


Sercomm Corporation

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Sercomm Announces 2nd Quarter Financial Results

Taipei, Taiwan, 13th August 2015 - Sercomm Corporation (TWSE: 5388), a leading manufacturer of broadband and wireless networking equipments, today announced financial results for the second quarter and first half of year 2015.

Consolidated net sales for the second quarter of year 2015 were NT\$8.56 billion, which represents a 42% increase compared to NT\$6.02 billion for 2Q 2014. Income before tax for 2Q 2015 were NT\$404 million, which represents a 100% quarter-over-quarter increase over NT\$2.02 million for 1Q'15 and 23% year-over-year increase compared to NT\$328 million for the same period last year. Net income for 2Q'15 were NT\$328 million, which also represents a 21% increase over NT\$272 million for 2Q'14. Based on 230 million weighted average shares, EPS were reported as NT\$1.43 for the 2nd quarter of year 2015. Both sales revenue and net income of 2Q2015 set new company records.

On consolidated basis, net sales for the first half of year 2015 were reported as NT\$14.91 billion, which represents a 39% increase over NT\$10.69 billion for the first half of year 2014. Income before tax and net income for 1H'15 were NT\$605 million and NT\$495 million, respectively. Based on 230 million weighted average shares, earnings per share (EPS) for the first half of year 2015 were reported as NT\$2.16.

Table 1: 2Q 2015 Statement of Comprehensive Income (Consolidated)

(In NT\$MN)	2Q 2015		2Q 2014		Change
	Amount	%	Amount	%	
Net Revenue	8,562	100.0%	6,021	100.0%	42.2%
Cost of Goods Sold	7,430	86.8%	5,032	83.6%	47.7%
Gross Profit	1,132	13.2%	989	16.4%	14.5%
Operating Expenses	763	8.9%	663	11.0%	15.1%
Operating Profit	369	4.3%	326	5.4%	13.2%
Non-operating Income & Expenses	35	0.4%	2	0.0%	1650.0%
Income before Tax	404	4.7%	328	5.4%	23.2%
Net Income	328	3.8%	272	4.5%	20.6%
EPS (NTD\$1)*	1.43		1.22		

* Based on weighted average shares: 230,299 thousand shares for 2Q 2015 and 222,548 thousand shares for 2Q 2014

Table 2: 1H 2015 Statement of Comprehensive Income (Consolidated)

(In NT\$MN)	1H 2015		1H 2014		Change
	Amount	%	Amount	%	
Net Revenue	14,909	100.0%	10,692	100.0%	39.4%
Cost of Goods Sold	12,913	86.6%	8,913	83.4%	44.9%
Gross Profit	1,996	13.4%	1,779	16.6%	12.2%
Operating Expenses	1,440	9.7%	1,220	11.4%	18.0%
Operating Profit	556	3.7%	559	5.2%	-0.5%
Non-operating Income & Expenses	49	0.4%	-10	-0.1%	590.0%
Income before Tax	605	4.1%	549	5.1%	10.2%
Net Income	495	3.3%	455	4.3%	8.8%
EPS (NTD\$1)*	2.16		2.05		

* Based on weighted average shares: 230,299 thousand shares for 1H 2015 and 222,548 thousand shares for 1H 2014

Table 3: Consolidated Balance Sheet

(In NT\$MN)	June 30, 2015		June 30, 2014	
	Amount	%	Amount	%
Cash Equivalents	5,562	24.9%	4,966	30.9%
A/R	6,755	30.3%	3,481	21.7%
Inventory	5,158	23.1%	3,288	20.5%
Other Current Assets	632	2.8%	374	2.4%
Non-current Assets	4,221	18.9%	3,932	24.5%
Total Assets	22,328	100.0%	16,041	100.0%
Loan	3,688	16.5%	2,221	13.8%
A/P	8,710	39.0%	5,319	33.2%
Leasehold Payable	166	0.7%	176	1.1%
Corporate Bonds Payable	248	1.1%	443	2.8%
Other Payable & Liabilities	3,644	16.3%	2,759	17.2%
Total Liabilities	16,456	73.6%	10,918	68.1%
Total Equity	5,872	26.4%	5,123	31.9%

About Sercomm Corporation

Sercomm Corporation is a worldwide leading manufacturer of broadband and wireless networking equipments. Founded in 1992, Sercomm has been focusing 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 Asia Pacific, 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\$23.19 BN in 2014 (approximately US\$763 MN). For more information, please visit www.sercomm.com

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