

Independent Auditors' Report

To the Board of Directors
Compal Electronics, Inc.:

We have reviewed the accompanying consolidated balance sheets of Compal Electronics, Inc. and subsidiaries as of June 30, 2014, and 2013, the consolidated statements of comprehensive income for the three months and six months ended June 30, 2014 and 2013 and changes in stockholders' equity and cash flows for the six months ended June 30, 2014 and 2013. 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 two paragraphs, 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 total assets amounting to \$25,464,616,000 and \$24,250,773,000, constituting 7.4% and 7.8% of consolidated totals, as of June 30, 2014 and 2013, respectively. The total liabilities of these subsidiaries amounting to \$5,047,134,000 and \$9,409,985,000, constituting 2.0% and 4.8% of the consolidated totals, as of June 30, 2014 and 2013, respectively. The comprehensive income (loss) of these subsidiaries amounting to \$42,076,000, \$1,511,000, \$458,801,000 and \$305,697,000, constituting 1.8%, 0.1%, 32.5% and 6.0% of the consolidated totals, for the three months and six months ended June 30, 2014 and 2013, respectively.

Except as described in the third paragraph, the investments accounted for using equity method amounting to \$1,301,939,000 as of June 30, 2013, and the related share of gain of associates and joint ventures accounted for using equity method amounting to \$62,998,000 and \$68,115,000 recognized for the three months and six months ended June 30, 2013, respectively, were based on the investees' financial statements without review procedures conducted by independent auditors.

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 and the investees accounted for using equity method 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(c) 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.

August 13, 2014

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 audit 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 June 30, 2014 and 2013 are unaudited)

