

## 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 of September 30, 2018 and 2017, the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2018 and 2017, as well as the changes in equity and cash flows for the nine months ended September 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 \$20,384,537 thousand and \$24,237,086 thousand, constituting 4.7% and 6.5% of consolidated total assets as of September 30, 2018 and 2017, respectively, total liabilities amounting to \$4,996,067 thousand and \$4,354,583 thousand, constituting 1.6% and 1.6% of consolidated total liabilities as of September 30, 2018 and 2017, respectively, and total comprehensive income amounting to \$(31,367), \$226,456, \$190,658 thousand and \$293,730 thousand, constituting (0.9)%, 10.8%, 2.3% and 49.2% of consolidated total comprehensive income (loss) for the three months and nine months ended September 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 September 30, 2018 and 2017, and of its consolidated financial performance for the three months and nine months ended September 30, 2018 and 2017, and of its consolidated cash flows for the nine 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.

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KPMG

Taipei, Taiwan (Republic of China)  
November 8, 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 September 30, 2018 and 2017

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2018, December 31, 2017, and September 30, 2017

(Expressed in Thousands of New Taiwan Dollars)

Assets		September 30, 2018		December 31, 2017		September 30, 2017		Liabilities and Equity		September 30, 2018		December 31, 2017		September 30, 2017	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current assets:</b>								<b>Current liabilities:</b>							
1100	Cash and cash equivalents (note (6)(a))	\$ 72,064,833	16.7	70,062,713	19.3	71,633,492	19.3	2100	Short-term borrowings (note (6)(q))	\$ 84,959,651	19.7	56,515,525	15.6	46,014,325	12.4
1110	Current financial assets at fair value through profit or loss (note (6)(b))	3,893,302	0.9	40,706	-	6,680	-	2120	Current financial liabilities at fair value through profit or loss (note (6)(b))	11,546	-	24,463	-	59,696	-
1125	Current available-for-sale financial assets (note (6)(e))	-	-	46,479	-	41,179	-	2125	Current derivative financial liabilities for hedging (note (6)(d))	1,808	-	-	-	25,419	-
1136	Current financial assets at amortized cost (note (6)(g))	350,000	0.1	-	-	-	-	2130	Current contract liabilities (note (6)(aa))	1,480,288	0.3	-	-	-	-
1147	Current bond investments without active market (note (6)(h))	-	-	350,000	0.1	350,000	0.1	2170	Notes and accounts payable	168,876,386	39.1	140,381,168	38.6	158,884,373	42.7
1170	Notes and accounts receivable, net (note (6)(i))	209,474,786	48.5	177,272,731	48.8	177,246,721	47.6	2180	Notes and accounts payable to related parties (note 7)	1,691,710	0.4	1,636,656	0.5	1,705,438	0.5
1180	Notes and accounts receivable due from related parties, net (notes (6)(i) and 7)	24,725	-	113,994	-	71,905	-	2200	Other payables (note 7)	24,266,789	5.6	16,318,597	4.5	16,811,014	4.5
1200	Other receivables, net (notes (6)(i), (6)(j) and 7)	2,021,133	0.5	988,008	0.3	1,899,229	0.5	2230	Current tax liabilities	4,437,087	1.0	4,362,395	1.2	3,828,677	1.0
1310	Inventories (note (6)(k))	102,939,506	23.8	69,512,712	19.1	75,724,662	20.4	2250	Current provisions (note (6)(s))	441,086	0.1	1,827,439	0.5	1,670,160	0.4
