

Independent Auditors' Report

To Compal Electronics, Inc.:

We have reviewed the accompanying consolidated balance sheets of Compal Electronics, Inc. and subsidiaries as of September 30, 2015, and 2014 (retrospectively adjusted), the consolidated statements of comprehensive income for the three months and nine months ended September 30, 2015 and 2014 (retrospectively adjusted), and changes in stockholders' equity and cash flows for the nine months ended September 30, 2015 and 2014 (retrospectively adjusted). These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our review.

Except as described in the following paragraph, we conducted our review in accordance with the guidelines of ROC Statement on Auditing Standards No. 36, "Engagements to Review Financial Statements". Those guidelines require that we plan and perform the review, consisting principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China and with the objective of expressing an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

Also included in the accompanying consolidated financial statements are the financial statements of certain consolidated subsidiaries, which were not reviewed by independent auditors. These consolidated subsidiaries reflect the total assets amounting to \$27,881,414,000 and \$24,194,454,000, constituting 7.9% and 6.7% of the total consolidated assets, as of September 30, 2015 and 2014, respectively. The total liabilities of these subsidiaries amounting to \$7,797,140,000 and \$3,376,456,000, constituting 3.2% and 1.3% of the total consolidated liabilities, as of September 30, 2015 and 2014, respectively. The comprehensive income (loss) of these subsidiaries amounting to \$183,626,000, \$447,366,000, \$(442,393,000), and \$924,338,000, constituting 3.8%, 12.2%, (6.5)% and 18.2% of the total consolidated comprehensive income (loss), for the three months and nine months ended September 30, 2015 and 2014, respectively.

Based on our review, we are not aware of any modifications that should be made, in any material respects, except for the effects of the adjustments, if any, that might have emerged had the financial statements of the said consolidated subsidiaries been reviewed by independent auditors, to the accompanying consolidated financial statements described in the first paragraph for them to be in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards No. 34, "Interim Financial Reporting" which are endorsed by the Financial Supervisory Commission.

As stated in note 6(d) of the consolidated financial statements, Compal Electronics, Inc. and its subsidiaries recognized an impairment loss of \$4,730,000,000 on the equity investment in Chunghwa Picture Tube, Ltd. for the three months ended March 31, 2014.

As stated in note 3(a) of the consolidated financial statements, starting January 1, 2015, the consolidated financial statement of Compal Electronics, Inc. and its subsidiaries are prepared in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting standards (2013), International Accounting Standards (2013), IFRIC Interpretations (2013) and SIC Interpretations (not including International Accounting Standards No. 9) endorsed by the Financial Supervisory Commission R.O.C., and retrospectively adjusted of the consolidated financial statements for the nine months ended September 30, 2014. The adjustment did not have any significant impact to the consolidated financial statements.

November 12, 2015

The accompanying financial statements are intended only to present the financial position, results of operations, and cash flows in accordance with the International Financial Reporting Standards, International Accounting Standards and interpretations endorsed by the Financial Supervisory Commissions in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language versions of the auditors' report and financial statements, the Chinese version shall prevail.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated Balance Sheets (the amounts as of September 30, 2015 and 2014 are unaudited)