**June 30, 2014, and December 31 and June 30, 2013
(expressed in thousands of New Taiwan dollars)**

Assets	June 30, 2014		December 31, 2013		June 30, 2013		Liabilities and equity	June 30, 2014		December 31, 2013		June 30, 2013	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Current assets:							Current liabilities:						
Cash and cash equivalents	\$ 58,502,354	16.9	46,965,852	14.0	52,433,062	16.8	Short-term borrowings	\$ 40,153,926	11.6	51,971,767	15.5	41,420,460	13.3
Current financial assets at fair value through profit or loss	15,391	-	83,772	-	23,382	-	Current financial liabilities at fair value through profit or loss	25,266	-	11,382	-	18,277	-
Current available-for-sale financial assets	52,859	-	80,275	-	86,054	-	Notes and accounts payable	156,630,951	45.3	143,514,698	42.7	125,447,441	40.2
Current bond investment without active market	350,000	0.1	1,745,000	0.5	-	-	Notes and accounts payable to related parties	1,710,137	0.5	1,944,703	0.6	2,109,065	0.7
Notes and accounts receivable, net	169,191,834	48.9	183,481,024	54.6	158,823,720	51.0	Other payables	14,118,833	4.1	15,600,197	4.6	13,402,908	4.3
Notes and accounts receivable due from related parties, net	1,872,624	0.5	214,854	0.1	90,613	-	Dividends payable	4,547,305	1.3	868	-	4,798,425	1.5
Other receivables	746,782	0.2	830,638	0.3	661,001	0.2	Current tax liabilities	1,300,252	0.4	1,006,058	0.3	977,683	0.3
Inventories, net	63,163,188	18.3	51,219,127	15.2	44,737,793	14.3	Current provisions	2,063,235	0.6	1,675,765	0.5	1,729,283	0.6
Non-current assets classified as held for sale	-	-	1,000,000	0.3	-	-	Other current liabilities	2,829,141	0.8	2,559,650	0.8	2,859,514	0.9
Other current assets	2,598,965	0.8	1,760,278	0.5	1,683,066	0.6	Unearned revenue	2,089,874	0.6	1,889,019	0.6	1,785,194	0.6
	<u>296,493,997</u>	<u>85.7</u>	<u>287,380,820</u>	<u>85.5</u>	<u>258,538,691</u>	<u>82.9</u>	Long-term borrowings, current portion	803,674	0.2	423,154	0.1	80,000	-
								<u>226,272,594</u>	<u>65.4</u>	<u>220,597,261</u>	<u>65.7</u>	<u>194,628,250</u>	<u>62.4</u>
Non-current assets:							Non-current liabilities:						
Investments accounted for using equity method	9,769,932	2.8	9,301,877	2.8	11,670,421	3.8	Long-term borrowings	23,787,461	6.9	14,107,367	4.2	1,301,261	0.4
Non-current available-for-sale financial assets	12,140,430	3.5	14,695,637	4.4	15,356,388	4.9	Deferred tax liabilities	697,927	0.2	678,587	0.2	604,842	0.2
Non-current financial assets at cost	6,588	-	6,588	-	6,588	0.1	Accrued pension liabilities	648,912	0.2	658,410	0.2	673,136	0.2
Non-current bond investment without active market	1,400,000	0.4	-	-	1,745,000	0.6	Other non-current liabilities	132,048	-	98,917	-	248,992	0.1
Property, plant and equipment	22,775,265	6.6	21,209,228	6.3	20,817,167	6.7		<u>25,266,348</u>	<u>7.3</u>	<u>15,543,281</u>	<u>4.6</u>	<u>2,828,231</u>	<u>0.9</u>
Intangible assets	1,239,563	0.4	1,293,643	0.4	1,396,299	0.4	Total liabilities	<u>251,538,942</u>	<u>72.7</u>	<u>236,140,542</u>	<u>70.3</u>	<u>197,456,481</u>	<u>63.3</u>
Deferred tax assets	1,167,201	0.3	1,174,203	0.3	957,369	0.3							
Other non-current financial assets	-	-	-	-	68,329	-	Equity attributable to owners of parent:						
Long-term prepaid rents	701,130	0.2	707,261	0.2	719,107	0.2	Ordinary shares	44,142,071	12.7	44,134,467	13.1	44,126,526	14.2
Other non-current assets	417,635	0.1	333,557	0.1	373,528	0.1	Capital surplus	14,071,463	4.1	16,193,087	4.8	16,229,757	5.2
	<u>49,617,744</u>	<u>14.3</u>	<u>48,721,994</u>	<u>14.5</u>	<u>53,110,196</u>	<u>17.1</u>	Retained earnings	40,609,826	11.7	44,260,834	13.2	53,415,690	17.1
							Other equity interest	(6,642,819)	(1.9)	(7,707,518)	(2.3)	(6,176,069)	(2.0)
							Treasury shares	(2,007,725)	(0.6)	(2,007,725)	(0.6)	(2,007,725)	(0.6)
								<u>90,172,816</u>	<u>26.0</u>	<u>94,873,145</u>	<u>28.2</u>	<u>105,588,179</u>	<u>33.9</u>
							Non-controlling interests	4,399,983	1.3	5,089,127	1.5	8,604,227	2.8
							Total equity	<u>94,572,799</u>	<u>27.3</u>	<u>99,962,272</u>	<u>29.7</u>	<u>114,192,406</u>	<u>36.7</u>
Total assets	\$ <u>346,111,741</u>	<u>100.0</u>	<u>336,102,814</u>	<u>100.0</u>	<u>311,648,887</u>	<u>100.0</u>	Total liabilities and equity	\$ <u>346,111,741</u>	<u>100.0</u>	<u>336,102,814</u>	<u>100.0</u>	<u>311,648,887</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 six months ended June 30, 2014 and 2013
(expressed in thousands of New Taiwan dollars, except net income per share amounts)

