

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 September 30, 2013, and December 31, September 30 and January 1, 2012, the consolidated statements of comprehensive income for the three months and nine months ended September 30, 2013 and 2012, and changes in stockholders' equity and cash flows for the nine months ended September 30, 2013 and 2012. 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 \$18,671,550,000 and \$42,022,741,000, constituting 5.9% and 14.5% of consolidated totals, as of September 30, 2013 and 2012, respectively. The total liabilities of these subsidiaries amounting to \$4,148,843,000 and \$30,035,123,000, constituting 2.0% and 17.0% of the consolidated totals, as of September 30, 2013 and 2012, respectively. The comprehensive income (loss) of these subsidiaries amounting to \$80,029,000, \$739,319,000, \$461,873,000 and \$1,840,681,000, constituting (2.4)%, 78.8%, 26.2%, and 37.4% of the consolidated totals, for the three months and nine months ended September 30, 2013 and 2012, respectively.

Except as described in the third paragraph, the investments accounted for using equity method amounting to \$7,377,922,000 and \$5,628,920,000 as of September 30, 2013 and 2012, and the related share of other comprehensive loss of associates and joint ventures accounted for using equity method amounting to \$(309,236,000), \$(355,864,000), \$(1,282,617,000) and \$(1,239,726,000) recognized for the three months and nine months ended September 30, 2013 and 2012, 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 the guidelines of International Financial Reporting Standards No. 1, “First-time Adoption of International Financial Reporting Standards” and International Accounting Standards No. 34, “Interim Financial Reporting” which are endorsed by the Financial Supervisory Commission.

As stated in note 6(h) to the consolidated financial statements, Compal Electronics, Inc. and subsidiaries reclassified the investment of VIBO Telecom Inc. from investment accounted for using equity method to non-current assets classified as held for sale, and recognized an impairment loss of \$4,901,360,000 for the three months ended September 30, 2013.

November 13, 2013

The accompanying financial statements are intended only to present the financial position, results of operations, and cash flows in accordance with 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 (Unaudited)

September 30, 2013, and December 31, September 30 and January 1, 2012
(expressed in thousands of New Taiwan dollars)