1470	Other current assets (note 8)	3,402,254	0.8	3,395,311	0.9	3,166,678	0.9	2300	Other current liabilities	2,540,214	0.6	3,071,238	0.8	3,013,972	0.8
		<u>394,170,539</u>	<u>91.3</u>	<u>321,782,654</u>	<u>88.5</u>	<u>330,140,546</u>	<u>88.8</u>	2313	Unearned revenue	-	-	1,617,626	0.4	1,683,285	0.5
<b>Non-current assets:</b>								2365	Current refund liabilities (note (6)(t))	1,039,668	0.2	-	-	-	-
1550	Investments accounted for using equity method (note (6)(l))	7,120,925	1.6	11,807,622	3.2	11,583,881	3.1	2322	Long-term borrowings, current portion (note (6)(r))	18,054,375	4.2	6,200,625	1.7	8,227,685	2.2
1510	Non-current financial assets at fair value through profit or loss (note (6)(b))	45,165	-	-	-	-	-			<u>307,800,608</u>	<u>71.2</u>	<u>231,955,732</u>	<u>63.8</u>	<u>241,924,044</u>	<u>65.0</u>
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(c))	5,585,923	1.3	-	-	-	-	<b>Non-Current liabilities:</b>							
1523	Non-current available-for-sale financial assets (note (6)(e))	-	-	7,646,667	2.1	7,838,876	2.1	2540	Long-term borrowings (note (6)(r))	11,458,281	2.7	21,252,263	5.8	21,132,656	5.7
1543	Non-current financial assets at cost (note (6)(f))	-	-	53,982	-	71,820	-	2570	Deferred tax liabilities	701,589	0.2	614,437	0.2	780,176	0.2
1546	Non-current bond investments without active market (note (6)(h))	-	-	350,000	0.1	350,000	0.1	2640	Non-current net defined benefit liability	696,840	0.2	705,810	0.2	633,665	0.2
1600	Property, plant and equipment (notes (6)(p) and 8)	20,585,966	4.8	18,179,367	5.0	18,593,627	5.0	2670	Non-current liabilities, others	200,215	-	180,207	-	139,667	-
1780	Intangible assets	1,464,509	0.3	1,284,660	0.4	1,297,537	0.3		<b>Total liabilities</b>	<u>320,857,533</u>	<u>74.3</u>	<u>254,708,449</u>	<u>70.0</u>	<u>264,610,208</u>	<u>71.1</u>
1840	Deferred tax assets	1,554,160	0.4	1,351,371	0.4	1,275,248	0.3	<b>Equity attributable to owners of parent:</b>							
1985	Long-term prepaid rents (note (6)(u))	890,856	0.2	571,133	0.2	584,047	0.2	3110	Ordinary share (note (6)(x))	44,071,466	10.2	44,191,916	12.2	44,202,806	11.9
1990	Other non-current assets (note 8)	525,153	0.1	328,965	0.1	356,600	0.1	3200	Capital surplus (note (6)(x))	9,965,268	2.3	10,938,773	3.0	10,935,795	2.9
		<u>37,772,657</u>	<u>8.7</u>	<u>41,573,767</u>	<u>11.5</u>	<u>41,951,636</u>	<u>11.2</u>	3300	Retained earnings (note (6)(x))	58,424,825	13.5	56,557,146	15.6	54,527,790	14.7
								3400	Other equity interest (notes (6)(x) and (6)(y))	(7,466,391)	(1.7)	(8,911,004)	(2.5)	(7,790,395)	(2.1)
								3500	Treasury shares (note (6)(x))	(881,247)	(0.2)	(881,247)	(0.2)	(881,247)	(0.2)
										<u>104,113,921</u>	<u>24.1</u>	<u>101,895,584</u>	<u>28.1</u>	<u>100,994,749</u>	<u>27.2</u>
								36XX	<b>Non-controlling interests</b>	6,971,742	1.6	6,752,388	1.9	6,487,225	1.7
									<b>Total equity</b>	<u>111,085,663</u>	<u>25.7</u>	<u>108,647,972</u>	<u>30.0</u>	<u>107,481,974</u>	<u>28.9</u>
<b>Total assets</b>		<u>\$ 431,943,196</u>	<u>100.0</u>	<u>363,356,421</u>	<u>100.0</u>	<u>372,092,182</u>	<u>100.0</u>	<b>Total liabilities and equity</b>		<u>\$ 431,943,196</u>	<u>100.0</u>	<u>363,356,421</u>	<u>100.0</u>	<u>372,092,182</u>	<u>100.0</u>

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 Comprehensive Income****For the three months and nine months ended September 30, 2018 and 2017****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)**

