Independent Auditors' Review Report

To Compal Electronics, Inc.:

Introduction

We have reviewed the accompanying consolidated balance sheets of the Compal Electronics, Inc. and its subsidiaries as of June 30, 2018 and 2017, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2018 and 2017, changes in equity and cash flows for the six months ended June 30, 2018 and 2017, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards ("IASs") 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standards 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$25,239,945 thousand and \$23,050,187 thousand, constituting 6.4% and 7.1% of consolidated total assets as of June 30, 2018 and 2017, respectively, total liabilities amounting to \$4,676,267 thousand and \$3,398,265 thousand, constituting 1.7% and 1.6% of consolidated total liabilities as of June 30, 2018 and 2017, respectively, and total comprehensive income amounting to \$40,770 thousand, \$258,150 thousand, \$222,025 thousand and \$67,274 thousand, constituting 0.9%, 23.6%, 4.9% and (4.5)% of consolidated total comprehensive income (loss) for the three months and six months ended June 30, 2018 and 2017, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Compal Electronics, Inc. and its subsidiaries as of June 30, 2018 and 2017, and of its consolidated financial performance for the three months and the six months ended June 30, 2018 and 2017, and of its consolidated cash flows for the six months ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IASs 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Szu Chuan Chien and Yiu Kwan Au.

KPMG

Taipei, Taiwan (Republic of China) August 9, 2018

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

Reviewed only, not audited in accordance with the generally accepted auditing standards as of June 30, 2018 and 2017

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2018, December 31, 2017, and June 30, 2017

(Expressed in Thousands of New Taiwan Dollars)

		June 30, 2018		December 31, 20	17	June 30, 2017				J
	Assets Current assets:	Amount	%	Amount	%	Amount	%		Liabilities and Equity Current liabilities:	Aı
1100	Cash and cash equivalents (note (6)(a))	\$ 70,263,268	18.0	70,062,713	19.3	67,237,001	20.8	2100	Short-term borrowings (note (6)(q))	\$
1110	Current financial assets at fair value through profit or loss (note (6)(b))	3,137,988	0.8	40,706	-	37,974	-	2120	Current financial liabilities at fair value through profit or loss (note (6)(b))	
1125	Current available-for-sale financial assets (note (6)(e))	-	-	46,479	-	50,336	-	2125	Current derivative financial liabilities for hedging (note (6)(d))	
1135	Current derivative financial assets for hedging (note (6)(d))	8,722	-	-	-	-	-	2130	Current contract liabilities (note (6)(aa))	
1136	Current financial assets at amortized cost (note (6)(g))	350,000	0.1	-	-	-	-	2170	Notes and accounts payable	
1147	Current bond investments without active market (note (6)(h))	-	-	350,000	0.1	350,000	0.1	2180	Notes and accounts payable to related parties (note 7)	
1170	Notes and accounts receivable, net (note (6)(i))	192,958,770	49.4	177,272,731	48.8	154,871,148	47.9	2200	Other payables (note 7)	
1180	Notes and accounts receivable due from related parties, net (notes							2216	Dividends payable	
	(6)(i) and 7)	65,935	-	113,994	-	87,020	-	2230	Current tax liabilities	
1200	Other receivables, net (notes (6)(i), (6)(j) and 7)	2,909,937	0.7	988,008	0.3	1,730,565	0.5	2250	Current provisions (note (6)(s))	
1310	Inventories (note (6)(k))	75,313,993	19.3	69,512,712	19.1	54,251,308	16.8	2300	Other current liabilities	
1461	Non-current assets classified as held for sale (note (6)(l))	4,931,196	1.3	-	-	-	-	2313	Unearned revenue	
1470	Other current assets (note 8)	3,530,906	0.9	3,395,311	0.9	2,177,888	0.8	2365	Current refund liabilities (note (6)(t))	
		353,470,715	90.5	321,782,654	88.5	280,793,240	86.9	2322	Long-term borrowings, current portion (note (6)(r))	
	Non-current assets:									
1550	Investments accounted for using equity method (note (6)(l))	7,140,932	1.8	11,807,622	3.2	11,430,265	3.5		Non-Current liabilities:	
1510	Non-current financial assets at fair value through profit or loss (note (6)(b))	46,401	-	-	-	-	-	2540	Long-term borrowings (note (6)(r))	
1517	Non-current financial assets at fair value through other							2570	Deferred tax liabilities	
	comprehensive income (note (6)(c))	5,997,800	1.6	-	-	-	-	2640	Non-current net defined benefit liability	
1523	Non-current available-for-sale financial assets (note (6)(e))	-	-	7,646,667	2.1	8,052,813	2.5	2670	Non-current liabilities, others	
1543	Non-current financial assets at cost (note (6)(f))	-	-	53,982	-	71,820	-			
1546	Non-current bond investments without active market (note (6)(h))	-	-	350,000	0.1	350,000	0.1		Total liabilities	
1600	Property, plant and equipment (notes (6)(p) and 8)	19,906,517	5.1	18,179,367	5.0	19,093,153	5.9		Equity attributable to owners of parent:	
1780	Intangible assets	1,430,081	0.4	1,284,660	0.4	1,304,876	0.4	3110	Ordinary share (note (6)(w))	
1840	Deferred tax assets	1,559,005	0.4	1,351,371	0.4	1,269,969	0.4	3200	Capital surplus (note (6)(x))	
1985	Long-term prepaid rents(note (6)(u))	577,835	0.1	571,133	0.2	590,101	0.2	3300	Retained earnings (note $(6)(x)$)	
1990	Other non-current assets	413,410	0.1	328,965	0.1	376,867	0.1	3400	Other equity interest (notes $(6)(x)$ and $(6)(y)$)	
		37,071,981	9.5	41,573,767	11.5	42,539,864	13.1	3500	Treasury shares (note (6)(x))	
								36XX	Non-controlling interests	
									Total equity	
	Total assets	\$ 390,542,696	100.	363,356,421	100.	323,333,104	100.		Total liabilities and equity	\$