**September 30, 2015, and December 31 and September 30, 2014
(expressed in thousands of New Taiwan dollars)**

Assets	September 30, 2015		December 31, 2014 (retrospectively adjusted)		September 30, 2014 (retrospectively adjusted)		Liabilities and equity	September 30, 2015		December 31, 2014 (retrospectively adjusted)		September 30, 2014 (retrospectively adjusted)	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Current assets:							Current liabilities:						
Cash and cash equivalents	\$ 47,644,758	13.5	74,708,130	19.7	56,095,730	15.5	Short-term borrowings	\$ 33,241,684	9.5	46,692,373	12.3	35,293,535	9.7
Current financial assets at fair value through profit or loss	180,639	0.1	184,093	-	97,939	-	Current financial liabilities at fair value through profit or loss	64,251	-	39,310	-	13,610	-
Current available-for-sale financial assets	26,737	-	44,538	-	47,335	-	Current derivative financial liabilities used for hedging	14,705	-	-	-	-	-
Current derivative financial assets used for hedging	13,091	-	-	-	-	-	Notes and accounts payable	150,725,452	42.8	170,739,133	45.1	174,641,932	48.2
Current bond investment without active market	350,000	0.1	350,000	0.1	350,000	0.1	Notes and accounts payable to related parties	1,091,261	0.3	1,167,152	0.3	1,030,236	0.3
Notes and accounts receivable, net	186,362,156	53.0	178,552,207	47.2	176,845,030	48.8	Other payables	19,772,999	5.6	18,216,304	4.8	17,917,964	4.9
Notes and accounts receivable due from related parties, net	25,616	-	343,030	0.1	570,155	0.2	Current tax liabilities	3,332,800	1.0	2,180,985	0.6	1,381,168	0.4
Other receivables	733,410	0.2	788,334	0.2	1,403,254	0.4	Current provisions	2,127,000	0.6	2,066,581	0.5	1,971,298	0.5
Inventories	63,402,876	18.0	67,270,875	17.8	73,748,438	20.3	Other current liabilities	3,804,569	1.1	3,233,431	0.9	3,500,377	1.0
Other current assets	<u>2,631,582</u>	<u>0.7</u>	<u>2,604,042</u>	<u>0.7</u>	<u>2,618,199</u>	<u>0.7</u>	Unearned revenue	1,802,305	0.5	2,294,765	0.6	2,178,080	0.6
	<u>301,370,865</u>	<u>85.6</u>	<u>324,845,249</u>	<u>85.8</u>	<u>311,776,080</u>	<u>86.0</u>	Long-term borrowings, current portion	<u>15,527,073</u>	<u>4.4</u>	<u>3,634,233</u>	<u>1.0</u>	<u>774,965</u>	<u>0.2</u>
								<u>231,504,099</u>	<u>65.8</u>	<u>250,264,267</u>	<u>66.1</u>	<u>238,703,165</u>	<u>65.8</u>
Non-current assets:							Non-current liabilities:						
Investments accounted for using equity method	11,729,015	3.3	11,694,855	3.1	10,483,501	2.9	Long-term borrowings	11,412,656	3.2	20,504,301	5.4	23,627,131	6.5
Non-current available-for-sale financial assets	9,150,305	2.6	12,402,009	3.3	11,983,786	3.3	Deferred tax liabilities	1,162,174	0.3	1,136,411	0.3	704,827	0.2
Non-current financial assets at cost	131,455	-	83,202	-	18,675	-	Non-current net defined benefit liabilities	454,649	0.1	462,009	0.1	422,463	0.1
Non-current bond investment without active market	1,050,000	0.4	1,400,000	0.4	1,400,000	0.4	Other non-current liabilities	<u>155,516</u>	<u>0.1</u>	<u>163,793</u>	<u>-</u>	<u>133,144</u>	<u>0.1</u>
Property, plant and equipment	24,530,431	7.0	24,472,732	6.4	23,562,862	6.5		<u>13,184,995</u>	<u>3.7</u>	<u>22,266,514</u>	<u>5.8</u>	<u>24,887,565</u>	<u>6.9</u>
Intangible assets	1,074,691	0.3	1,035,162	0.3	1,116,849	0.3	Total liabilities	<u>244,689,094</u>	<u>69.5</u>	<u>272,530,781</u>	<u>71.9</u>	<u>263,590,730</u>	<u>72.7</u>
Deferred tax assets	1,620,536	0.5	1,653,141	0.4	1,206,930	0.3							
Long-term prepaid rents	751,839	0.2	735,246	0.2	710,504	0.2	Equity attributable to owners of parent:						
Other non-current assets	<u>527,111</u>	<u>0.1</u>	<u>429,122</u>	<u>0.1</u>	<u>463,337</u>	<u>0.1</u>	Ordinary shares	44,721,966	12.7	44,232,366	11.7	44,208,778	12.2
	<u>50,565,383</u>	<u>14.4</u>	<u>53,905,469</u>	<u>14.2</u>	<u>50,946,444</u>	<u>14.0</u>	Capital surplus	12,846,004	3.7	14,296,445	3.8	14,271,801	3.9
							Retained earnings	49,689,991	14.1	47,721,872	12.6	43,416,247	12.0
							Other equity interest	(3,826,613)	(1.1)	(3,139,021)	(0.8)	(5,690,967)	(1.6)
							Treasury shares	<u>(1,724,739)</u>	<u>(0.5)</u>	<u>(1,724,739)</u>	<u>(0.5)</u>	<u>(1,724,739)</u>	<u>(0.5)</u>
								<u>101,706,609</u>	<u>28.9</u>	<u>101,386,923</u>	<u>26.8</u>	<u>94,481,120</u>	<u>26.0</u>
							Non-controlling interests	<u>5,540,545</u>	<u>1.6</u>	<u>4,833,014</u>	<u>1.3</u>	<u>4,650,674</u>	<u>1.3</u>
							Total equity	<u>107,247,154</u>	<u>30.5</u>	<u>106,219,937</u>	<u>28.1</u>	<u>99,131,794</u>	<u>27.3</u>
Total assets	\$ <u>351,936,248</u>	<u>100.0</u>	<u>378,750,718</u>	<u>100.0</u>	<u>362,722,524</u>	<u>100.0</u>	Total liabilities and equity	\$ <u>351,936,248</u>	<u>100.0</u>	<u>378,750,718</u>	<u>100.0</u>	<u>362,722,524</u>	<u>100.0</u>