	For the three months ended September				For the nine months ended September				
	30		30		30		30		
	2018	2017	2018	2017	2018	2017	2018	2017	
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	Net sales revenue (notes (6)(aa), (6)(ab) and 7)	\$ 253,408,464	100	231,608,520	100	687,404,390	100.0	632,816,467	100.0
5000	Cost of sales (notes (6)(k), (6)(v), 7 and 12)	<u>246,019,083</u>	<u>97.1</u>	<u>223,668,179</u>	<u>96.6</u>	<u>665,592,534</u>	<u>96.8</u>	<u>609,243,288</u>	<u>96.3</u>
	<b>Gross profit</b>	<u>7,389,381</u>	<u>2.9</u>	<u>7,940,341</u>	<u>3.4</u>	<u>21,811,856</u>	<u>3.2</u>	<u>23,573,179</u>	<u>3.7</u>
	<b>Operating expenses: (notes (6)(u), (6)(v) and 12)</b>								
6100	Selling expenses	1,109,378	0.4	876,518	0.4	3,171,629	0.5	5,917,386	0.9
6200	Administrative expenses	1,106,466	0.4	1,012,687	0.4	3,084,256	0.4	2,853,606	0.5
6300	Research and development expenses	<u>3,267,254</u>	<u>1.3</u>	<u>3,130,615</u>	<u>1.4</u>	<u>8,971,307</u>	<u>1.3</u>	<u>8,040,052</u>	<u>1.3</u>
		<u>5,483,098</u>	<u>2.1</u>	<u>5,019,820</u>	<u>2.2</u>	<u>15,227,192</u>	<u>2.2</u>	<u>16,811,044</u>	<u>2.7</u>
	<b>Net operating income</b>	<u>1,906,283</u>	<u>0.8</u>	<u>2,920,521</u>	<u>1.2</u>	<u>6,584,664</u>	<u>1.0</u>	<u>6,762,135</u>	<u>1.0</u>
	<b>Non-operating income and expenses:</b>								
7020	Other gains and losses, net (notes (6)(e) and (6)(ad))	2,439,988	0.9	(55,107)	-	2,287,729	0.3	(1,811,825)	(0.3)
7050	Finance costs	(709,778)	(0.3)	(297,505)	(0.1)	(1,741,563)	(0.3)	(863,995)	(0.1)
7190	Other income (notes (6)(u) and (6)(ad))	490,734	0.2	294,140	0.1	1,562,778	0.2	1,186,079	0.2
7590	Miscellaneous disbursements	(4,561)	-	(1,662)	-	(12,959)	-	(58,961)	-
7770	Share of profit (loss) of associates and joint ventures accounted for using equity method (note (6)(l))	<u>253,887</u>	<u>0.1</u>	<u>117,728</u>	<u>0.1</u>	<u>548,123</u>	<u>0.1</u>	<u>314,166</u>	<u>-</u>
	<b>Total non-operating income and expenses</b>	<u>2,470,270</u>	<u>0.9</u>	<u>57,594</u>	<u>0.1</u>	<u>2,644,108</u>	<u>0.3</u>	<u>(1,234,536)</u>	<u>(0.2)</u>
7900	<b>Profit before tax</b>	<u>4,376,553</u>	<u>1.7</u>	<u>2,978,115</u>	<u>1.2</u>	<u>9,228,772</u>	<u>1.3</u>	<u>5,527,599</u>	<u>0.8</u>
7950	<b>Less: Tax expense (note (6)(w))</b>	<u>514,537</u>	<u>0.2</u>	<u>531,459</u>	<u>0.2</u>	<u>1,494,285</u>	<u>0.2</u>	<u>1,555,563</u>	<u>0.2</u>
	<b>Profit</b>	<u>3,862,016</u>	<u>1.5</u>	<u>2,446,656</u>	<u>1.0</u>	<u>7,734,487</u>	<u>1.1</u>	<u>3,972,036</u>	<u>0.6</u>
8300	<b>Other comprehensive income:</b>								
8310	<b>Items that will not be reclassified subsequently to profit or loss</b>								
8316	Other comprehensive income, before tax, equity instruments at fair value through other comprehensive income	(58,370)	-	-	-	(779,603)	(0.1)	-	-
