

## **Independent Auditors' Report**

To Compal Electronics, Inc.:

We have reviewed the accompanying consolidated balance sheets of Compal Electronics, Inc. and subsidiaries as of June 30, 2015, and 2014 (retrospectively adjusted), the consolidated statements of comprehensive income for the three months and six months ended June 30, 2015 and 2014 (retrospectively adjusted), and changes in stockholders' equity and cash flows for the six months ended June 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 total assets amounting to \$29,373,066,000 and \$25,464,616,000, constituting 9.3% and 7.4% of consolidated totals, as of June 30, 2015 and 2014, respectively. The total liabilities of these subsidiaries amounting to \$10,321,923,000 and \$5,047,134,000, constituting 4.8% and 2.0% of the consolidated totals, as of June 30, 2015 and 2014, respectively. The comprehensive income (loss) of these subsidiaries amounting to \$(219,513,000), \$42,076,000, \$(626,019,000), and \$458,801,000, constituting (166.0)%, 1.8%, (32.9)% and 32.6% of the consolidated totals, for the three months and six months ended June 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 from 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 six months ended June 30, 2014. The adjustment does not have significant impact to the consolidated financial statements.

August 11, 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 June 30, 2015 and 2014 are unaudited)**

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

Assets	June 30, 2015		December 31, 2014 (retrospectively adjusted)		June 30, 2014 (retrospectively adjusted)		Liabilities and equity		June 30, 2015		December 31, 2014 (retrospectively adjusted)		June 30, 2014 (retrospectively adjusted)	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Current assets:</b>							<b>Current liabilities:</b>							
Cash and cash equivalents	\$ 48,513,452	15.3	74,708,130	19.7	58,502,354	16.9	Short-term borrowings	\$ 24,785,263	7.8	46,692,373	12.3	40,153,926	11.6	
Current financial assets at fair value through profit or loss	25,831	-	184,093	-	15,391	-	Current financial liabilities at fair value through profit or loss	52,157	-	39,310	-	25,266	-	
Current available-for-sale financial assets	37,036	-	44,538	-	52,859	-	Current derivative financial liabilities used for hedging	18,123	-	-	-	-	-	
Current derivative financial assets used for hedging	11,307	-	-	-	-	-	Notes and accounts payable	124,286,932	39.2	170,739,133	45.1	156,630,951	45.3	
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	928,834	0.3	1,167,152	0.3	1,710,137	0.5	
Notes and accounts receivable, net	158,828,143	50.1	178,552,207	47.2	169,191,834	48.9	Other payables	17,545,479	5.5	18,215,331	4.8	14,118,833	4.1	
Notes and accounts receivable due from related parties, net	112,232	-	343,030	0.1	1,872,624	0.5	Dividend payable	6,861,667	2.2	973	-	4,547,305	1.3	
Other receivables	958,807	0.3	788,334	0.2	746,782	0.2	Current tax liabilities	2,814,666	0.9	2,180,985	0.6	1,300,252	0.4	