	Three months ended June 30, 2014		Three months ended June 30, 2013		Six months ended June 30, 2014		Six months ended June 30, 2013	
	Amount	%	Amount	%	Amount	%	Amount	%
Net sales revenue	\$ 201,870,079	100.0	166,879,022	100.0	372,504,944	100.0	334,434,927	100.0
Cost of sales	<u>194,000,758</u>	<u>96.1</u>	<u>159,998,450</u>	<u>95.9</u>	<u>357,291,244</u>	<u>95.9</u>	<u>320,971,322</u>	<u>96.0</u>
Gross profit	<u>7,869,321</u>	<u>3.9</u>	<u>6,880,572</u>	<u>4.1</u>	<u>15,213,700</u>	<u>4.1</u>	<u>13,463,605</u>	<u>4.0</u>
Operating expenses								
Selling expenses	866,162	0.4	789,674	0.5	1,767,067	0.5	1,552,961	0.5
Administrative expenses	1,174,294	0.6	1,106,630	0.6	2,349,326	0.6	2,108,830	0.6
Research and development expenses	<u>2,945,174</u>	<u>1.5</u>	<u>2,699,836</u>	<u>1.6</u>	<u>5,909,494</u>	<u>1.6</u>	<u>5,431,500</u>	<u>1.6</u>
	<u>4,985,630</u>	<u>2.5</u>	<u>4,596,140</u>	<u>2.7</u>	<u>10,025,887</u>	<u>2.7</u>	<u>9,093,291</u>	<u>2.7</u>
Net operating income	<u>2,883,691</u>	<u>1.4</u>	<u>2,284,432</u>	<u>1.4</u>	<u>5,187,813</u>	<u>1.4</u>	<u>4,370,314</u>	<u>1.3</u>
Non-operating income and expenses:								
Other gains and losses	(714,560)	(0.4)	(114,209)	(0.1)	(39,715)	-	(187,952)	(0.1)
Finance costs	(254,007)	(0.1)	(94,981)	(0.1)	(492,675)	(0.1)	(225,169)	(0.1)
Other income	719,590	0.4	513,335	0.3	975,371	0.2	823,938	0.3
Miscellaneous disbursements	(2,728)	-	(6,417)	-	(4,859)	-	(9,322)	-
Impairment loss	-	-	(8,412)	-	(4,732,121)	(1.3)	(8,412)	-
Share of gain (loss) of associates and joint ventures accounted for using equity method	<u>62,399</u>	<u>-</u>	<u>(506,879)</u>	<u>(0.3)</u>	<u>332,624</u>	<u>0.1</u>	<u>(928,401)</u>	<u>(0.3)</u>
Total non-operating income and expenses	<u>(189,306)</u>	<u>(0.1)</u>	<u>(217,563)</u>	<u>(0.2)</u>	<u>(3,961,375)</u>	<u>(1.1)</u>	<u>(535,318)</u>	<u>(0.2)</u>
Profit before tax	2,694,385	1.3	2,066,869	1.2	1,226,438	0.3	3,834,996	1.1
Less: tax expense	<u>213,374</u>	<u>0.1</u>	<u>605,539</u>	<u>0.3</u>	<u>870,312</u>	<u>0.2</u>	<u>985,233</u>	<u>0.3</u>
Profit	<u>2,481,011</u>	<u>1.2</u>	<u>1,461,330</u>	<u>0.9</u>	<u>356,126</u>	<u>0.1</u>	<u>2,849,763</u>	<u>0.8</u>
Other comprehensive income:								
Other comprehensive income, before tax, exchange differences on translation	(978,233)	(0.5)	228,449	0.1	41,875	-	1,446,158	0.4
Other comprehensive income, before tax, available-for-sale financial assets	939,937	0.5	(392,871)	(0.2)	1,219,337	0.3	596,407	0.2
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(130,011)	(0.1)	74,721	-	(173,888)	-	242,112	0.1
Less: income tax relating to components of other comprehensive income	<u>28,092</u>	<u>-</u>	<u>(34,316)</u>	<u>-</u>	<u>29,608</u>	<u>-</u>	<u>18,869</u>	<u>-</u>
Other comprehensive income, net	<u>(196,399)</u>	<u>(0.1)</u>	<u>(55,385)</u>	<u>(0.1)</u>	<u>1,057,716</u>	<u>0.3</u>	<u>2,265,808</u>	<u>0.7</u>
Comprehensive income	<u>\$ 2,284,612</u>	<u>1.1</u>	<u>1,405,945</u>	<u>0.8</u>	<u>1,413,842</u>	<u>0.4</u>	<u>5,115,571</u>	<u>1.5</u>
Profit, attributable to:								
Profit, attributable to owners of parent	\$ 2,366,777	1.2	1,394,084	0.9	103,231	-	2,750,427	0.8
Profit, attributable to non-controlling interests	<u>114,234</u>	<u>-</u>	<u>67,246</u>	<u>-</u>	<u>252,895</u>	<u>0.1</u>	<u>99,336</u>	<u>-</u>
	<u>\$ 2,481,011</u>	<u>1.2</u>	<u>1,461,330</u>	<u>0.9</u>	<u>356,126</u>	<u>0.1</u>	<u>2,849,763</u>	<u>0.8</u>
Comprehensive income attributable to:								
Comprehensive income, attributable to owners of parent	\$ 2,177,789	1.1	1,332,392	0.8	1,161,080	0.3	4,967,921	1.5
Comprehensive income, attributable to non-controlling interests	<u>106,823</u>	<u>-</u>	<u>73,553</u>	<u>-</u>	<u>252,762</u>	<u>0.1</u>	<u>147,650</u>	<u>-</u>
	<u>\$ 2,284,612</u>	<u>1.1</u>	<u>1,405,945</u>	<u>0.8</u>	<u>1,413,842</u>	<u>0.4</u>	<u>5,115,571</u>	<u>1.5</u>
Earnings per share:								
Basic net income per share	<u>\$ 0.55</u>		<u>0.32</u>		<u>0.02</u>		<u>0.63</u>	
Diluted net income per share	<u>\$ 0.55</u>		<u>0.32</u>		<u>0.02</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 six months ended June 30, 2014 and 2013
(expressed in thousands of New Taiwan dollars)**

