

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, 2014, and 2013, the consolidated statements of comprehensive income for the three months and nine months ended September 30, 2014 and 2013 and changes in stockholders' equity and cash flows for the nine months ended September 30, 2014 and 2013. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our review.

Except as described in the following two paragraphs, we conducted our review in accordance with the guidelines of ROC Statement on Auditing Standards No. 36, "Engagements to Review Financial Statements". Those guidelines require that we plan and perform the review, consisting principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China and with the objective of expressing an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

Also included in the accompanying consolidated financial statements are the financial statements of certain consolidated subsidiaries, which were not reviewed by independent auditors. These consolidated subsidiaries reflect total assets amounting to \$24,194,454,000 and \$18,671,550,000, constituting 6.7% and 5.9% of consolidated totals, as of September 30, 2014 and 2013, respectively. The total liabilities of these subsidiaries amounting to \$3,376,456,000 and \$4,148,843,000, constituting 1.3% and 2.0% of the consolidated totals, as of September 30, 2014 and 2013, respectively. The comprehensive income (loss) of these subsidiaries amounting to \$447,366,000, \$80,029,000, \$924,338,000 and \$461,873,000, constituting 12.2%, (2.4)%, 18.2% and 26.2% of the consolidated totals, for the three months and nine months ended September 30, 2014 and 2013, respectively.

Except as described in the third paragraph, the investments accounted for using equity method amounting to \$899,008,000 as of September 30, 2013, and the related share of loss of associates and joint ventures accounted for using equity method amounting to \$319,970,000 and \$1,096,199,000 recognized for the three months and nine months ended September 30, 2013, respectively, were based on the investees' financial statements without review procedures conducted by independent auditors.

Based on our review, we are not aware of any modifications that should be made, in any material respects, except for the effects of the adjustments, if any, that might have emerged had the financial statements of the said consolidated subsidiaries and the investees accounted for using equity method been reviewed by independent auditors, to the accompanying consolidated financial statements described in the first paragraph for them to be in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards No. 34, "Interim Financial Reporting" which are endorsed by the Financial Supervisory Commission.

As stated in note 6(c) of the consolidated financial statements, Compal Electronics, Inc. and its subsidiaries recognized an impairment loss of \$4,730,000,000 on the equity investment in Chunghwa Picture Tube, Ltd. for the three months ended March 31, 2014.

As stated in note 6(c) of the consolidated financial statements, Compal Electronics, Inc. and its subsidiaries convert stock investment in VIBO. to non-current assets held for sale and recognized an impairment loss of \$4,901,360,000 for the nine months ended September 30, 2014.

November 13, 2014

The accompanying financial statements are intended only to present the financial position, results of operations, and cash flows in accordance with the International Financial Reporting Standards, International Accounting Standards and interpretations endorsed by the Financial Supervisory Commissions in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language versions of the auditors' report and financial statements, the Chinese version shall prevail.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated Balance Sheets (the amounts as of September 30, 2014 and 2013 are unaudited)

