$5,574)                      | \$171             | \$215   | \$244,265        |
| Issued shares during the year                  | 57                           | —                               | (57)                           | —                                | —                           | —   | —                                      | —                 | —  | —                                       | —                              | —                 | —   | —                |
| Redemption of preferred shares                 | —                            | (26,601)                        | —                              | —                                | —                           | —   | (1,835)                                | —                 | —  | —                                       | —                              | —                 | —   | (28,436)         |
| Subscriptions during the year                  | —                            | —                               | 222                            | 914                              | (1,136)                     | —   | —                                      | —                 | —  | —                                       | —                              | —                 | —   | —                |
| Collections on subscriptions                   | —                            | —                               | —                              | —                                | 460                         | —   | —                                      | —                 | —  | —                                       | —                              | —                 | —   | 460              |
| Forfeitures during the year                    | —                            | —                               | (55)                           | (395)                            | 451                         | —   | —                                      | —                 | —  | —                                       | —                              | —                 | —   | —                |
| Cost of share-based payments                   | —                            | —                               | —                              | 1,528                            | —                           | —   | —                                      | —                 | —  | —                                       | —                              | —                 | —   | 1,528            |
| Reversal of appropriated retained earnings     | —                            | —                               | —                              | —                                | —                           | (20,661)  | 20,661                                 | —                 | —  | —                                       | —                              | —                 | —   | —                |
| Reversal of cash dividends declared in advance | —                            | —                               | —                              | —                                | —                           | —   | 208                                    | —                 | —  | —                                       | —                              | —                 | —   | 208              |
| Cash dividends                                 | —                            | —                               | —                              | —                                | —                           | —   | (7,868)                                | —                 | —  | —                                       | —                              | —                 | —   | (7,868)          |
|  | 34,934                       | —                               | 1,908                          | 82,528                           | (13,132)                    | —   | 120,647                                | (1,013)           | 184  | (10,710)                                | (5,574)                        | 171               | 215   | 210,157          |
| Net income (loss)                              | —                            | —                               | —                              | —                                | —                           | —   | 28,790                                 | —                 | —  | —                                       | —                              | —                 | (20)  | 28,771           |
| Other comprehensive income (loss)              | —                            | —                               | —                              | —                                | —                           | —   | —                                      | —                 | 67   | (5,835)                                 | (722)                          | —                 | —   | (6,490)          |
| Total comprehensive income (loss)              | —                            | —                               | —                              | —                                | —                           | —   | 28,790                                 | —                 | 67   | (5,835)                                 | (722)                          | —                 | (20)  | 22,281           |
| <b>Balances at December 31, 2015</b>           | <b>\$34,934</b>              | <b>\$—</b>                      | <b>\$1,908</b>                 | <b>\$82,528</b>                  | <b>(\$13,132)</b>           | <b>\$—</b>  | <b>\$149,437</b>                       | <b>(\$1,013)</b>  | <b>\$251</b>   | <b>(\$16,545)</b>                       | <b>(\$6,296)</b>               | <b>\$171</b>      | <b>\$195</b>  | <b>\$232,438</b> |

**INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES**  
**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015**  
(In thousand dollars)

|   | Unaudited<br>Sep 30, 2016 | Sep 30, 2015    |
|---|---------------------------|-----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |                           |                 |
| Income before income tax  | \$25,833                  | \$26,319        |
| Adjustments for:  |                           |                 |
| Depreciation of property, plant and equipment                       | 17,908                    | 15,874          |
| Interest expense  | 2,341                     | 1,910           |
| Amortization of intangible assets                                   | 1,663                     | 1,636           |
| Provision for (reversal of) inventory obsolescence                  | (1,514)                   | 1,248           |
| Cost of share-based payments  | 636                       | 1,240           |
| Unrealized foreign exchange losses - net                            | (436)                     | (367)           |
| Interest income   | (211)                     | (565)           |
| Provisions for doubtful accounts                                    | 53                        | 317             |
| Gains on sale of property, plant and equipment                      | (64)                      | (45)            |
| Reversal of decline in inventories                                  | 50                        | 100             |
| Operating income before working capital changes                     | 46,259                    | 47,667          |
| Changes in operating assets and liabilities:                        |                           |                 |
| Decrease (increase) in:   |                           |                 |
| Loans and receivables   | (24,341)                  | (747)           |
| Inventories   | (14,230)                  | (1,359)         |
| Other current assets  | (8,697)                   | 841             |
| Increase (decrease) in:   |                           |                 |
| Accounts payable and accrued expenses                               | 29,300                    | (7,391)         |
| Advances from customers   | 127                       | (235)           |
| Retirement liabilities and other long-term benefits                 | (727)                     | 307             |
| Accrued rent  | (357)                     | 39              |
| Net cash generated from operations                                  | 27,334                    | 39,122          |
| Interest received   | 223                       | 565             |
| Interest paid   | (2,453)                   | (2,000)         |
| Income tax paid   | (4,092)                   | (3,872)         |
| Net cash provided by operating activities                           | 21,012                    | 33,815          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |                           |                 |
| Acquisition of:   |                           |                 |
| Property, plant and equipment                                       | (38,659)                  | (25,791)        |
| Intangible assets   | (2,437)                   | (527)           |
| Proceeds from sale of property, plant and equipment                 | 298                       | 344             |
| Acquisition through business combination - net of cash acquired     | (46,814)                  | -               |
| Decrease (increase) in other noncurrent assets                      | (212)                     | 164             |
| Net cash used in investing activities                               | (87,824)                  | (25,810)        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                         |                           |                 |
| Availment of loans  | 77,263                    | 44,270          |
| Dividends paid to equity holders of the Parent Company              | (8,621)                   | (8,578)         |
| Collections of subscriptions receivable                             | 460                       | 384             |
| Payment of loans  | (17,119)                  | (32,063)        |
| Redemption of preferred shares                                      | -                         | (28,436)        |
| Decrease in obligations under finance lease                         | -                         | (2,257)         |
| Net cash provided by (used in) financing activities                 | 51,983                    | (26,680)        |
| <b>NET FOREIGN EXCHANGE DIFFERENCE IN CASH AND CASH EQUIVALENTS</b> | <b>(211)</b>              | <b>(278)</b>    |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>                    | <b>(15,040)</b>           | <b>(18,953)</b> |
| <b>CASH AND CASH EQUIVALENTS AT JANUARY 1</b>                       | <b>101,532</b>            | <b>117,625</b>  |
| <b>CASH AND CASH EQUIVALENTS AT SEPTEMBER 30</b>                    | <b>\$86,492</b>           | <b>\$98,672</b> |