See accompanying notes to the consolidated financial statements.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated statements of comprehensive income (Unaudited)

For the three months and nine months ended September 30, 2015 and 2014
(expressed in thousands of New Taiwan dollars, except net income per share amounts)

	Three months ended September 30, 2015		Three months ended September 30, 2014 (Retrospectively adjusted)		Nine months ended September 30, 2015		Nine months ended September 30, 2014 (Retrospectively adjusted)	
	Amount	%	Amount	%	Amount	%	Amount	%
Net sales revenue	\$ 215,862,244	100.0	226,793,017	100.0	613,007,343	100.0	599,297,961	100.0
Cost of sales	<u>207,665,147</u>	<u>96.2</u>	<u>219,397,758</u>	<u>96.7</u>	<u>588,682,896</u>	<u>96.0</u>	<u>576,689,002</u>	<u>96.2</u>
Gross profit	<u>8,197,097</u>	<u>3.8</u>	<u>7,395,259</u>	<u>3.3</u>	<u>24,324,447</u>	<u>4.0</u>	<u>22,608,959</u>	<u>3.8</u>
Operating expenses								
Selling expenses	1,244,859	0.6	889,395	0.4	3,529,755	0.6	2,656,462	0.5
Administrative expenses	1,252,623	0.6	1,253,460	0.5	3,513,874	0.6	3,607,596	0.6
Research and development expenses	3,113,865	1.4	3,108,290	1.4	9,052,644	1.5	9,017,784	1.5
	<u>5,611,347</u>	<u>2.6</u>	<u>5,251,145</u>	<u>2.3</u>	<u>16,096,273</u>	<u>2.7</u>	<u>15,281,842</u>	<u>2.6</u>
Net operating income	<u>2,585,750</u>	<u>1.2</u>	<u>2,144,114</u>	<u>1.0</u>	<u>8,228,174</u>	<u>1.3</u>	<u>7,327,117</u>	<u>1.2</u>
Non-operating income and expenses:								
Other gains and losses	943,677	0.4	314,897	0.1	(199,264)	-	275,182	0.1
Finance costs	(162,942)	(0.1)	(244,188)	(0.1)	(638,040)	(0.1)	(736,863)	(0.1)
Other income	207,289	0.1	424,940	0.2	1,188,204	0.2	1,400,311	0.2
Miscellaneous disbursements	(8,608)	-	283	-	(73,181)	-	(4,576)	-
Impairment loss	-	-	(11,274)	-	-	-	(4,743,395)	(0.8)
Share of gain of associates and joint ventures accounted for using equity method	<u>214,577</u>	<u>0.1</u>	<u>453,881</u>	<u>0.2</u>	<u>224,340</u>	<u>-</u>	<u>786,505</u>	<u>0.1</u>
Total non-operating income and expenses	<u>1,193,993</u>	<u>0.5</u>	<u>938,539</u>	<u>0.4</u>	<u>502,059</u>	<u>0.1</u>	<u>(3,022,836)</u>	<u>(0.5)</u>
Profit before tax	<u>3,779,743</u>	<u>1.7</u>	<u>3,082,653</u>	<u>1.4</u>	<u>8,730,233</u>	<u>1.4</u>	<u>4,304,281</u>	<u>0.7</u>
