


Sercomm Corporation

8F, No. 3-1, YuanQu St. (Nankang Software Industry Park) Taipei 115, Taiwan

 Tel: 886-2-26553988 | Fax: 886-2-66158898 | <http://www.sercomm.com>
Sercomm Announces Full Year 2016 Financial Results

Taipei, Taiwan, 27th March 2016 - Sercomm Corporation (TWSE: 5388), a leading manufacturer of telecom and broadband equipment, today announced financial results for the fourth quarter and full year 2016.

On consolidated basis, net sales for 2016 were reported as NT\$36.7 billion, which represents a 5% increase over NT\$35.01 billion for year 2015. Operating profit for 2016 were NT\$1.77 billion, which represents a 6% year-over-year increase over NT\$1.67 billion for 2015. Net income attributable to owners of parent for 2016 were NT\$1.46 billion, which also represents a 12% increase compared to NT\$1.31 billion for 2015. Based on 243 million weighted average shares, earnings per share (EPS) for year 2016 were reported as NT\$6.02.

Consolidated net sales for the fourth quarter of year 2016 were NT\$9.14 billion, which represents a 6% decrease compared to NT\$9.69 billion for the fourth quarter of year 2015. Operating profit for 4Q'16 were NT\$474 million, which represents a 2% year-over-year decrease over NT\$485 million for 4Q'15. Net income attributable to owners of parent for 4Q'16 were NT\$415 million, which also represents a 13% increase compared to NT\$366 million for 4Q'15. Based on 243 million weighted average shares, EPS were reported as NT\$1.7 for the 4th quarter of year 2016.

Table 1: 2016 Statement of Comprehensive Income

(In NT\$MN)	2016		2015		Change
	Amount	%	Amount	%	
Net Revenue	36,702	100.0%	35,012	100.0%	4.8%
Cost of Goods Sold	31,333	85.4%	30,028	85.8%	4.3%
Gross Profit	5,369	14.6%	4,984	14.2%	7.7%
Operating Expenses	3,598	9.8%	3,319	9.5%	8.4%
Operating Profit	1,771	4.8%	1,665	4.7%	6.4%
Non-operating Income & Expenses	32	0.1%	-82	-0.2%	139.0%
Income before Tax	1,803	4.9%	1,583	4.5%	13.9%
Net Income Attributable to Owners of Parent	1,462	4.0%	1,305	3.7%	12.0%
EPS (NTD\$1)*	6.02		5.57		

* Based on weighted average shares: 242,647 thousand shares for 2016 and 234,080 thousand shares for 2015

Table 2: 4Q 2016 Statement of Comprehensive Income

(In NT\$MN)	4Q 2016		4Q 2015		Change
	Amount	%	Amount	%	
Net Revenue	9,139	100.0%	9,688	100.0%	-5.7%
Cost of Goods Sold	7,739	84.7%	8,253	85.2%	-6.2%
Gross Profit	1,400	15.3%	1,435	14.8%	-2.4%
Operating Expenses	926	10.1%	950	9.8%	-2.5%
Operating Profit	474	5.2%	485	5.0%	-2.3%
Non-operating Income & Expenses	35	0.4%	-43	-0.4%	181.4%
Income before Tax	509	5.6%	442	4.6%	15.2%
Net Income Attributable to Owners of Parent	415	4.5%	366	3.8%	13.4%
EPS (NTD\$1)*	1.70		1.56		

* Based on weighted average shares: 242,647 thousand shares for 2016 and 234,080 thousand shares for 2015

Table 3: Balance Sheet

(In NT\$MN)	December 31, 2016		December 31, 2015	
	Amount	%	Amount	%
Cash Equivalents	5,721	24.0%	5,365	23.8%
A/R	7,124	30.0%	6,528	29.0%
Inventory	5,507	23.2%	5,369	23.8%
Other Current Assets	1,120	4.7%	768	3.4%
Non-current Assets	4,307	18.1%	4,498	20.0%
Total Assets	23,779	100.0%	22,528	100.0%
Loan	2,135	9.0%	2,632	11.7%
A/P	10,005	42.1%	9,249	41.0%
Leasehold Payable	142	0.6%	156	0.7%
Corporate Bonds Payable	0	0.0%	59	0.3%
Other Payable & Liabilities	4,140	17.4%	3,494	15.5%
Total Liabilities	16,422	69.1%	15,590	69.2%
Total Equity	7,357	30.9%	6,938	30.8%

About Sercomm Corporation

Sercomm Corporation is a worldwide leading manufacturer of telecom and broadband equipment. Founded in 1992, Sercomm has focused on developing embedded solutions to make networking simple and affordable. Headquartered in Taipei, Taiwan, Sercomm's global operation network covers markets of North America, Europe and the Asia Pacific region, and its customer base includes the world's top ODMs, telecommunication vendors and system integrators. Listed on Taiwan Stock Exchange (TWSE:5388), Sercomm posted sales revenue of NT\$36.7 BN in 2016 (approximately US\$1.14 BN). For more information, please visit www.sercomm.com

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Investor Relations Contact

Charlton Chen
Spokesperson
Phone : 886-2-2655-3988
Email : ir@sercomm.com

Grace Liao
Investor Relations Manager
Phone: 886-2-2655-3988 ext. 2103
Email : grace_liao@sercomm.com