Inventories	54,822,330	17.3	67,270,875	17.8	63,163,188	18.3	Current provisions	2,073,848	0.6	2,066,581	0.5	2,063,235	0.6	
Other current assets	2,449,945	0.8	2,604,042	0.7	2,598,965	0.8	Other current liabilities	4,679,091	1.5	3,233,431	0.9	2,829,141	0.8	
	<u>266,109,083</u>	<u>83.9</u>	<u>324,845,249</u>	<u>85.8</u>	<u>296,493,997</u>	<u>85.7</u>	Unearned revenue	1,922,279	0.6	2,294,765	0.6	2,089,874	0.6	
<b>Non-current assets:</b>							Long-term borrowings, current portion	11,357,258	3.6	3,634,233	1.0	803,674	0.2	
Investments accounted for using equity method	11,174,741	3.5	11,694,855	3.1	9,769,932	2.8		<u>197,325,597</u>	<u>62.2</u>	<u>250,264,267</u>	<u>66.1</u>	<u>226,272,594</u>	<u>65.4</u>	
Non-current available-for-sale financial assets	10,726,418	3.4	12,402,009	3.3	12,140,430	3.5	<b>Non-current liabilities:</b>							
Non-current financial assets at cost	113,131	-	83,202	-	6,588	-	Long-term borrowings	15,741,895	5.0	20,504,301	5.4	23,787,461	6.9	
Non-current bond investment without active market	1,050,000	0.3	1,400,000	0.4	1,400,000	0.4	Deferred tax liabilities	1,159,282	0.4	1,136,411	0.3	697,927	0.2	
Property, plant and equipment	24,022,053	7.6	24,472,732	6.4	22,775,265	6.6	Non-current net defined benefit liabilities	457,102	0.1	462,009	0.1	424,578	0.1	
Intangible assets	1,104,998	0.4	1,035,162	0.3	1,239,563	0.4	Other non-current liabilities	153,718	-	163,793	-	132,048	-	
Deferred tax assets	1,576,818	0.5	1,653,141	0.4	1,167,201	0.3		<u>17,511,997</u>	<u>5.5</u>	<u>22,266,514</u>	<u>5.8</u>	<u>25,042,014</u>	<u>7.2</u>	
Long-term prepaid rents	709,422	0.2	735,246	0.2	701,130	0.2	<b>Total liabilities</b>	<u>214,837,594</u>	<u>67.7</u>	<u>272,530,781</u>	<u>71.9</u>	<u>251,314,608</u>	<u>72.6</u>	
Other non-current assets	502,309	0.2	429,122	0.1	417,635	0.1	<b>Equity attributable to owners of parent:</b>							
	<u>50,979,890</u>	<u>16.1</u>	<u>53,905,469</u>	<u>14.2</u>	<u>49,617,744</u>	<u>14.3</u>	Ordinary shares	44,725,966	14.1	44,232,366	11.7	44,142,071	12.7	
							Capital surplus	12,846,223	4.0	14,296,445	3.8	14,071,463	4.1	
							Retained earnings	46,800,920	14.8	47,721,872	12.6	40,834,160	11.8	
							Other equity interest	(5,691,323)	(1.8)	(3,139,021)	(0.8)	(6,642,819)	(1.9)	
							Treasury shares	(1,724,739)	(0.5)	(1,724,739)	(0.5)	(2,007,725)	(0.6)	
								<u>96,957,047</u>	<u>30.6</u>	<u>101,386,923</u>	<u>26.8</u>	<u>90,397,150</u>	<u>26.1</u>	
							<b>Non-controlling interests</b>	5,294,332	1.7	4,833,014	1.3	4,399,983	1.3	
							<b>Total equity</b>	<u>102,251,379</u>	<u>32.3</u>	<u>106,219,937</u>	<u>28.1</u>	<u>94,797,133</u>	<u>27.4</u>	
<b>Total assets</b>	<b>\$ <u>317,088,973</u></b>	<b><u>100.0</u></b>	<b><u>378,750,718</u></b>	<b><u>100.0</u></b>	<b><u>346,111,741</u></b>	<b><u>100.0</u></b>	<b>Total liabilities and equity</b>	<b>\$ <u>317,088,973</u></b>	<b><u>100.0</u></b>	<b><u>378,750,718</u></b>	<b><u>100.0</u></b>	<b><u>346,111,741</u></b>	<b><u>100.0</u></b>	