Less: tax expense	<u>700,194</u>	<u>0.3</u>	<u>370,289</u>	<u>0.2</u>	<u>2,135,615</u>	<u>0.3</u>	<u>1,240,601</u>	<u>0.2</u>
Profit	<u>3,079,549</u>	<u>1.4</u>	<u>2,712,364</u>	<u>1.2</u>	<u>6,594,618</u>	<u>1.1</u>	<u>3,063,680</u>	<u>0.5</u>
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss								
Other comprehensive income, before tax, exchange differences on translation	3,302,666	1.5	816,549	0.4	1,783,266	0.2	858,424	0.1
Other comprehensive income, before tax, available-for-sale financial assets	(1,579,846)	(0.7)	6,538	-	(1,513,120)	(0.2)	1,225,875	0.2
Loss on effective portion of cash flow hedges	5,202	-	-	-	(1,614)	-	-	-
Share of other comprehensive income of associates and joint ventures accounted for using equity method	36,183	-	129,884	-	(53,859)	-	(44,004)	-
Income tax relating to items that may be reclassified	<u>36,141</u>	<u>-</u>	<u>2,536</u>	<u>-</u>	<u>(25,300)</u>	<u>-</u>	<u>(27,072)</u>	<u>-</u>
Other comprehensive income, net	<u>1,800,346</u>	<u>0.8</u>	<u>955,507</u>	<u>0.4</u>	<u>189,373</u>	<u>-</u>	<u>2,013,223</u>	<u>0.3</u>
Comprehensive income	<u>\$ 4,879,895</u>	<u>2.2</u>	<u>3,667,871</u>	<u>1.6</u>	<u>6,783,991</u>	<u>1.1</u>	<u>5,076,903</u>	<u>0.8</u>
Profit, attributable to:								
Profit, attributable to owners of parent	\$ 2,889,017	1.3	2,582,087	1.1	6,411,268	1.1	2,680,508	0.4
Profit, attributable to non-controlling interests	<u>190,532</u>	<u>0.1</u>	<u>130,277</u>	<u>0.1</u>	<u>183,350</u>	<u>-</u>	<u>383,172</u>	<u>0.1</u>
	<u>\$ 3,079,549</u>	<u>1.4</u>	<u>2,712,364</u>	<u>1.2</u>	<u>6,594,618</u>	<u>1.1</u>	<u>3,063,680</u>	<u>0.5</u>
Comprehensive income attributable to:								
Comprehensive income, attributable to owners of parent	\$ 4,638,026	2.1	3,533,939	1.5	6,574,998	1.1	4,690,209	0.8
Comprehensive income, attributable to non- controlling interests	<u>241,869</u>	<u>0.1</u>	<u>133,932</u>	<u>0.1</u>	<u>208,993</u>	<u>-</u>	<u>386,694</u>	<u>-</u>
	<u>\$ 4,879,895</u>	<u>2.2</u>	<u>3,667,871</u>	<u>1.6</u>	<u>6,783,991</u>	<u>1.1</u>	<u>5,076,903</u>	<u>0.8</u>
Earnings per share:								
Basic net income per share	<u>\$ 0.67</u>		<u>0.60</u>		<u>1.48</u>		<u>0.62</u>	
Diluted net income per share	<u>\$ 0.66</u>		<u>0.60</u>		<u>1.45</u>		<u>0.62</u>	