June 30, 2018		December 31, 201	17	June 30, 2017		
 Amount	%	Amount	%	Amount	%	
\$ 73,306,655	18.8	56,515,525	15.6	21,470,240	6.6	
6,665	-	24,463	-	84,056	-	
-	-	-	-	56,894	-	
1,581,774	0.4	-	-	-	-	
144,885,735	37.1	140,381,168	38.6	130,539,993	40.4	
1,673,908	0.4	1,636,656	0.5	1,687,479	0.5	
21,484,128	5.5	16,318,597	4.5	16,029,044	5.0	
5,541,652	1.4	-	-	5,727,789	1.8	
4,164,283	1.1	4,362,395	1.2	3,645,028	1.1	
464,656	0.1	1,827,439	0.5	1,486,689	0.5	
3,254,779	0.8	3,071,238	0.8	3,137,440	1.0	
-	-	1,617,626	0.4	1,712,008	0.5	
818,301	0.2	-	-	-	-	
 11,564,425	3.0	6,200,625	1.7	7,128,025	2.2	
 268,746,961	68.8	231,955,732	63.8	192,704,685	59.6	
12,741,875	3.2	21,252,263	5.8	23,937,500	7.4	
664,941	0.2	614,437	0.2	755,732	0.2	
699,707	0.2	705,810	0.2	624,236	0.2	
 216,979	-	180,207	-	165,169	-	
 14,323,502	3.6	22,752,717	6.2	25,482,637	7.8	
 283,070,463	72.4	254,708,449	70.0	218,187,322	67.4	
44,071,466	11.3	44,191,916	12.2	44,219,306	13.7	
9,965,275	2.5	10,938,773	3.0	10,938,023	3.4	
56,192,312	14.4	56,557,146	15.6	52,199,097	16.1	
(8,723,999)	(2.2)	(8,911,004)	(2.5)	(7,469,168)	(2.3)	
 (881,247)	(0.2)	(881,247)	(0.2)	(881,247)	(0.3)	
 100,623,807	25.8	101,895,584	28.1	99,006,011	30.6	
 6,848,426	1.8	6,752,388	1.9	6,139,771	1.9	
 107,472,233	27.6	108,647,972	30.0	105,145,782	32.5	
\$ 390,542,696	100.	363,356,421	100.0	323,333,104	100.	

REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and six months ended June 30, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

		For the th	ee mont	hs ended June	30	For the six months ended June 30					
		2018		2017		2018		2017			
		Amount	%	Amount	%	Amount	%	Amount	%		
4000	Net sales revenue (notes (6)(aa), (6)(ab) and 7)	\$ 237,883,96		213,780,026	100	433,995,926	100.0	401,207,947	100.0		
5000	Cost of sales (notes $(6)(k)$, $(6)(v)$, 7 and 12)	230,084,69		205,971,613	96.3	419,573,451	96.7	385,575,109	96.1		
2000	Gross profit	7,799,27			3.7	14,422,475	3.3	15,632,838	3.9		
	Operating expenses: (notes (6)(u), (6)(v) and 12)	.,,		.,,		,,					
6100	Selling expenses	1,177,89	6 0.5	3,474,107	1.6	2,062,251	0.5	5,040,868	1.3		
6200	Administrative expenses	978,54			0.4	1,977,790	0.5	1,840,919	0.5		
6300	Research and development expenses	3,018,52	4 1.3	2,511,895	1.2	5,704,053	1.3	4,909,437	1.2		
		5,174,96	0 2.2	6,916,160	3.2	9,744,094	2.3	11,791,224	3.0		
	Net operating income	2,624,31	2 1.1	892,253	0.5	4,678,381	1.0	3,841,614	0.9		
	Non-operating income and expenses:										
7020	Other gains and losses, net (notes (6)(e) and (6)(ad))	(76,372	2) -	(126,179)	(0.1)	(152,259)	-	(1,756,718)	(0.4)		
7050	Finance costs	(588,985	5) (0.2)	(323,893)	(0.2)	(1,031,785)	(0.2)	(566,490)	(0.1)		
7190	Other income (notes (6)(u) and (6)(ad))	728,03	3 0.3	476,331	0.2	1,072,044	0.2	891,939	0.2		
7590	Miscellaneous disbursements	(7,339)) -	(31,623)	-	(8,398)	-	(57,299)	-		
7770	Share of profit (loss) of associates and joint ventures accounted for using equity method (note (6)(1))	250,55	9 0.1	207,510	0.1	294,236	0.1	196,438			
	Total non-operating income and expenses	305,89	6 0.2	202,146	-	173,838	0.1	(1,292,130)	(0.3)		
7900	Profit before tax	2,930,20	8 1.3	1,094,399	0.5	4,852,219	1.1	2,549,484	0.6		
7950	Less: Tax expense (note (6)(w))	640,53	3 0.3	677,165	0.3	979,748	0.2	1,024,104	0.2		
	Profit	2,289,67	5 1.0	417,234	0.2	3,872,471	0.9	1,525,380	0.4		
8300	Other comprehensive income:										
8310	Items that will not be reclassified subsequently to profit or loss										
8316	Other comprehensive income, before tax, equity instruments at fair value through other comprehensive income	(453,801) (0.2)	-	-	(721,233)	(0.2)	-	-		
8320	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, (components of other comprehensive income that will not be reclassified to profit or loss)	(54,841				(54,841)	_				
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note (6)(w))		,	-	_	64,581	-	-	-		