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, 2015 and 2014**  
(expressed in thousands of New Taiwan dollars, except net income per share amounts)

	Three months ended June 30, 2015		Three months ended June 30, 2014 (Retrospectively adjusted)		Six months ended June 30, 2015		Six months ended June 30, 2014 (Retrospectively adjusted)	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Net sales revenue</b>	\$ 199,032,656	100.0	201,870,079	100.0	397,145,099	100.0	372,504,944	100.0
<b>Cost of sales</b>	<u>191,464,754</u>	<u>96.2</u>	<u>194,000,758</u>	<u>96.1</u>	<u>381,017,749</u>	<u>95.9</u>	<u>357,291,244</u>	<u>95.9</u>
<b>Gross profit</b>	<u>7,567,902</u>	<u>3.8</u>	<u>7,869,321</u>	<u>3.9</u>	<u>16,127,350</u>	<u>4.1</u>	<u>15,213,700</u>	<u>4.1</u>
<b>Operating expenses</b>								
Selling expenses	1,068,707	0.5	866,162	0.4	2,284,896	0.6	1,767,067	0.5
Administrative expenses	1,071,249	0.5	1,176,699	0.6	2,261,251	0.6	2,354,136	0.6
Research and development expenses	<u>3,007,185</u>	<u>1.5</u>	<u>2,945,174</u>	<u>1.5</u>	<u>5,938,779</u>	<u>1.5</u>	<u>5,909,494</u>	<u>1.6</u>
	<u>5,147,141</u>	<u>2.5</u>	<u>4,988,035</u>	<u>2.5</u>	<u>10,484,926</u>	<u>2.7</u>	<u>10,030,697</u>	<u>2.7</u>
<b>Net operating income</b>	<u>2,420,761</u>	<u>1.3</u>	<u>2,881,286</u>	<u>1.4</u>	<u>5,642,424</u>	<u>1.4</u>	<u>5,183,003</u>	<u>1.4</u>
<b>Non-operating income and expenses:</b>								
Other gains and losses	(521,351)	(0.3)	(714,560)	(0.4)	(1,142,941)	(0.3)	(39,715)	-
Finance costs	(226,168)	(0.1)	(254,007)	(0.1)	(475,098)	(0.1)	(492,675)	(0.1)
Other income	613,699	0.3	719,590	0.4	980,915	0.2	975,371	0.2
Miscellaneous disbursements	(38,841)	-	(2,728)	-	(64,573)	-	(4,859)	-
Impairment loss	-	-	-	-	-	-	(4,732,121)	(1.3)
Share of gain of associates and joint ventures accounted for using equity method	<u>127,753</u>	<u>0.1</u>	<u>62,399</u>	<u>-</u>	<u>9,763</u>	<u>-</u>	<u>332,624</u>	<u>0.1</u>
<b>Total non-operating income and     expenses</b>	<u>(44,908)</u>	<u>-</u>	<u>(189,306)</u>	<u>(0.1)</u>	<u>(691,934)</u>	<u>(0.2)</u>	<u>(3,961,375)</u>	<u>(1.1)</u>
<b>Profit before tax</b>	2,375,853	1.3	2,691,980	1.3	4,950,490	1.2	1,221,628	0.3
<b>Less: tax expense</b>	<u>882,545</u>	<u>0.5</u>	<u>213,374</u>	<u>0.1</u>	<u>1,435,421</u>	<u>0.3</u>	<u>870,312</u>	<u>0.2</u>
<b>Profit</b>	<u>1,493,308</u>	<u>0.8</u>	<u>2,478,606</u>	<u>1.2</u>	<u>3,515,069</u>	<u>0.9</u>	<u>351,316</u>	<u>0.1</u>
<b>Other comprehensive income:</b>								
<b>Items that may be reclassified subsequently to profit or loss</b>								
Other comprehensive income, before tax, exchange differences on translation	(727,800)	(0.4)	(978,233)	(0.5)	(1,519,400)	(0.4)	41,875	-
Other comprehensive income, before tax, available-for-sale financial assets	(585,179)	(0.3)	939,937	0.5	66,726	-	1,219,337	0.3
Loss on effective portion of cash flow hedges	(6,816)	-	-	-	(6,816)	-	-	-
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(66,881)	-	(130,011)	(0.1)	(90,042)	-	(173,888)	-
Less: income tax relating to items that may be reclassified	<u>25,620</u>	<u>-</u>	<u>(28,092)</u>	<u>-</u>	<u>(61,441)</u>	<u>-</u>	<u>(29,608)</u>	<u>-</u>
Other comprehensive income, net	<u>(1,361,056)</u>	<u>(0.7)</u>	<u>(196,399)</u>	<u>(0.1)</u>	<u>(1,610,973)</u>	<u>(0.4)</u>	<u>1,057,716</u>	<u>0.3</u>
<b>Comprehensive income</b>	<u>\$ 132,252</u>	<u>0.1</u>	<u>2,282,207</u>	<u>1.1</u>	<u>1,904,096</u>	<u>0.5</u>	<u>1,409,032</u>	<u>0.4</u>
<b>Profit, attributable to:</b>								
Profit, attributable to owners of parent	\$ 1,506,101	0.8	2,364,372	1.2	3,522,251	0.9	98,421	-
Profit, attributable to non-controlling interests	<u>(12,793)</u>	<u>-</u>	<u>114,234</u>	<u>-</u>	<u>(7,182)</u>	<u>-</u>	<u>252,895</u>	<u>0.1</u>
	<u>\$ 1,493,308</u>	<u>0.8</u>	<u>2,478,606</u>	<u>1.2</u>	<u>3,515,069</u>	<u>0.9</u>	<u>351,316</u>	<u>0.1</u>
<b>Comprehensive income attributable to:</b>								
Comprehensive income, attributable to owners of parent	\$ 154,106	0.1	2,175,384	1.1	1,936,972	0.5	1,156,270	0.3
Comprehensive income, attributable to non- controlling interests	<u>(21,854)</u>	<u>-</u>	<u>106,823</u>	<u>-</u>	<u>(32,876)</u>	<u>-</u>	<u>252,762</u>	<u>0.1</u>
	<u>\$ 132,252</u>	<u>0.1</u>	<u>2,282,207</u>	<u>1.1</u>	<u>1,904,096</u>	<u>0.5</u>	<u>1,409,032</u>	<u>0.4</u>
<b>Earnings per share:</b>								
<b>Basic net income per share</b>	<u>\$ 0.35</u>		<u>0.55</u>		<u>0.81</u>		<u>0.02</u>	
<b>Diluted net income per share</b>	<u>\$ 0.34</u>		<u>0.55</u>		<u>0.80</u>		<u>0.02</u>	