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

Assets	September 30, 2014		December 31, 2013		September 30, 2013		Liabilities and equity	September 30, 2014		December 31, 2013		September 30, 2013	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Current assets:							Current liabilities:						
Cash and cash equivalents	\$ 56,095,730	15.5	46,965,852	14.0	59,516,776	18.9	Short-term borrowings	\$ 35,293,535	9.7	51,971,767	15.5	46,031,843	14.6
Current financial assets at fair value through profit or loss	97,939	-	83,772	-	7,050	-	Current financial liabilities at fair value through profit or loss	13,610	-	11,382	-	65,076	-
Current available-for-sale financial assets	47,335	-	80,275	-	78,986	-	Notes and accounts payable	174,641,932	48.1	143,514,698	42.7	128,963,795	40.8
Current bond investment without active market	350,000	0.1	1,745,000	0.5	-	-	Notes and accounts payable to related parties	1,030,236	0.3	1,944,703	0.6	2,086,248	0.7
Notes and accounts receivable, net	176,845,030	48.8	183,481,024	54.6	151,467,741	47.9	Other payables	17,917,964	4.9	15,601,065	4.6	14,646,507	4.7
Notes and accounts receivable due from related parties, net	570,155	0.2	214,854	0.1	119,998	-	Current tax liabilities	1,381,168	0.4	1,006,058	0.3	326,458	0.1
Other receivables	1,403,254	0.4	830,638	0.3	543,126	0.2	Current provisions	1,971,298	0.5	1,675,765	0.5	1,646,947	0.5
Inventories, net	73,748,438	20.3	51,219,127	15.2	51,628,790	16.3	Other current liabilities	3,500,377	1.0	2,559,650	0.8	5,625,847	1.8
Non-current assets classified as held for sale	-	-	1,000,000	0.3	485,190	0.2	Unearned revenue	2,178,080	0.6	1,889,019	0.6	1,820,590	0.6
Other current assets	2,618,199	0.7	1,760,278	0.5	1,860,949	0.6	Long-term borrowings, current portion	774,965	0.2	423,154	0.1	174,012	-
	<u>311,776,080</u>	<u>86.0</u>	<u>287,380,820</u>	<u>85.5</u>	<u>265,708,606</u>	<u>84.1</u>		<u>238,703,165</u>	<u>65.7</u>	<u>220,597,261</u>	<u>65.7</u>	<u>201,387,323</u>	<u>63.8</u>
Non-current assets:							Non-current liabilities:						
Investments accounted for using equity method	10,483,501	2.9	9,301,877	2.8	8,953,216	2.9	Long-term borrowings	23,627,131	6.5	14,107,367	4.2	2,482,913	0.8
Non-current available-for-sale financial assets	11,983,786	3.3	14,695,637	4.4	15,233,760	4.8	Deferred tax liabilities	704,827	0.2	678,587	0.2	599,007	0.2
Non-current financial assets at cost	18,675	-	6,588	-	6,588	-	Accrued pension liabilities	644,392	0.2	658,410	0.2	665,895	0.2
Non-current bond investment without active market	1,400,000	0.4	-	-	1,745,000	0.5	Other non-current liabilities	133,144	-	98,917	-	96,269	-
Property, plant and equipment	23,562,862	6.5	21,209,228	6.3	20,584,425	6.5		<u>25,109,494</u>	<u>6.9</u>	<u>15,543,281</u>	<u>4.6</u>	<u>3,844,084</u>	<u>1.2</u>
Intangible assets	1,116,849	0.3	1,293,643	0.4	1,479,177	0.5	Total liabilities	<u>263,812,659</u>	<u>72.6</u>	<u>236,140,542</u>	<u>70.3</u>	<u>205,231,407</u>	<u>65.0</u>
Deferred tax assets	1,206,930	0.3	1,174,203	0.3	986,051	0.3	Equity attributable to owners of parent:						
Long-term prepaid rents	710,504	0.2	707,261	0.2	705,206	0.2	Ordinary shares	44,208,778	12.2	44,134,467	13.1	44,127,967	14.0
Other non-current assets	463,337	0.1	333,557	0.1	539,690	0.2	Capital surplus	14,271,801	4.0	16,193,087	4.8	16,233,295	5.1
	<u>50,946,444</u>	<u>14.0</u>	<u>48,721,994</u>	<u>14.5</u>	<u>50,233,113</u>	<u>15.9</u>	Retained earnings	43,194,318	11.9	44,260,834	13.2	50,649,135	16.0
							Other equity interest	(5,690,967)	(1.5)	(7,707,518)	(2.3)	(6,977,840)	(2.2)
							Treasury shares	(1,724,739)	(0.5)	(2,007,725)	(0.6)	(2,007,725)	(0.6)
								<u>94,259,191</u>	<u>26.1</u>	<u>94,873,145</u>	<u>28.2</u>	<u>102,024,832</u>	<u>32.3</u>
							Non-controlling interests	4,650,674	1.3	5,089,127	1.5	8,685,480	2.7
							Total equity	<u>98,909,865</u>	<u>27.4</u>	<u>99,962,272</u>	<u>29.7</u>	<u>110,710,312</u>	<u>35.0</u>
Total assets	\$ <u>362,722,524</u>	<u>100.0</u>	<u>336,102,814</u>	<u>100.0</u>	<u>315,941,719</u>	<u>100.0</u>	Total liabilities and equity	\$ <u>362,722,524</u>	<u>100.0</u>	<u>336,102,814</u>	<u>100.0</u>	<u>315,941,719</u>	<u>100.0</u>

See accompanying notes to the consolidated financial statements.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated statements of comprehensive income (Unaudited)

For the three months and nine months ended September 30, 2014 and 2013
(expressed in thousands of New Taiwan dollars, except net income per share amounts)