Assets	September 30, 2013		December 31, 2012		September 30, 2012		January 1, 2012		Liabilities and equity	September 30, 2013		December 31, 2012		September 30, 2012		January 1, 2012	
	Amount	%	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%	Amount	%
Current assets:									Current liabilities:								
Cash and cash equivalents	\$ 59,516,776	18.9	44,154,582	14.2	35,686,811	12.4	52,348,302	18.6	Short-term borrowings	\$ 46,031,843	14.6	36,533,793	11.7	15,152,240	5.3	14,907,377	5.3
Current financial assets at fair value through profit or loss	7,050	-	81,386	-	115,816	-	185,549	-	Current financial liabilities at fair value through profit or loss	65,076	-	39,963	-	42,825	-	3,569	-
Current available-for-sale financial assets	78,986	-	109,792	-	131,708	-	97,092	-	Notes and accounts payable	128,963,795	40.8	136,095,500	43.6	136,188,398	47.1	130,494,478	46.4
Notes and accounts receivable, net	151,467,741	47.9	159,541,841	51.2	149,257,829	51.7	135,893,459	48.3	Notes and accounts payable to related parties	2,086,248	0.7	2,958,167	0.9	3,261,330	1.1	2,277,611	0.8
Notes and accounts receivable due from related parties, net	119,998	-	1,285,357	0.4	105,686	-	19,443	-	Other payables	14,646,507	4.7	11,424,494	3.7	10,899,616	3.8	10,476,301	3.8
Other receivables	543,126	0.2	772,840	0.2	525,348	0.2	474,562	0.2	Current tax liabilities	326,458	0.1	1,064,261	0.3	1,335,272	0.5	1,192,942	0.4
Inventories, net	51,628,790	16.3	51,707,468	16.6	54,749,116	19.0	46,912,683	16.7	Current provisions	1,646,947	0.5	1,939,002	0.7	1,939,121	0.7	2,069,789	0.7
Non-current assets classified as held for sale	485,190	0.2	-	-	-	-	-	-	Other Current liabilities	5,625,847	1.8	3,200,058	1.0	3,180,662	1.1	2,231,356	0.8
Other current assets	1,860,949	0.6	1,480,342	0.5	1,841,473	0.6	1,428,395	0.5	Unearned revenue	1,820,590	0.6	1,697,512	0.6	2,379,388	0.8	3,084,542	1.1
	<u>265,708,606</u>	<u>84.1</u>	<u>259,133,608</u>	<u>83.1</u>	<u>242,413,787</u>	<u>83.9</u>	<u>237,359,485</u>	<u>84.3</u>	Long-term liabilities, current portion	174,012	-	47,383	-	73,633	-	82,000	-
Non-current assets:									Non-current liabilities:								
Investments accounted for using equity method	9,069,691	2.9	11,313,895	3.6	9,007,394	3.1	8,503,244	3.0	Long-term borrowings	2,482,913	0.8	550,604	0.2	521,074	0.2	25,000	-
Non-current available-for-sale financial assets	8,233,760	2.6	8,170,610	2.6	7,032,285	2.4	6,773,364	2.4	Deferred tax liabilities	599,007	0.2	683,049	0.2	723,992	0.2	390,103	0.1