See accompanying notes to the consolidated financial statements.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

**Consolidated statements of changes in equity (Unaudited)
For the nine-month ended September 30, 2015 and 2014
(expressed in thousands of New Taiwan dollars)**

	Equity attributable to owners of parent													Total equity
	Retained earnings						Other equity interest					Total equity attributable to owners of parent	Non controlling interests	
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Unearned employee benefit and others	Total other equity interest	Treasury shares			
Balance on January 1, 2014	\$ 44,134,467	16,193,087	15,621,182	8,818,725	19,820,927	44,260,834	(1,846,674)	(5,860,844)	-	(7,707,518)	(2,007,725)	94,873,145	5,089,127	99,962,272
The effect of retroactively adjusted and retrospectively application	-	-	-	-	229,144	229,144	-	-	-	-	-	229,144	-	229,144
Balance on January 1, 2014 (retrospectively adjusted)	<u>44,134,467</u>	<u>16,193,087</u>	<u>15,621,182</u>	<u>8,818,725</u>	<u>20,050,071</u>	<u>44,489,978</u>	<u>(1,846,674)</u>	<u>(5,860,844)</u>	<u>-</u>	<u>(7,707,518)</u>	<u>(2,007,725)</u>	<u>95,102,289</u>	<u>5,089,127</u>	<u>100,191,416</u>
Profit for the nine-month ended September 30, 2014 (retrospectively adjusted)	-	-	-	-	2,680,508	2,680,508	-	-	-	-	-	2,680,508	383,172	3,063,680
Other comprehensive income	-	-	-	-	-	-	883,712	1,125,989	-	2,009,701	-	2,009,701	3,522	2,013,223
Comprehensive income (retrospectively adjusted)	-	-	-	-	2,680,508	2,680,508	883,712	1,125,989	-	2,009,701	-	4,690,209	386,694	5,076,903
Appropriation and distribution of retained earnings:														
Legal reserve appropriated	-	-	246,721	-	(246,721)	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(1,111,207)	1,111,207	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(2,177,668)	(2,177,668)	-	-	-	-	-	(2,177,668)	-	(2,177,668)
Cash dividends from capital surplus	-	(2,177,668)	-	-	-	-	-	-	-	-	-	(2,177,668)	-	(2,177,668)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	1,389	-	-	(1,575,776)	(1,575,776)	6,763	87	-	6,850	-	(1,567,537)	(628,329)	(2,195,866)
Changes in ownership interests in subsidiaries	-	(1,119)	-	-	(795)	(795)	-	-	-	-	-	(1,914)	-	(1,914)
Changes in equity of associates and joint ventures accounted for using equity method	-	22,030	-	-	-	-	-	-	-	-	-	22,030	-	22,030
Issuance of shares for employee share options exercised	74,311	74,702	-	-	-	-	-	-	-	-	-	149,013	-	149,013
Share-based payment transaction	-	109,389	-	-	-	-	-	-	-	-	282,986	392,375	-	392,275
Adjustment to capital surplus for the company's cash dividends received by subsidiaries	-	49,991	-	-	-	-	-	-	-	-	-	49,991	-	49,991
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(196,818)	(196,818)
Balance on September 30, 2014 (retrospectively adjusted)	<u>\$ 44,208,778</u>	<u>14,271,801</u>	<u>15,867,903</u>	<u>7,707,518</u>	<u>19,840,826</u>	<u>43,416,247</u>	<u>(956,199)</u>	<u>(4,734,768)</u>	<u>-</u>	<u>(5,690,967)</u>	<u>(1,724,739)</u>	<u>94,481,120</u>	<u>4,650,674</u>	<u>99,131,794</u>
Balance on January 1, 2015 (retrospectively adjusted)	\$ 44,232,366	14,296,445	15,867,903	7,707,518	24,146,451	47,721,872	1,178,307	(4,317,328)	-	(3,139,021)	(1,724,739)	101,386,923	4,833,014	106,219,937
Profit for the nine-month ended September 30, 2015	-	-	-	-	6,411,268	6,411,268	-	-	-	-	-	6,411,268	183,350	6,594,618
Other comprehensive income	-	-	-	-	-	-	1,791,810	(1,626,588)	(1,492)	163,730	-	163,730	25,643	189,373
Comprehensive income	-	-	-	-	6,411,268	6,411,268	1,791,810	(1,626,588)	(1,492)	163,730	-	6,574,998	208,993	6,783,991
Appropriation and distribution of retained earnings:														
Legal reserve appropriated	-	-	703,408	-	(703,408)	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(4,568,497)	4,568,497	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(4,428,781)	(4,428,781)	-	-	-	-	-	(4,428,781)	-	(4,428,781)
Cash dividends from capital surplus	-	(2,214,390)	-	-	-	-	-	-	-	-	-	(2,214,390)	-	(2,214,390)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	348	-	-	-	-	-	-	-	-	-	348	-	348
Changes in ownership interests in subsidiaries	-	26,665	-	-	(14,668)	(14,668)	-	-	-	-	-	11,997	-	11,997
Changes in equity of associates and joint ventures accounted for using equity method	-	800	-	-	-	-	-	-	-	-	-	800	-	800
Share-based payment transaction	489,600	661,110	-	-	300	300	-	-	(851,322)	(851,322)	-	299,688	-	299,688
Adjustment to capital surplus for the company's cash dividends received by subsidiaries	-	75,026	-	-	-	-	-	-	-	-	-	75,026	-	75,026
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	498,538	498,538
Balance on September 30, 2015	<u>\$ 44,721,966</u>	<u>12,846,004</u>	<u>16,571,311</u>	<u>3,139,021</u>	<u>29,979,659</u>	<u>49,689,991</u>	<u>2,970,117</u>	<u>(5,943,916)</u>	<u>(852,814)</u>	<u>(3,826,613)</u>	<u>(1,724,739)</u>	<u>101,706,609</u>	<u>5,540,545</u>	<u>107,247,154</u>

See accompanying notes to the consolidated financial statements.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated statements of cash flows (Unaudited)

For the nine months ended September 30, 2015 and 2014

(expressed in thousands of New Taiwan dollars)