	Equity attributable to owners of parent												
	Retained earnings					Other equity interest							
	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	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance on January 1, 2013	\$ 44,126,526	16,122,810	14,980,079	8,713,018	31,360,844	55,053,941	(3,134,266)	(5,248,131)	(8,382,397)	(881,247)	106,039,633	8,753,637	114,793,270
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	641,103	-	(641,103)	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	105,707	(105,707)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(4,384,186)	(4,384,186)	-	-	-	-	(4,384,186)	-	(4,384,186)
Purchase of treasury share	-	-	-	-	-	-	-	-	-	(1,126,478)	(1,126,478)	-	(1,126,478)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	71,124	-	-	-	-	(11,070)	(96)	(11,166)	-	59,958	98,151	158,109
Changes in ownership interests in subsidiaries	-	(1,300)	-	-	(733)	(733)	-	-	-	-	(2,033)	-	(2,033)
Changes in equity of associates and joint ventures accounted for using equity method	-	(12,895)	-	-	(3,759)	(3,759)	-	-	-	-	(16,654)	-	(16,654)
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	50,018	-	-	-	-	-	-	-	-	50,018	-	50,018
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(395,211)	(395,211)
	<u>44,126,526</u>	<u>16,229,757</u>	<u>15,621,182</u>	<u>8,818,725</u>	<u>26,225,356</u>	<u>50,665,263</u>	<u>(3,145,336)</u>	<u>(5,248,227)</u>	<u>(8,393,563)</u>	<u>(2,007,725)</u>	<u>100,620,258</u>	<u>8,456,577</u>	<u>109,076,835</u>
Profit for the six months ended June 30, 2013	-	-	-	-	2,750,427	2,750,427	-	-	-	-	2,750,427	99,336	2,849,763
Other comprehensive income	-	-	-	-	-	-	1,613,482	604,012	2,217,494	-	2,217,494	48,314	2,265,808
Comprehensive income	-	-	-	-	2,750,427	2,750,427	1,613,482	604,012	2,217,494	-	4,967,921	147,650	5,115,571
Balance on June 30, 2013	\$ <u>44,126,526</u>	<u>16,229,757</u>	<u>15,621,182</u>	<u>8,818,725</u>	<u>28,975,783</u>	<u>53,415,690</u>	<u>(1,531,854)</u>	<u>(4,644,215)</u>	<u>(6,176,069)</u>	<u>(2,007,725)</u>	<u>105,588,179</u>	<u>8,604,227</u>	<u>114,192,406</u>
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
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	246,721	-	(246,721)	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(1,111,208)	1,111,208	-	-	-	-	-	-	-	-
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	-	-	-	-	(1,575,776)	(1,575,776)	6,763	87	6,850	-	(1,568,926)	(725,878)	(2,294,804)
Changes in ownership interests in subsidiaries	-	(2,650)	-	-	(795)	(795)	-	-	-	-	(3,445)	-	(3,445)
Changes in equity of associates and joint ventures accounted for using equity method	-	693	-	-	-	-	-	-	-	-	693	-	693
Issuance of shares for employee share options exercised	7,604	7,984	-	-	-	-	-	-	-	-	15,588	-	15,588
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	50,017	-	-	-	-	-	-	-	-	50,017	-	50,017
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(216,028)	(216,028)
	<u>44,142,071</u>	<u>14,071,463</u>	<u>15,867,903</u>	<u>7,707,517</u>	<u>16,931,175</u>	<u>40,506,595</u>	<u>(1,839,911)</u>	<u>(5,860,757)</u>	<u>(7,700,668)</u>	<u>(2,007,725)</u>	<u>89,011,736</u>	<u>4,147,221</u>	<u>93,158,957</u>
Profit for the six months ended June 30, 2014	-	-	-	-	103,231	103,231	-	-	-	-	103,231	252,895	356,126
Other comprehensive income	-	-	-	-	-	-	(94,000)	1,151,849	1,057,849	-	1,057,849	(133)	1,057,716
Comprehensive income	-	-	-	-	103,231	103,231	(94,000)	1,151,849	1,057,849	-	1,161,080	252,762	1,413,842
Balance on June 30, 2014	\$ <u>44,142,071</u>	<u>14,071,463</u>	<u>15,867,903</u>	<u>7,707,517</u>	<u>17,034,406</u>	<u>40,609,826</u>	<u>(1,933,911)</u>	<u>(4,708,908)</u>	<u>(6,642,819)</u>	<u>(2,007,725)</u>	<u>90,172,816</u>	<u>4,399,983</u>	<u>94,572,799</u>