See accompanying notes to the consolidated financial statements.

**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**

**Consolidated statements of changes in equity (Unaudited)  
For the six-month ended June 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			
<b>Balance on January 1, 2014</b>	\$ 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
<b>Balance on January 1, 2014 (retrospectively adjusted)</b>	<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 six-month ended June 30, 2014 (retrospectively adjusted)	-	-	-	-	98,421	98,421	-	-	-	-	-	98,421	252,895	351,316
Other comprehensive income	-	-	-	-	-	-	(94,000)	1,151,849	-	1,057,849	-	1,057,849	(133)	1,057,716
Comprehensive income (retrospectively adjusted)	-	-	-	-	98,421	98,421	(94,000)	1,151,849	-	1,057,849	-	1,156,270	252,762	1,409,032
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	-	-	-	-	(1,575,776)	(1,575,776)	6,763	87	-	6,850	-	(1,568,926)	(725,878)	(2,294,804)
Change 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
Adjustment to 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)
<b>Balance on June 30, 2014 (retrospectively adjusted)</b>	<u>\$ 44,142,071</u>	<u>14,071,463</u>	<u>15,867,903</u>	<u>7,707,518</u>	<u>17,258,739</u>	<u>40,834,160</u>	<u>(1,933,911)</u>	<u>(4,708,908)</u>	<u>-</u>	<u>(6,642,819)</u>	<u>(2,007,725)</u>	<u>90,397,150</u>	<u>4,399,983</u>	<u>94,797,133</u>
<b>Balance on January 1, 2015 (retrospectively adjusted)</b>	\$ 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 six-month ended June 30, 2015	-	-	-	-	3,522,251	3,522,251	-	-	-	-	-	3,522,251	(7,182)	3,515,069
Other comprehensive income	-	-	-	-	-	-	(1,614,913)	33,270	(3,636)	(1,585,279)	-	(1,585,279)	(25,694)	(1,610,973)
Comprehensive income	-	-	-	-	3,522,251	3,522,251	(1,614,913)	33,270	(3,636)	(1,585,279)	-	1,936,972	(32,876)	1,904,096
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)
Change in ownership interests in subsidiaries	-	21,976	-	-	(14,388)	(14,388)	-	-	-	-	-	7,588	-	7,588
Changes in equity of associates and joint ventures accounted for using equity method	-	806	-	-	(34)	(34)	-	-	-	-	-	772	-	772
Share-based payment transaction	493,600	666,360	-	-	-	-	-	-	(967,023)	(967,023)	-	192,937	-	192,937
Adjustment to capital surplus for the company's cash dividends received by subsidiaries	-	75,026	-	-	-	-	-	-	-	-	-	75,026	-	75,026
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	494,194	494,194
<b>Balance on June 30, 2015</b>	<u>\$ 44,725,966</u>	<u>12,846,223</u>	<u>16,571,311</u>	<u>3,139,021</u>	<u>27,090,588</u>	<u>46,800,920</u>	<u>(436,606)</u>	<u>(4,284,058)</u>	<u>(970,659)</u>	<u>(5,691,323)</u>	<u>(1,724,739)</u>	<u>96,957,047</u>	<u>5,294,332</u>	<u>102,251,379</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, 2015 and 2014**