	Components of other comprehensive income that will not be reclassified to profit or loss	(478,499		-	-	(711,493)	(0.2)	-			
8360	Items that will be reclassified subsequently to profit or loss										
8361	Other comprehensive income, before tax, exchange differences on translation of foreign financial statement	2,603,54	7 1.0	162,989	0.1	1,310,082	0.3	(3,528,487)	(1.0)		
8362	Other comprehensive income, before tax, available-for-sale financial assets	-	-	435,330	0.2	-	-	720,926	0.2		
8363	Gains (losses) on effective portion of cash flow hedges (notes (6)(ae))	-	-	(28,317)	-	-	-	(56,894)	-		
8368	Gains (losses) on hedging instrument (notes (6)(ae))	46,50	9 -	-	-	8,722	-	-	-		
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method	(79,418	3) -	114,811	-	47,126	-	(142,637)	-		
8399	Income tax relating to items that will be reclassified to profit or loss (note										
	(6)(w))	(7,715	5) -	(9,698)	-	(4,142)		(16,059)			
	Components of other comprehensive income (loss) that will be reclassified to profit or loss	2,562,92	3 1.0	675,115	0.3	1,361,788	0.3	(3,023,151)	(0.8)		
8300	Other comprehensive income (loss), net	2,084,42			0.3	650,295	0.5	(3,023,151)	(0.8)		
8500 8500	Comprehensive income	\$ 4.374.09			0.5	4,522,766	<u> </u>	(<u>1,497,771</u>)	<u>(0.8)</u> (0.4)		
8300	Profit, attributable to:	<u>\$ 4,374,02</u>	7 1.0	1,074,547	0.5	4,522,700	<u> </u>	(1,42/,//1)	<u>(U.4)</u>		
8610	Profit, attributable to owners of parent	\$ 2,092,29	5 0.9	254,362	0.1	3,485,597	0.8	1,327,697	0.4		
8620	-			162,872	0.1				0.4		
8020	Profit, attributable to non-controlling interests	<u>197,38</u> \$ 2,289,67			0.1	386,874	<u>0.1</u> 0.9	197,683	- 0.4		
	Comprehensive income attributable to	<u>\$ 4,409,0/</u>	5 1.0	41/,404	0.4	3,872,471	0.9	1,525,380	<u> </u>		
0710	Comprehensive income attributable to:	¢ 4 1 10 52	0 10	046 016	0.4	1 114 405	0.0	(1,624,200)	(0, 4)		
8710 8720	Comprehensive income (loss), attributable to owners of parent	\$ 4,119,53		·	0.4	4,114,495	0.9	(1,624,290)	(0.4)		
8720	Comprehensive income (loss), attributable to non-controlling interests	254,56		146,333	0.1	408,271	0.1	126,519			
	Equips per show (note $\xi(-)$)	<u>\$ 4,374,09</u>	<u>9 1.8</u>	1,092,349	0.5	4,522,766	<u> </u>	<u>(1,497,771)</u>	<u>(0.4)</u>		
0750	Earnings per share (note 6(z))	¢	0.40		0.07		A 6A		0.21		
9750	Basic earnings per share	<u>ታ</u>	0.48		0.06		0.80		0.31		
9850	Diluted earnings per share	<u></u> Φ	0.48		0.06		0.79		0.30		