	2015	2014
		<small>(retrospectively adjusted)</small>
Cash flows from (used in) operating activities:		
Profit before tax	\$ <u>8,730,233</u>	<u>4,304,281</u>
Adjustments:		
Depreciation and amortization	4,500,585	4,499,405
Increase (decrease) in allowances for uncollectible accounts	(24,362)	49,293
Interest expense	638,040	736,863
Interest income	(479,227)	(788,347)
Dividends income	(237,232)	(208,983)
Compensation cost of employee share options	321,218	152,745
Share of profit of associates and joint ventures accounted for using equity method	(224,340)	(786,505)
Gain on disposal of property, plant and equipment	(5,874)	(19,346)
Loss (gain) on disposal of investments	14,456	(18,348)
Impairment loss (gain on reversal of impairment loss)	(10,000)	4,743,495
Long-term prepaid rents	<u>12,059</u>	<u>12,434</u>
Adjustments to reconcile profit	<u>4,505,323</u>	<u>8,372,606</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Changes in financial assets at fair value through profit or loss	3,454	(14,167)
Decrease (increase) in notes and accounts receivable	(7,350,090)	10,757,963
Decrease (increase) in other receivable	215,764	(502,186)
Decrease (increase) in inventories	4,102,034	(22,503,574)
Decrease (increase) in other current assets	(6,353)	(812,978)
Decrease (increase) in other operating assets	<u>(73,411)</u>	<u>(146,224)</u>
Total changes in operating assets	<u>(3,108,602)</u>	<u>(13,221,166)</u>
Changes in operating liabilities:		
Changes in financial liabilities at fair value through profit or loss	24,941	2,228
Increase (decrease) in notes and accounts payable	(20,176,762)	23,922,412
Increase (decrease) in other payable	1,780,953	1,374,708
Increase (decrease) in provisions	51,751	295,533
Increase (decrease) in receipts in advance	(674,715)	289,061
Increase (decrease) in other current liabilities	562,763	720,215
Others	<u>49,349</u>	<u>73,563</u>
Total changes in operating liabilities	<u>(18,381,720)</u>	<u>26,677,720</u>
Total changes in operating assets and liabilities	<u>(21,490,322)</u>	<u>13,456,554</u>
Total adjustments	<u>(16,984,999)</u>	<u>21,829,160</u>
Cash flows from (used in) operations	(8,254,766)	26,133,441
Interest received	379,671	735,773
Dividend received	379,632	284,335
Interest paid	(559,907)	(715,494)
Income taxes paid	<u>(1,024,701)</u>	<u>(873,603)</u>
Net Cash flows from (used in) operating activities	<u>(9,080,071)</u>	<u>25,564,452</u>
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method, available-for-sale financial assets and financial assets at cost	(49,742)	(515,692)
Proceeds from disposal of investments accounted for using equity method and available-for-sale financial assets	1,693,653	183,002
Redemption from bond investment without active market	350,000	-
Net cash flow from acquisition of subsidiaries	273,066	2,159,000
Proceeds from capital reduction and liquidation of investments	68,125	40,369
Acquisition of property, plant and equipment	(3,765,800)	(5,119,097)
Proceeds from disposal of property, plant and equipment	87,781	64,833
Acquisition of intangible assets	(489,227)	(295,682)
Others	<u>(39,511)</u>	<u>16,444</u>
Net cash flows from (used in) investing activities	<u>(1,871,655)</u>	<u>(3,466,823)</u>
Cash flows from (used in) financing activities:		
Decrease in short-term loans	(13,570,189)	(16,713,998)
Proceeds from long-term debt	4,700,000	10,015,790
Repayments of long-term debt	(1,958,805)	(144,215)
Cash dividends paid	(6,568,145)	(4,305,345)
Exercise of employee share options	-	149,013
Treasury shares convert to employee	-	282,125
Acquisition of non-controlling interests	(6,347)	(2,304,824)
Disposal of ownership interests in subsidiaries (without losing control)	-	98,938
Changes in non-controlling interests	299,375	(231,742)
Others	<u>(8,350)</u>	<u>28,292</u>
Net cash flows from (used in) financing activities	<u>(17,112,461)</u>	<u>(13,125,966)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>1,000,815</u>	<u>158,215</u>
Net increase (decrease) in cash and cash equivalents	(27,063,372)	9,129,878
Cash and cash equivalents at beginning of period	74,708,130	46,965,852
Cash and cash equivalents at end of period	\$ <u><u>47,644,758</u></u>	<u><u>56,095,730</u></u>

See accompanying notes to financial statements.