Non-current financial assets at cost	7,006,588	2.2	7,015,000	2.2	7,015,000	2.4	7,017,492	2.5	Accrued pension liabilities	665,895	0.2	693,155	0.2	528,214	0.2	553,467	0.2
Non-current bond investment without active market	1,745,000	0.5	1,745,000	0.6	1,745,000	0.6	1,680,835	0.6	Deferred credits and others	212,744	-	195,494	0.1	189,769	0.1	194,163	0.1
Property, plant and equipment	20,584,425	6.5	20,772,790	6.7	15,586,235	5.4	15,406,493	5.5		<u>3,960,559</u>	<u>1.2</u>	<u>2,122,302</u>	<u>0.7</u>	<u>1,963,049</u>	<u>0.7</u>	<u>1,162,733</u>	<u>0.4</u>
Intangible assets	1,479,177	0.5	1,535,171	0.5	1,585,989	0.6	1,532,829	0.6	Total liabilities	<u>205,347,882</u>	<u>65.0</u>	<u>197,122,435</u>	<u>63.2</u>	<u>176,415,534</u>	<u>61.1</u>	<u>167,982,698</u>	<u>59.7</u>
Deferred tax assets	986,051	0.3	1,094,333	0.4	1,359,080	0.5	1,231,324	0.4	Equity attributable to owners of parent:								
Other non-current financial assets	-	-	65,886	-	64,615	-	118,586	-	Ordinary shares	44,127,967	14.0	44,126,526	14.1	44,124,849	15.3	44,002,554	15.6
Long-term prepaid rents	705,206	0.2	703,079	0.2	712,744	0.3	761,327	0.3	Capital surplus	16,233,295	5.1	16,122,810	5.2	16,121,766	5.6	15,889,855	5.7
Other non-current assets	539,690	0.2	366,333	0.1	2,338,531	0.8	1,038,754	0.4	Retained earnings	50,649,135	16.0	55,053,941	17.7	53,820,326	18.6	54,964,759	19.5
	<u>50,349,588</u>	<u>15.9</u>	<u>52,782,097</u>	<u>16.9</u>	<u>46,446,873</u>	<u>16.1</u>	<u>44,064,248</u>	<u>15.7</u>	Other equity interest	(6,977,840)	(2.2)	(8,382,397)	(2.7)	(9,233,851)	(3.2)	(8,520,843)	(3.0)
									Treasury shares	(2,007,725)	(0.6)	(881,247)	(0.3)	(881,247)	(0.3)	(881,247)	(0.3)
										<u>102,024,832</u>	<u>32.3</u>	<u>106,039,633</u>	<u>34.0</u>	<u>103,951,843</u>	<u>36.0</u>	<u>105,455,078</u>	<u>37.5</u>
									Non-controlling interests	8,685,480	2.7	8,753,637	2.8	8,493,283	2.9	7,985,957	2.8
									Total equity	<u>110,710,312</u>	<u>35.0</u>	<u>114,793,270</u>	<u>36.8</u>	<u>112,445,126</u>	<u>38.9</u>	<u>113,441,035</u>	<u>40.3</u>
Total assets	<u>\$ 316,058,194</u>	<u>100.0</u>	<u>311,915,705</u>	<u>100.0</u>	<u>288,860,660</u>	<u>100.00</u>	<u>281,423,733</u>	<u>100.0</u>	Total liabilities and equity	<u>\$ 316,058,194</u>	<u>100.0</u>	<u>311,915,705</u>	<u>100.0</u>	<u>288,860,660</u>	<u>100.0</u>	<u>281,423,733</u>	<u>100.0</u>