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)	(5,737)	-	-	-	(60,578)	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note (6)(w))	<u>(10,337)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,244</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Components of other comprehensive income that will not be reclassified to profit or loss	<u>(74,444)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(785,937)</u>	<u>(0.1)</u>	<u>-</u>	<u>-</u>
8360	<b>Items that will be reclassified subsequently to profit or loss</b>								
8361	Other comprehensive income, before tax, exchange differences on translation of foreign financial statement	106,108	-	(249,629)	(0.1)	1,416,190	0.2	(3,778,116)	(0.6)
8362	Other comprehensive income, before tax, available-for-sale financial assets	-	-	(210,063)	(0.1)	-	-	510,863	0.1
8363	Gains (losses) on effective portion of cash flow hedges (note (6)(ae))	-	-	31,475	-	-	-	(25,419)	-
8368	Gains (losses) on hedging instrument (note (6)(ae))	(10,530)	-	-	-	(1,808)	-	-	-
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method	(269,454)	(0.1)	97,161	-	(222,328)	-	(45,476)	-
8399	Income tax relating to items that will be reclassified to profit or loss (note (6)(w))	<u>(212)</u>	<u>-</u>	<u>(20,815)</u>	<u>-</u>	<u>(4,354)</u>	<u>-</u>	<u>(36,874)</u>	<u>-</u>
	Components of other comprehensive income (loss) that will be reclassified to profit or loss	<u>(174,088)</u>	<u>(0.1)</u>	<u>(351,871)</u>	<u>(0.2)</u>	<u>1,187,700</u>	<u>0.2</u>	<u>(3,375,022)</u>	<u>(0.5)</u>
8300	<b>Other comprehensive income (loss), net</b>	<u>(248,532)</u>	<u>(0.1)</u>	<u>(351,871)</u>	<u>(0.2)</u>	<u>401,763</u>	<u>0.1</u>	<u>(3,375,022)</u>	<u>(0.5)</u>
8500	<b>Comprehensive income</b>	<u>\$ 3,613,484</u>	<u>1.4</u>	<u>2,094,785</u>	<u>0.8</u>	<u>8,136,250</u>	<u>1.2</u>	<u>597,014</u>	<u>0.1</u>
	<b>Profit, attributable to:</b>								
8610	Profit, attributable to owners of parent	\$ 3,733,179	1.4	2,323,844	1.0	7,218,776	1.0	3,651,541	0.5
8620	Profit, attributable to non-controlling interests	<u>128,837</u>	<u>0.1</u>	<u>122,812</u>	<u>0.1</u>	<u>515,711</u>	<u>0.1</u>	<u>320,495</u>	<u>0.1</u>
		<u>\$ 3,862,016</u>	<u>1.5</u>	<u>2,446,656</u>	<u>1.0</u>	<u>7,734,487</u>	<u>1.1</u>	<u>3,972,036</u>	<u>0.6</u>
	<b>Comprehensive income attributable to:</b>								
8710	Comprehensive income (loss), attributable to owners of parent	\$ 3,490,118	1.5	1,949,221	0.8	7,604,613	1.1	324,931	0.1
8720	Comprehensive income (loss), attributable to non-controlling interests	<u>123,366</u>	<u>-</u>	<u>145,564</u>	<u>0.1</u>	<u>531,637</u>	<u>0.1</u>	<u>272,083</u>	<u>-</u>
		<u>\$ 3,613,484</u>	<u>1.5</u>	<u>2,094,785</u>	<u>0.9</u>	<u>8,136,250</u>	<u>1.2</u>	<u>597,014</u>	<u>0.1</u>
	<b>Earnings per share (note 6(z))</b>								
9750	<b>Basic earnings per share</b>	<u>\$ 0.86</u>		<u>0.53</u>		<u>1.66</u>		<u>0.84</u>	
9850	<b>Diluted earnings per share</b>	<u>\$ 0.85</u>		<u>0.53</u>		<u>1.64</u>		<u>0.83</u>	