See accompanying notes to the consolidated financial statements.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated statements of cash flows (Unaudited)

For the six months ended June 30, 2014 and 2013

(expressed in thousands of New Taiwan dollars)

	2014	2013
Cash flows from (used in) operating activities:		
Profit before tax	\$ <u>1,226,438</u>	<u>3,834,996</u>
Adjustments:		
Depreciation and amortization	2,853,118	2,903,870
Increase (decrease) in allowances for uncollectible accounts and allowance for sales returns and discounts	76,768	(25,908)
Interest expense	492,675	225,169
Interest income	(495,101)	(277,625)
Dividend income	(191,813)	(162,157)
Compensation cost of employee share options	27,865	76,318
Share of loss (profit) of associates and joint ventures accounted for using equity method	(332,624)	928,401
Gain on disposal of property, plant and equipment	(38,056)	(72,568)
Gain on disposal of investments	(14,631)	(116,105)
Impairment loss on financial assets	4,732,121	8,412
Long-term prepaid rents	<u>8,302</u>	<u>8,095</u>
Adjustments to reconcile profit	<u>7,118,624</u>	<u>3,495,902</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Changes in financial assets at fair value through profit or loss	68,381	58,004
Decrease (increase) in notes and accounts receivable	17,081,230	1,938,773
Decrease (increase) in other receivable	361,765	296,228
Decrease (increase) in inventories	(11,918,324)	6,969,675
Decrease (increase) in other current assets	<u>(793,744)</u>	<u>(179,356)</u>
Total changes in operating assets	<u>4,799,308</u>	<u>9,083,324</u>
Changes in operating liabilities:		
Changes in financial liabilities at fair value through profit or loss	13,884	(21,686)
Increase (decrease) in notes and accounts payable	6,591,332	(11,497,161)
Increase (decrease) in other payable	(2,471,212)	1,280,827
Increase (decrease) in provisions	387,470	(162,288)
Increase (decrease) in unearned revenue	200,855	87,682
Increase (decrease) in other current liabilities	48,979	330,411
Other	<u>105,203</u>	<u>(30,269)</u>
Total changes in operating liabilities	<u>4,876,511</u>	<u>(10,012,484)</u>
Total changes in operating assets and liabilities	<u>9,675,819</u>	<u>(929,160)</u>
Total adjustments	<u>16,794,443</u>	<u>2,566,742</u>
Cash flows from (used in) operations	18,020,881	6,401,738
Interest received	444,753	239,930
Dividend received	57,447	40,786
Interest paid	(462,402)	(224,965)
Income taxes paid	<u>(753,360)</u>	<u>(1,088,847)</u>
Net Cash flows from (used in) operating activities	<u>17,307,319</u>	<u>5,368,642</u>
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method, available-for-sale financial assets and current bond investment without active market	(476,234)	(1,057,825)
Proceeds from disposal of investments accounted for using equity method and available-for-sale financial assets	40,739	535,099
Net cash flow from acquisition of subsidiaries	2,159,000	(24,102)
Proceeds from capital reduction and liquidation of investments	20,289	25,456
Acquisition of property, plant and equipment	(3,287,989)	(2,393,359)
Proceeds from disposal of property, plant and equipment	51,506	438,776
Acquisition of intangible assets	(245,244)	(282,675)
Other	<u>20,131</u>	<u>33,621</u>
Net cash flows from (used in) investing activities	<u>(1,717,802)</u>	<u>(2,725,009)</u>
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	(11,853,607)	4,886,667
Proceeds from long-term debt	10,100,360	783,274
Repayments of long-term debt	(39,746)	-
Exercise of employee share options	15,588	-
Payments to acquire treasury shares	-	(1,126,478)
Acquisition of non-controlling interests	(2,304,824)	-
Disposal of ownership interests in subsidiaries (without losing control)	-	141,517
Changes in non-controlling interests	(3,656)	143,531
Other	<u>27,196</u>	<u>166,416</u>
Net cash flows from (used in) financing activities	<u>(4,058,689)</u>	<u>4,994,927</u>
Effect of exchange rate changes on cash and cash equivalents	<u>5,674</u>	<u>639,920</u>
Net increase (decrease) in cash and cash equivalents	11,536,502	8,278,480
Cash and cash equivalents at beginning of period	46,965,852	44,154,582
Cash and cash equivalents at end of period	\$ <u>58,502,354</u>	<u>52,433,062</u>

See accompanying notes to the consolidated financial statements.