See accompanying notes to financial statements.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated statements of comprehensive income (Unaudited)

**For the three months ended September 30, 2013 and 2012 and for the nine months ended September 30, 2013 and 2012
(expressed in thousands of New Taiwan dollars, except net income per share amounts)**

	Three months ended September 30, 2013		Three months ended September 30, 2012		Nine months ended September 30, 2013		Nine months ended September 30, 2012	
	Amount	%	Amount	%	Amount	%	Amount	%
Net sales revenue	\$ 164,849,264	100.0	172,912,878	100.0	499,284,191	100.0	499,568,371	100.0
Cost of sales	<u>157,883,819</u>	<u>95.8</u>	<u>165,996,893</u>	<u>96.0</u>	<u>478,855,141</u>	<u>95.9</u>	<u>478,222,750</u>	<u>95.7</u>
Gross profit	<u>6,965,445</u>	<u>4.2</u>	<u>6,915,985</u>	<u>4.0</u>	<u>20,429,050</u>	<u>4.1</u>	<u>21,345,621</u>	<u>4.3</u>
Operating expenses:								
Selling expenses	733,267	0.4	944,971	0.6	2,286,228	0.5	2,561,351	0.5
Administrative expenses	1,127,223	0.7	1,070,871	0.6	3,236,053	0.6	3,053,041	0.6
Research and development expenses	<u>2,702,699</u>	<u>1.6</u>	<u>2,782,470</u>	<u>1.6</u>	<u>8,134,199</u>	<u>1.6</u>	<u>8,129,992</u>	<u>1.7</u>
	<u>4,563,189</u>	<u>2.7</u>	<u>4,798,312</u>	<u>2.8</u>	<u>13,656,480</u>	<u>2.7</u>	<u>13,744,384</u>	<u>2.8</u>
Net operating income	<u>2,402,256</u>	<u>1.5</u>	<u>2,117,673</u>	<u>1.2</u>	<u>6,772,570</u>	<u>1.4</u>	<u>7,601,237</u>	<u>1.5</u>
Non-operating income and expenses:								
Other gains and losses	(382,517)	(0.2)	(180,206)	(0.1)	(643,037)	(0.1)	(497,410)	(0.1)
Finance costs	(105,478)	(0.1)	(60,627)	-	(330,647)	(0.1)	(284,346)	(0.1)
Other income	436,200	0.3	579,131	0.3	1,332,706	0.3	1,805,528	0.4
Miscellaneous disbursements	(8,995)	-	(12,285)	-	(18,317)	-	(18,056)	-
Impairment loss	(4,901,360)	(3.0)	-	-	(4,909,772)	(1.0)	(2,492)	-
Share of loss of associates and joint ventures accounted for using equity method	<u>(315,603)</u>	<u>(0.2)</u>	<u>(344,146)</u>	<u>(0.2)</u>	<u>(1,244,004)</u>	<u>(0.3)</u>	<u>(1,252,148)</u>	<u>(0.2)</u>
Total non-operating income and expenses	<u>(5,277,753)</u>	<u>(3.2)</u>	<u>(18,133)</u>	<u>-</u>	<u>(5,813,071)</u>	<u>(1.2)</u>	<u>(248,924)</u>	<u>-</u>
Profit (loss) before tax	<u>(2,875,497)</u>	<u>(1.7)</u>	<u>2,099,540</u>	<u>1.2</u>	<u>959,499</u>	<u>0.2</u>	<u>7,352,313</u>	<u>1.5</u>
Less: tax expense (income)	<u>(351,516)</u>	<u>(0.2)</u>	<u>491,325</u>	<u>0.3</u>	<u>633,717</u>	<u>0.1</u>	<u>1,677,947</u>	<u>0.4</u>
Profit (loss)	<u>(2,523,981)</u>	<u>(1.5)</u>	<u>1,608,215</u>	<u>0.9</u>	<u>325,782</u>	<u>-</u>	<u>5,674,366</u>	<u>1.1</u>
Other comprehensive income:								
Other comprehensive income, before tax, exchange differences on translation	(684,434)	(0.4)	(786,479)	(0.5)	761,724	0.2	(1,251,193)	(0.3)
Other comprehensive income, before tax, available-for-sale financial assets	(152,155)	(0.1)	190,994	0.1	444,252	0.1	843,379	0.2
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(10,631)	-	(76,992)	-	231,481	-	(138,092)	-
Less: income tax relating to components of other comprehensive income	<u>(16,924)</u>	<u>-</u>	<u>(2,056)</u>	<u>-</u>	<u>1,945</u>	<u>-</u>	<u>207,073</u>	<u>-</u>
Other comprehensive income, net	<u>(830,296)</u>	<u>(0.5)</u>	<u>(670,421)</u>	<u>(0.4)</u>	<u>1,435,512</u>	<u>0.3</u>	<u>(752,979)</u>	<u>(0.1)</u>
Comprehensive income	<u>\$ (3,354,277)</u>	<u>(2.0)</u>	<u>937,794</u>	<u>0.5</u>	<u>1,761,294</u>	<u>0.4</u>	<u>4,921,387</u>	<u>1.0</u>
Profit, attributable to:								
Profit, attributable to owners of parent	\$ (2,729,293)	(1.6)	1,507,459	0.8	21,134	-	5,039,429	1.0
Profit, attributable to non-controlling interests	<u>205,312</u>	<u>0.1</u>	<u>100,756</u>	<u>0.1</u>	<u>304,648</u>	<u>0.1</u>	<u>634,937</u>	<u>0.1</u>
	<u>\$ (2,523,981)</u>	<u>(1.5)</u>	<u>1,608,215</u>	<u>0.9</u>	<u>325,782</u>	<u>0.1</u>	<u>5,674,366</u>	<u>1.1</u>
Comprehensive income attributable to:								
Comprehensive income, attributable to owners of parent	\$ (3,531,064)	(2.1)	867,503	0.5	1,436,857	0.3	4,326,421	0.9
Comprehensive income, attributable to non- controlling interests	<u>176,787</u>	<u>0.1</u>	<u>70,291</u>	<u>-</u>	<u>324,437</u>	<u>0.1</u>	<u>594,966</u>	<u>0.1</u>
	<u>\$ (3,354,277)</u>	<u>(2.0)</u>	<u>937,794</u>	<u>0.5</u>	<u>1,761,294</u>	<u>0.4</u>	<u>4,921,387</u>	<u>1.0</u>
Earnings per share:								
Basic net income per share	<u>\$ (0.63)</u>		<u>0.35</u>		<u>-</u>		<u>1.16</u>	
Diluted net income per share	<u>\$ (0.63)</u>		<u>0.34</u>		<u>-</u>		<u>1.14</u>	

See accompanying notes to financial statements.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