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 nine months ended September 30, 2018 and 2017**

**(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent														Total equity
	Retained earnings						Total 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 financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Unearned employee benefit and others	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	
<b>Balance at January 1, 2017</b>	\$ 44,241,606	11,779,274	17,439,772	3,199,674	34,649,963	55,289,409	1,324,282	-	(5,663,830)	(285,105)	(4,624,653)	(881,247)	105,804,389	6,479,426	112,283,815
Profit for the nine months ended September 30, 2017	-	-	-	-	3,651,541	3,651,541	-	-	-	-	-	-	3,651,541	320,495	3,972,036
Other comprehensive income	-	-	-	-	-	-	(3,792,657)	-	473,005	(6,958)	(3,326,610)	-	(3,326,610)	(48,412)	(3,375,022)
Total comprehensive income	-	-	-	-	3,651,541	3,651,541	(3,792,657)	-	473,005	(6,958)	(3,326,610)	-	324,931	272,083	597,014
Appropriation and distribution of retained 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)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	16,038	-	-	-	-	-	-	-	-	-	-	16,038	-	16,038
Changes in ownership interests in subsidiaries	-	57	-	-	(359)	(359)	-	-	-	-	-	-	(302)	-	(302)
Changes in equity of associates and joint ventures accounted for using equity method	-	14,176	-	-	-	-	-	-	-	-	-	-	14,176	-	14,176
Share-based payments transaction	(38,800)	(49,346)	-	-	9,352	9,352	-	-	-	160,868	160,868	-	82,074	-	82,074
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	60,027	-	-	-	-	-	-	-	-	-	-	60,027	-	60,027
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(264,284)	(264,284)
<b>Balance at September 30, 2017</b>	<b>\$ 44,202,806</b>	<b>10,935,795</b>	<b>18,252,861</b>	<b>4,339,549</b>	<b>31,935,380</b>	<b>54,527,790</b>	<b>(2,468,375)</b>	<b>-</b>	<b>(5,190,825)</b>	<b>(131,195)</b>	<b>(7,790,395)</b>	<b>(881,247)</b>	<b>100,994,749</b>	<b>6,487,225</b>	<b>107,481,974</b>
<b>Balance at January 1, 2018</b>	\$ 44,191,916	10,938,773	18,252,861	4,339,549	33,964,736	56,557,146	(3,477,376)	-	(5,353,772)	(79,856)	(8,911,004)	(881,247)	101,895,584	6,752,388	108,647,972
Effects of retrospective application	-	-	-	-	494,051	494,051	-	(5,847,823)	5,353,772	-	(494,051)	-	-	-	-
Adjusted balance at January 1, 2018	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 nine months ended September 30, 2018	-	-	-	-	7,218,776	7,218,776	-	-	-	-	-	-	7,218,776	515,711	7,734,487
Other comprehensive income	-	-	-	-	28,828	28,828	1,175,865	(818,204)	-	(652)	357,009	-	385,837	15,926	401,763
Total comprehensive income	-	-	-	-	7,247,604	7,247,604	1,175,865	(818,204)	-	(652)	357,009	-	7,604,613	531,637	8,136,250
Appropriation and distribution of retained 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	-	128	-	-	(477,345)	(477,345)	-	476,199	-	-	476,199	-	(1,018)	-	(1,018)
Changes in equity of associates and joint ventures 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	-	60,021	-	-	-	-	-	-	-	-	-	-	60,021	-	60,021
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	(1,024,470)	(1,024,470)	-	1,024,470	-	-	1,024,470	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(312,283)	(312,283)
<b>Balance at September 30, 2018</b>	<b>\$ 44,071,466</b>	<b>9,965,268</b>	<b>18,827,814</b>	<b>8,831,148</b>	<b>30,765,863</b>	<b>58,424,825</b>	<b>(2,301,511)</b>	<b>(5,164,228)</b>	<b>-</b>	<b>(652)</b>	<b>(7,466,391)</b>	<b>(881,247)</b>	<b>104,113,921</b>	<b>6,971,742</b>	<b>111,085,663</b>

