


**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 2017 Financial Results**

Taipei, Taiwan, 12th March 2018 - Sercomm Corporation (TWSE: 5388), a leading manufacturer of telecom and broadband equipment today announced financial results for the fourth quarter and full year 2017.

On consolidated basis, net sales for 2017 were reported as NT\$38.6 billion, which represents a 5% increase over NT\$36.7 billion for year 2016. Operating profit for 2017 were NT\$1.53 billion, which represents a 13% year-over-year decrease over NT\$1.77 billion for 2016. Net income attributable to owners of parent for 2017 were NT\$1.31 billion, which also represents a 10% decrease compared to NT\$1.46 billion for 2016. Based on 244 million weighted average shares, earnings per share (EPS) for year 2017 were reported as NT\$5.38.

Consolidated net sales for the fourth quarter of year 2017 were NT\$10.45 billion, which represents a 14% increase compared to NT\$9.14 billion for the fourth quarter of year 2016. Operating profit for 4Q'17 were NT\$447 million, which represents a 6% year-over-year decrease over NT\$474 million for 4Q'16. Net income attributable to owners of parent for 4Q'17 were NT\$376 million, which also represents a 9% decrease compared to NT\$415 million for 4Q'16. Based on 244 million weighted average shares, EPS were reported as NT\$1.53 for the 4th quarter of year 2017.

**Table 1: 2017 Statement of Comprehensive Income**

(In NT\$MN)	2017		2016		Change
	Amount	%	Amount	%	
Net Revenue	38,600	100.0%	36,702	100.0%	5.2%
Cost of Goods Sold	33,572	87.0%	31,333	85.4%	7.1%
Gross Profit	5,028	13.0%	5,369	14.6%	-6.4%
Operating Expenses	3,494	9.0%	3,598	9.8%	-2.9%
Operating Profit	1,534	4.0%	1,771	4.8%	-13.4%
Non-operating Income & Expenses	49	0.1%	32	0.1%	53.1%
Income before Tax	1,583	4.1%	1,803	4.9%	-12.2%
Net Income Attributable to Owners of Parent	1,312	3.4%	1,462	4.0%	-10.3%
EPS (NTD\$1)*	5.38		6.02		

\* Based on weighted average shares: 243,616 thousand shares for 2017 and 242,647 thousand shares for 2016

**Table 2: 4Q 2017 Statement of Comprehensive Income**

(In NT\$MN)	4Q 2017		4Q 2016		
	Amount	%	Amount	Amount	%
Net Revenue	10,449	100.0%	9,139	100.0%	14.3%
Cost of Goods Sold	9,087	87.0%	7,739	84.7%	17.4%
Gross Profit	1,362	13.0%	1,400	15.3%	-2.7%
Operating Expenses	915	8.7%	926	10.1%	-1.2%
Operating Profit	447	4.3%	474	5.2%	-5.7%
Non-operating Income & Expenses	12	0.1%	35	0.4%	-65.7%
Income before Tax	459	4.4%	509	5.6%	-9.8%
Net Income Attributable to Owners of Parent	376	3.6%	415	4.5%	-9.4%
EPS (NTD\$1)*	1.53		1.70		

\* Based on weighted average shares: 243,616 thousand shares for 2017 and 242,647 thousand shares for 2016

**Table 3: Balance Sheet**

(In NT\$MN)	December 31, 2017		December 31, 2016	
	Amount	%	Amount	%
Cash Equivalents	6,484	26.2%	5,721	24.0%
A/R	7,200	29.1%	7,124	30.0%
Inventory	6,062	24.4%	5,507	23.2%
Other Current Assets	711	2.9%	1,120	4.7%
Non-current Assets	4,310	17.4%	4,307	18.1%
Total Assets	24,767	100.0%	23,779	100.0%
Loan	1,876	7.6%	2,135	9.0%
A/P	11,467	46.3%	10,005	42.1%
Leasehold Payable	128	0.5%	142	0.6%
Other Payable & Liabilities	4,070	16.4%	4,140	17.4%
Total Liabilities	17,541	70.8%	16,422	69.1%
Total Equity	7,226	29.2%	7,357	30.9%

**About Sercomm Corporation**

Sercomm Corporation (TWSE: 5388) 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 in North America, Europe, and the Asia Pacific region. Its customer base includes the world's top ODMs, telecommunication vendors, and system integrators. Sercomm posted sales revenue of NT\$38.6 BN in 2017 (approximately US\$1.3 BN). For more information, please visit [www.sercomm.com](http://www.sercomm.com)

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**Investor Relations Contact**

Charlton Chen  
Spokesperson  
Phone : 886-2-2655-3988  
Email : [ir@sercomm.com](mailto:ir@sercomm.com)

Grace Liao  
Investor Relations Manager  
Phone: 886-2-2655-3988 ext. 2103  
Email : [grace\\_liao@sercomm.com](mailto:grace_liao@sercomm.com)