**Consolidated statements of changes in equity (Unaudited)
For the nine months ended September 30, 2013 and 2012
(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, 2012	\$ 44,002,554	15,889,855	13,878,611	4,825,698	36,260,450	54,964,759	(1,234,125)	(7,286,718)	(8,520,843)	(881,247)	105,455,078	7,985,957	113,441,035
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	1,101,468	-	(1,101,468)	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	3,887,320	(3,887,320)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(6,175,351)	(6,175,351)	-	-	-	-	(6,175,351)	-	(6,175,351)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	(3,635)	(3,635)	-	-	-	-	(3,635)	-	(3,635)
Changes in equity of associates and joint ventures accounted for using equity method	-	4,878	-	-	(4,876)	(4,876)	-	-	-	-	2	-	2
Issuance of shares for employee share options exercised	122,295	157,023	-	-	-	-	-	-	-	-	279,318	-	279,318
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	70,010	-	-	-	-	-	-	-	-	70,010	-	70,010
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(87,640)	(87,640)
	<u>44,124,849</u>	<u>16,121,766</u>	<u>14,980,079</u>	<u>8,713,018</u>	<u>25,087,800</u>	<u>48,780,897</u>	<u>(1,234,125)</u>	<u>(7,286,718)</u>	<u>(8,520,843)</u>	<u>(881,247)</u>	<u>99,625,422</u>	<u>7,898,317</u>	<u>107,523,739</u>
Profit for the nine months ended September 30, 2012	-	-	-	-	5,039,429	5,039,429	-	-	-	-	5,039,429	634,937	5,674,366
Other comprehensive income	-	-	-	-	-	-	(1,525,033)	812,025	(713,008)	-	(713,008)	(39,971)	(752,979)
Comprehensive income	-	-	-	-	5,039,429	5,039,429	(1,525,033)	812,025	(713,008)	-	4,326,421	594,966	4,921,387
Balance on September 30, 2012	\$ <u>44,124,849</u>	<u>16,121,766</u>	<u>14,980,079</u>	<u>8,713,018</u>	<u>30,127,229</u>	<u>53,820,326</u>	<u>(2,759,158)</u>	<u>(6,474,693)</u>	<u>(9,233,851)</u>	<u>(881,247)</u>	<u>103,951,843</u>	<u>8,493,283</u>	<u>112,445,126</u>
Balance on January 1, 2013	\$ 44,126,526	16,122,810	14,980,079	8,713,018	31,360,844	55,053,941	(3,134,265)	(5,248,132)	(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	-	69,901	-	-	(38,034)	(38,034)	(11,070)	(96)	(11,166)	-	20,701	98,151	118,852
Changes in equity of associates and joint ventures accounted for using equity method	-	(10,947)	-	-	(3,720)	(3,720)	-	-	-	-	(14,667)	-	(14,667)
Issuance of shares for employee share options exercised	1,441	1,513	-	-	-	-	-	-	-	-	2,954	-	2,954
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	50,018	-	-	-	-	-	-	-	-	50,018	-	50,018
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(490,745)	(490,745)
	<u>44,127,967</u>	<u>16,233,295</u>	<u>15,621,182</u>	<u>8,818,725</u>	<u>26,188,094</u>	<u>50,628,001</u>	<u>(3,145,335)</u>	<u>(5,248,228)</u>	<u>(8,393,563)</u>	<u>(2,007,725)</u>	<u>100,587,975</u>	<u>8,361,043</u>	<u>108,949,018</u>
Profit for the nine months ended September 30, 2013	-	-	-	-	21,134	21,134	-	-	-	-	21,134	304,648	325,782
Other comprehensive income	-	-	-	-	-	-	916,999	498,724	1,415,723	-	1,415,723	19,789	1,435,512
Comprehensive income	-	-	-	-	21,134	21,134	916,999	498,724	1,415,723	-	1,436,857	324,437	1,761,294
Balance on September 30, 2013	\$ <u>44,127,967</u>	<u>16,233,295</u>	<u>15,621,182</u>	<u>8,818,725</u>	<u>26,209,228</u>	<u>50,649,135</u>	<u>(2,228,336)</u>	<u>(4,749,504)</u>	<u>(6,977,840)</u>	<u>(2,007,725)</u>	<u>102,024,832</u>	<u>8,685,480</u>	<u>110,710,312</u>

See accompanying notes to financial statements.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated statements of cash flows (Unaudited)

For the nine months ended September 30, 2013 and 2012

(expressed in thousands of New Taiwan dollars)