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 Cash Flows****For the nine months ended September 30, 2018 and 2017****(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the nine months ended September 30</b>	
	<b>2018</b>	<b>2017</b>
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit before tax</b>	\$ 9,228,772	5,527,599
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation and amortization	3,661,736	4,046,905
Increase (decrease) in expected credit loss /allowance for uncollectible accounts	10,730	3,014,172
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(77,875)	-
Finance cost	1,741,563	863,995
Interest income	(986,443)	(617,437)
Dividend income	(279,044)	(169,837)
Compensation cost of share-based payments	(156,241)	89,006
Share of profit of associates and joint ventures accounted for using equity method	(548,123)	(314,166)
Loss (gain) on disposal of property, plant and equipment	(23,645)	(82,134)
Loss (gain) on disposal of investments	(2,511,085)	(6,525)
Long-term prepaid rents	10,054	9,815
<b>Total adjustments to reconcile profit (loss)</b>	<u>841,627</u>	<u>6,833,794</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Decrease (increase) in financial assets at fair value through profit or loss	-	79,760
Decrease (increase) in financial assets mandatorily measured at fair value through profit or loss	(3,003,940)	-
Decrease (increase) in notes and accounts receivable	(31,981,516)	(4,924,611)
Decrease (increase) in other receivable	(1,092,309)	(989,021)
Decrease (increase) in inventories	(33,482,419)	(27,619,537)
Decrease (increase) in other current assets	48,682	(746,084)
Decrease (increase) in other non-current assets	(130,024)	(27,851)
<b>Total changes in operating assets</b>	<u>(69,641,526)</u>	<u>(34,227,344)</u>
<b>Changes in operating liabilities:</b>		
Increase (decrease) in financial liabilities designated as at fair value through profit or loss	(12,917)	(77,793)
Increase (decrease) in notes and accounts payable	28,550,272	31,107,868
Increase (decrease) in other payable	5,715,032	(1,408,188)
Increase (decrease) in refund liabilities	(479,638)	-
Increase (decrease) in provisions	53,939	(171,934)
Increase (decrease) in unearned revenue	-	(90,873)
Increase (decrease) in contract liabilities	(185,033)	-
Increase (decrease) in other current liabilities	(483,329)	114,298
Others	19,800	52,246
<b>Total changes in operating liabilities</b>	<u>33,178,126</u>	<u>29,525,624</u>
<b>Total changes in operating assets and liabilities</b>	<u>(36,463,400)</u>	<u>(4,701,720)</u>
<b>Total adjustments</b>	<u>(35,621,773)</u>	<u>2,132,074</u>
Cash inflow (outflow) generated from operations	(26,393,001)	7,659,673
Interest received	986,465	641,934
Dividends received	411,211	313,736
Interest paid	(1,608,800)	(843,775)
Income taxes paid	(1,437,782)	(1,430,129)
<b>Net cash flows from (used in) operating activities</b>	<u>(28,041,907)</u>	<u>6,341,439</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of investments accounted for using equity method and financial assets at fair value through other comprehensive income	(107,877)	(97,009)
Proceeds from disposal of investments accounted for using equity method and financial assets at fair value through other comprehensive income	7,810,066	2,276,522
Proceeds from disposal of financial assets at fair value through profit or loss	294,326	-
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	12,025	26,080
Acquisition of property, plant and equipment	(3,354,526)	(2,305,928)
Proceeds from disposal of property, plant and equipment	28,576	127,224
Acquisition of intangible assets	(434,604)	(318,973)
Increase in long-term prepaid rents	(315,371)	-
Others	(66,164)	4,453
<b>Net cash flows from (used in) investing activities</b>	<u>4,216,451</u>	<u>191,369</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase (decrease) in short-term borrowings	28,444,126	2,533,548
Proceeds from long-term borrowings	21,567,199	8,578,598
Repayments of long-term borrowings	(19,507,431)	(11,139,820)
Cash dividends paid	(5,228,555)	(5,246,557)
Acquisition of non-controlling interests	(1,570)	(6,675)
Change in non-controlling interests	(300,163)	(248,802)
Others	20,008	(26,959)
<b>Net cash flows from (used in) financing activities</b>	<u>24,993,614</u>	<u>(5,556,667)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>833,962</u>	<u>(2,293,245)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>2,002,120</u>	<u>(1,317,104)</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>70,062,713</u>	<u>72,950,596</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 72,064,833</u>	<u>71,633,492</u>

See accompanying notes to financial statements.