See accompanying notes to financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the six months ended June 30, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

						Equity attri	ibutable to owr	ners of parent							
				Retainede	earnings			Total	other equity int	erest					
								Unrealized							
							Exchange	gains (losses) on financial assets	Unrealized						
							differences on	measured at	gains				Total		
							translation of	fair value	(losses) on	Unearned			equity		
				I	Unappropriated	Total	foreign	through other	· /	employee	Total other		attributable 1	Non-control	
	Ordinary	Capital	Legal	Special	retained	retained	financial	comprehensiv		benefit and	equity	Treasury	to owners of	ling	
	shares	surplus	reserve	reserve	earnings	earnings	statements	e income	assets	others	interest	shares	parent	0	Total equity
Balance at January 1, 2017		11,779,274	17,439,772	3,199,674	34,649,963	55,289,409			(5,663,830)	(285,105)	(4,624,653)	(881,247)		6,479,426	
Profit for the six months ended June 30, 2017	44,241,000	11,779,274	17,439,772	3,199,074	1,327,697	1,327,697		-	(3,003,830)	(265,105)			1,327,697	197,683	1,525,380
Other comprehensive income	-	-	-	-	1,527,097		- (3.645.846)	-	- 711,901	(18.042)	- (2.951.987)	-	(2,951,987)	(71,164)	(3,023,151)
Total comprehensive income	-		-	-	1,327,697	- 1,327,697	(3,645,846)	-	711,901	(18,042)	(2,951,987)	-	(1,624,290)	126.519	(1,497,771)
Appropriation and distribution of retained	-		-	-	1,527,097	1,327,097	(3,043,840)	-	/11,901	(18,042)	(2,931,987)	-	(1,024,290)	120,319	(1,497,771)
earnings:															
Legal reserve appropriated	_	_	813,089	-	(813,089)	_	_	_	_	_	_	_	_	_	_
Special reserve appropriated	_	-	-	1,139,875	(1,139,875)	-	_	-	_	_	_	_	-	-	-
Cash dividends of ordinary share	_	-	_	-	(4,422,153)	(4,422,153)	_	-	_	_	_	_	(4,422,153)	-	(4,422,153)
Cash dividends from capital surplus	_	(884,431)	_	_	-	-	_	-	_	_	_	_	(884,431)	-	(884,431)
Changes in ownership interests in subsidiaries	-	63	-	-	-	-	-	-	-	-	-	-	63	-	63
Changes in equity of associates and joint ventures		00											00		00
accounted for using equity method	-	11,634	-	-	(318)	(318)	-	-	-	-	-	-	11,316	-	11,316
Share-based payments transaction	(22,300)	(28,544)	-	-	4,462	4,462		-	-	107,472	107,472	-	61,090	-	61,090
Adjustments of capital surplus for company's cash	()/	()			7 -	7 -				- , , .			- ,		- ,
dividends received by subsidiaries	-	60,027	-	-	-	-	-	-	-	-	-	-	60,027	-	60,027
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(466,174)	(466,174)
Balance at June 30, 2017	44,219,306	10,938,023	18,252,861	4,339,549	29,606,687	52,199,097	(2,321,564)	-	(4,951,929)	(195,675)	(7,469,168)	(881,247)	99,006,011	6,139,771	105,145,782
Delance of Journaum 1 2019	44 101 016	10 029 772	19 050 971	4 220 540	22.064.726	56 557 146	(2 477 27()		(5.252.772)	(70.957)	(2.011.004)	(991 247)	101 905 594	(75) 200	108 (47 072
Balance at January 1,2018 \$	6 44,191,916	10,938,773	18,252,861	4,339,549	33,964,736 494,051	56,557,146 494.051	(3,477,376)	- (5,847,823)	(5,353,772) 5,353,772	(79,856)	(8,911,004) (494,051)	(881,247)	101,895,584	6,752,388	108,647,972
Effects of retrospective application	- 44,191,916	- 10,938,773	- 18,252,861	4,339,549	34,458,787	57,051,197	(3,477,376)	(5,847,823)		(79,856)	(9,405,055)	(881,247)	- 101,895,584	6,752,388	108,647,972
Profit for the six months ended June 30, 2018	44,191,910	10,936,775	10,232,001	4,559,549	3,485,597	3,485,597		-	-	(79,630)	(9,403,033)	-	3,485,597	386,874	3,872,471
Other comprehensive income	-	-	-	-	28,828	28,828			-	- 3,143	600.070	-	628,898	21,397	650,295
Total comprehensive income					3,514,425	3,514,425				3,143	600.070		4,114,495	408,271	4,522,766
Appropriation and distribution of retained	-		-	_	5,514,425	5,514,425	1,540,710	(1+3,107)		5,145	000,070	-	7,117,775	+00,271	т,522,700
earnings:															
Legal reserve appropriated	_	-	574,953	_	(574,953)	-	_	-	_	_	_	_	-	-	-
Special reserve appropriated	_	-	-	4,491,599	(4,491,599)	_	_	-	_	_	_	_	-	-	-
Cash dividends of ordinary share	_	-	_	-	(4,407,147)	(4,407,147)	_	-	_	_	_	_	(4,407,147)	-	(4,407,147)
Cash dividends from capital surplus	-	(881,429)	-	-	-	-	-	-	-	-	-	_	(881,429)	-	(881,429)
Changes in ownership interests in subsidiaries	-	131	-	-	(1,149)	(1,149)	-	-	-	-	-	-	(1,018)	-	(1,018)
Changes in equity of associates and joint ventures		101			(1,1,1))	(1,11)							(1,010)		(1,010)
accounted for using equity method	-	(459)	-	-	(1,155)	(1,155)	-	1,130	-	-	1,130	-	(484)	-	(484)
Share-based payments transaction	(120,450)	(151,766)	-	-	36,141	36,141	-		-	79,856	79,856	-	(156,219)	-	(156,219)
Adjustments of capital surplus for company's cash	(-,)	(,				,				,	,		((
dividends received by subsidiaries	-	60,025	-	-	-	-	-	-	-	-	-	-	60,025	-	60,025
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(312,233)	(312,233)
Balance at June 30, 2018 <u>\$</u>	44,071,466	9,965,275	18,827,814	8,831,148	28,533,350	56,192,312	(2,136,660)	(6,590,482)	-	3,143	(8,723,999)	(881,247)	100,623,807	6,848,426	107,472,233

REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months and six months ended June 30, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	For the six months e	
	2018	2017
Cash flows from (used in) operating activities: Profit before tax	\$ 4,852,219	2,549,484
Adjustments:	φ 4,052,219	2,349,404
Adjustments to reconcile profit (loss):		
Depreciation and amortization	2,343,961	2,751,555
Increase (decrease) in expected credit loss /allowance for uncollectible accounts	6,148	3,113,377
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(123,016)	-
Finance cost Interest income	1,031,785 (628,537)	566,490 (415,434)
Dividend income	(265,661)	(156,844)
Compensation cost of share-based payments	(156,548)	67,598
Share of profit of associates and joint ventures accounted for using equity method	(294,236)	(196,438)
Loss (gain) on disposal of property, plant and equipment	(17,804)	(54,299)
Loss (gain) on disposal of investments	-	4,252
Long-term prepaid rents	6,771	6,509
Total adjustments to reconcile profit (loss) Changes in operating assets and liabilities:	1,902,863	5,686,766
Changes in operating assets and natifices:		
Decrease (increase) in financial assets at fair value through profit or loss	-	48,466
Net loss (gain) on financial assets mandatorily measured at fair value through profit or loss	(1,907,685)	-
Decrease (increase) in notes and accounts receivable	(15,503,572)	17,325,804
Decrease (increase) in other receivable	(1,581,404)	(568,146)
Decrease (increase) in inventories	(5,856,906)	(6,146,183)
Decrease (increase) in other current assets	(79,970) (30,772)	242,706
Decrease (increase) in other non-current assets Total changes in operating assets	(24,960,309)	(2,569) 10,900,078
Changes in operating liabilities:	(24,700,507)	10,700,070
Net gain (loss) on financial liabilities designated as at fair value through profit or loss	(17,798)	(53,433)
Increase (decrease) in notes and accounts payable	4,541,819	2,745,529
Increase (decrease) in other payable	3,538,354	(2,209,933)
Increase (decrease) in refund liabilities	(701,005)	-
Increase (decrease) in provisions Increase (decrease) in unearned revenue	77,509	(355,405)
Increase (decrease) in contract liabilities	(83,547)	(62,150)
Increase (decrease) in other current liabilities	231,236	237,766
Others	22,524	(2,086)
Total changes in operating liabilities	7,609,092	300,288
Total changes in operating assets and liabilities	(17,351,217)	11,200,366
Total adjustments	<u>(15,448,354)</u> (10,596,135)	16,887,132
Cash inflow (outflow) generated from operations Interest received	607,536	19,436,616 444,414
Dividends received	19,142	16,687
Interest paid	(934,181)	(574,307)
Income taxes paid	(1,255,759)	(1,051,810)
Net cash flows from (used in) operating activities	(12,159,397)	18,271,600
Cash flows from (used in) investing activities:	h	
Acquisition of Investments accounted for using equity method and financial assets at fair value through oth comprehensive income (available-for-sale financial assets)	(87,525)	(97,009)
Proceeds from disposal of available-for-sale financial assets	(87,525)	2,265,748
Redemption from bond investments without active market	350,000	350,000
Net cash flow from disposal of subsidiaries	-	129,000
Proceeds from capital reduction of investments	6,987	13,049
Acquisition of property, plant and equipment	(2,034,372)	(1,462,497)
Proceeds from disposal of property, plant and equipment	20,354	86,988
Acquisition of intangible assets Others	(315,015) (23,389)	(255,462) (15,705)
Net cash flows from (used in) investing activities	(2,082,960)	1,014,112
Cash flows from (used in) financing activities:		1,011,112
Increase (decrease) in short-term borrowings	16,791,130	(22,010,537)
Proceeds from long-term borrowings	7,062,250	7,088,649
Repayments of long-term borrowings	(10,208,838)	(7,944,687)
Acquisition of non-controlling interests	(1,218)	(6,353)
Change in non-controlling interests Others	2,563 36,772	13,666 (1,457)
Net cash flows from (used in) financing activities	13,682,659	(1,457) (22,860,719)
Effect of exchange rate changes on cash and cash equivalents	760,253	(22,800,719)
Net increase (decrease) in cash and cash equivalents	200,555	(5,713,595)
Cash and cash equivalents at beginning of period Cash and cash equivalents at end of period	70,062,713 \$ 70,263,268	72,950,596 67,237,001

See accompanying notes to financial statements.