	2013	2012
Cash flows from (used in) operating activities:		
Profit before tax	\$ 959,499	7,352,313
Adjustments:		
Depreciation and amortization	4,297,437	3,896,793
Increase (decrease) in allowances for uncollectible accounts and allowance for sales returns and discounts	(17,103)	63,788
Interest expense	330,647	284,346
Interest income	(436,863)	(633,216)
Compensation cost of employee share options	28,922	49,576
Share of loss (profit) of associates and joint ventures accounted for using equity method	1,244,004	1,252,148
Cash dividends received from long-term equity investments	25,323	3,216
Gain on disposal of property, plan and equipment	(43,778)	(135,817)
Gain on disposal of investments	(116,105)	(24,442)
Impairment loss on financial assets	4,909,772	2,492
Long-term prepaid rents	9,876	11,840
Adjustments to reconcile profit	<u>10,232,132</u>	<u>4,770,724</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Changes in financial assets at fair value through profit or loss	74,336	69,733
Decrease (increase) in notes and accounts receivable	9,361,508	(13,514,401)
Decrease (increase) in other receivable	422,130	(88,763)
Decrease (increase) in inventories	96,393	(7,836,433)
Decrease (increase) in other current assets	(327,392)	(408,229)
Total changes in operating assets	<u>9,626,975</u>	<u>(21,778,093)</u>
Changes in operating liabilities:		
Changes in financial liabilities at fair value through profit or loss	25,113	39,256
Increase (decrease) in notes and accounts payable	(8,093,087)	6,677,639
Increase (decrease) in other payable	3,093,230	556,601
Increase (decrease) in provisions	(292,055)	(130,668)
Increase (decrease) in unearned revenue	123,078	(705,154)
Increase (decrease) in other current liabilities	(626,746)	949,306
Other	(55,554)	(219,701)
Total changes in operating liabilities	<u>(5,826,021)</u>	<u>7,167,279</u>
Total changes in operating assets and liabilities	<u>3,800,954</u>	<u>(14,610,814)</u>
Total adjustments	<u>14,033,086</u>	<u>(9,840,090)</u>
Cash flows from (used in) operations	14,992,585	(2,487,777)
Interest received	447,532	671,193
Interest paid	(321,309)	(290,171)
Income taxes paid	(1,559,769)	(1,403,622)
Net Cash flows from (used in) operating activities	<u>13,559,039</u>	<u>(3,510,377)</u>
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method and available-for-sale financial assets	(1,081,464)	(1,991,870)
Proceeds from disposal of available-for-sale financial assets	535,099	594,707
Net cash flow from acquisition of subsidiaries	(24,102)	-
Proceeds from capital reduction of investments	25,456	52,822
Acquisition of property, plant and equipment	(3,880,382)	(4,146,420)
Proceeds from disposal of property, plant and equipment	906,831	362,038
Acquisition of intangible assets	(578,785)	(759,968)
Increase in prepayments for business facilities	(224,838)	(1,280,907)
Other	129,768	897
Net cash flows from (used in) investing activities	<u>(4,192,417)</u>	<u>(7,168,701)</u>
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	9,498,050	244,863
Proceeds from long-term debt	2,058,938	557,207
Repayments of long-term debt	-	(69,500)
Cash dividends paid	(4,334,168)	(6,105,341)
Exercise of employee share options	2,954	279,318
Payments to acquire treasury shares	(1,126,478)	-
Disposal of ownership interests in subsidiaries (without losing control)	141,517	-
Changes in non-controlling interests	(458,938)	(137,947)
Other	25,541	(27,120)
Net cash flows from (used in) financing activities	<u>5,807,416</u>	<u>(5,258,520)</u>
Effect of exchange rate changes on cash and cash equivalents	188,156	(723,893)
Net increase (decrease) in cash and cash equivalents	15,362,194	(16,661,491)
Cash and cash equivalents at beginning of period	44,154,582	52,348,302
Cash and cash equivalents at end of period	<u>\$ 59,516,776</u>	<u>35,686,811</u>

See accompanying notes to financial statements.