**(expressed in thousands of New Taiwan dollars)**

	<b>2015</b>	<b>2014</b>
		<small>(retrospectively adjusted)</small>
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit before tax</b>	\$ <u>4,950,490</u>	<u>1,221,628</u>
<b>Adjustments:</b>		
Depreciation and amortization	2,950,409	2,853,118
Increase (decrease) in allowances for uncollectible accounts and allowance for sales returns and discounts	(13,851)	76,768
Interest expense	475,098	492,675
Interest income	(379,036)	(495,101)
Dividends income	(202,195)	(191,813)
Compensation cost of employee share options	207,814	27,865
Share of profit of associates and joint ventures accounted for using equity method	(9,763)	(332,624)
Gain on disposal of property, plant and equipment	(2,212)	(38,056)
Loss (gain) on disposal of investments	14,456	(14,631)
Impairment loss (gain on reversal of impairment loss) on financial assets	(10,000)	4,732,121
Long-term prepaid rents	<u>8,360</u>	<u>8,302</u>
<b>Adjustments to reconcile profit</b>	<u>3,039,080</u>	<u>7,118,624</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Changes in financial assets at fair value through profit or loss	158,262	68,381
Decrease (increase) in notes and accounts receivable	20,086,471	17,081,230
Decrease (increase) in other receivable	217,378	361,765
Decrease (increase) in inventories	12,682,580	(11,918,324)
Decrease (increase) in other current assets	175,284	(793,744)
Others	<u>(36,469)</u>	<u>-</u>
<b>Total changes in operating assets</b>	<u>33,283,506</u>	<u>4,799,308</u>
<b>Changes in operating liabilities:</b>		
Changes in financial liabilities at fair value through profit or loss	12,847	13,884
Increase (decrease) in notes and accounts payable	(46,777,709)	6,591,332
Increase (decrease) in other payable	(898,469)	(2,471,212)
Increase (decrease) in provisions	(1,401)	387,470
Increase (decrease) in unearned revenue	(554,741)	200,855
Increase (decrease) in other current liabilities	1,437,285	48,979
Others	<u>88,080</u>	<u>110,013</u>
<b>Total changes in operating liabilities</b>	<u>(46,694,108)</u>	<u>4,881,321</u>
<b>Total changes in operating assets and liabilities</b>	<u>(13,410,602)</u>	<u>9,680,629</u>
<b>Total adjustments</b>	<u>(10,371,522)</u>	<u>16,799,253</u>
Cash flows from (used in) operations	(5,421,032)	18,020,881
Interest received	341,909	444,753
Dividend received	55,480	57,447
Interest paid	(435,991)	(462,402)
Income taxes paid	<u>(858,267)</u>	<u>(753,360)</u>
<b>Net Cash flows from (used in) operating activities</b>	<u>(6,317,901)</u>	<u>17,307,319</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of investments accounted for using equity method, available-for-sale financial assets and financial assets at cost	(27,300)	(476,234)
Proceeds from disposal of investments accounted for using equity method and available-for-sale financial assets	1,693,653	40,739
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	41,259	20,289
Acquisition of property, plant and equipment	(2,342,176)	(3,287,989)
Proceeds from disposal of property, plant and equipment	80,389	51,506
Acquisition of intangible assets	(334,315)	(245,244)
Others	<u>(19,094)</u>	<u>20,131</u>
<b>Net cash flows from (used in) investing activities</b>	<u>(284,518)</u>	<u>(1,717,802)</u>
<b>Cash flows from (used in) financing activities:</b>		
Decrease in short-term loans	(22,026,610)	(11,853,607)
Proceeds from long-term debt	4,700,000	10,100,360
Repayments of long-term debt	(1,799,381)	(39,746)
Exercise of employee share options	-	15,588
Acquisition of non-controlling interests	(1,576)	(2,304,824)
Changes in non-controlling interests	585,096	(3,656)
Others	<u>(10,148)</u>	<u>27,196</u>
<b>Net cash flows from (used in) financing activities</b>	<u>(18,552,619)</u>	<u>(4,058,689)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(1,039,640)</u>	<u>5,674</u>
Net increase (decrease) in cash and cash equivalents	(26,194,678)	11,536,502
Cash and cash equivalents at beginning of period	74,708,130	46,965,852
Cash and cash equivalents at end of period	\$ <u><b>48,513,452</b></u>	<u><b>58,502,354</b></u>

See accompanying notes to financial statements.