	Three months ended September 30, 2014		Three months ended September 30, 2013		Nine months ended September 30, 2014		Nine months ended September 30, 2013	
	Amount	%	Amount	%	Amount	%	Amount	%
Net sales revenue	\$ 226,793,017	100.0	164,849,264	100.0	599,297,961	100.0	499,284,191	100.0
Cost of sales	<u>219,397,758</u>	<u>96.7</u>	<u>157,883,819</u>	<u>95.8</u>	<u>576,689,002</u>	<u>96.2</u>	<u>478,855,141</u>	<u>95.9</u>
Gross profit	<u>7,395,259</u>	<u>3.3</u>	<u>6,965,445</u>	<u>4.2</u>	<u>22,608,959</u>	<u>3.8</u>	<u>20,429,050</u>	<u>4.1</u>
Operating expenses								
Selling expenses	889,395	0.4	733,267	0.4	2,656,462	0.5	2,286,228	0.5
Administrative expenses	1,251,055	0.5	1,127,223	0.7	3,600,381	0.6	3,236,053	0.6
Research and development expenses	<u>3,108,290</u>	<u>1.4</u>	<u>2,702,699</u>	<u>1.6</u>	<u>9,017,784</u>	<u>1.5</u>	<u>8,134,199</u>	<u>1.6</u>
	<u>5,248,740</u>	<u>2.3</u>	<u>4,563,189</u>	<u>2.7</u>	<u>15,274,627</u>	<u>2.6</u>	<u>13,656,480</u>	<u>2.7</u>
Net operating income	<u>2,146,519</u>	<u>1.0</u>	<u>2,402,256</u>	<u>1.5</u>	<u>7,334,332</u>	<u>1.2</u>	<u>6,772,570</u>	<u>1.4</u>
Non-operating income and expenses:								
Other gains and losses	314,897	0.1	(411,307)	(0.2)	275,182	0.1	(599,259)	(0.1)
Finance costs	(244,188)	(0.1)	(105,478)	(0.1)	(736,863)	(0.1)	(330,647)	(0.1)
Other income	424,940	0.2	455,324	0.3	1,400,311	0.2	1,279,262	0.3
Miscellaneous disbursements	283	-	671	-	(4,576)	-	(8,651)	-
Impairment loss	(11,274)	-	(4,901,360)	(3.0)	(4,743,395)	(0.8)	(4,909,772)	(1.0)
Share of gain (loss) of associates and joint ventures accounted for using equity method	<u>453,881</u>	<u>0.2</u>	<u>(315,603)</u>	<u>(0.2)</u>	<u>786,505</u>	<u>0.1</u>	<u>(1,244,004)</u>	<u>(0.3)</u>
Total non-operating income and expenses	<u>938,539</u>	<u>0.4</u>	<u>(5,277,753)</u>	<u>(3.2)</u>	<u>(3,022,836)</u>	<u>(0.5)</u>	<u>(5,813,071)</u>	<u>(1.2)</u>
Profit (loss) before tax	3,085,058	1.4	(2,875,497)	(1.7)	4,311,496	0.7	959,499	0.2
Less: tax expense (income)	<u>370,289</u>	<u>0.2</u>	<u>(351,516)</u>	<u>(0.2)</u>	<u>1,240,601</u>	<u>0.2</u>	<u>633,717</u>	<u>0.1</u>
Profit (loss)	<u>2,714,769</u>	<u>1.2</u>	<u>(2,523,981)</u>	<u>(1.5)</u>	<u>3,070,895</u>	<u>0.5</u>	<u>325,782</u>	<u>0.1</u>
Other comprehensive income:								
Other comprehensive income, before tax, exchange differences on translation	816,549	0.4	(684,434)	(0.4)	858,424	0.1	761,724	0.2
Other comprehensive income, before tax, available-for-sale financial assets	6,538	-	(152,155)	(0.1)	1,225,875	0.2	444,252	0.1
Share of other comprehensive income of associates and joint ventures accounted for using equity method	129,884	-	(10,631)	-	(44,004)	-	231,481	-
Less: income tax relating to components of other comprehensive income	<u>(2,536)</u>	<u>-</u>	<u>(16,924)</u>	<u>-</u>	<u>27,072</u>	<u>-</u>	<u>1,945</u>	<u>-</u>
Other comprehensive income, net	<u>955,507</u>	<u>0.4</u>	<u>(830,296)</u>	<u>(0.5)</u>	<u>2,013,323</u>	<u>0.3</u>	<u>1,435,512</u>	<u>0.3</u>
Comprehensive income	<u>\$ 3,670,276</u>	<u>1.6</u>	<u>(3,354,277)</u>	<u>(2.0)</u>	<u>5,084,118</u>	<u>0.8</u>	<u>1,761,294</u>	<u>0.4</u>
Profit, attributable to:								
Profit, attributable to owners of parent	\$ 2,584,492	1.1	(2,729,293)	(1.6)	2,687,723	0.4	21,134	-
Profit, attributable to non-controlling interests	<u>130,277</u>	<u>0.1</u>	<u>205,312</u>	<u>0.1</u>	<u>383,172</u>	<u>0.1</u>	<u>304,648</u>	<u>0.1</u>
	<u>\$ 2,714,769</u>	<u>1.2</u>	<u>(2,523,981)</u>	<u>(1.5)</u>	<u>3,070,895</u>	<u>0.5</u>	<u>325,782</u>	<u>0.1</u>
Comprehensive income attributable to:								
Comprehensive income, attributable to owners of parent	\$ 3,536,344	1.5	(3,531,064)	(2.1)	4,697,424	0.8	1,436,857	0.3
Comprehensive income, attributable to non-controlling interests	<u>133,932</u>	<u>0.1</u>	<u>176,787</u>	<u>0.1</u>	<u>386,694</u>	<u>-</u>	<u>324,437</u>	<u>0.1</u>
	<u>\$ 3,670,276</u>	<u>1.6</u>	<u>(3,354,277)</u>	<u>(2.0)</u>	<u>5,084,118</u>	<u>0.8</u>	<u>1,761,294</u>	<u>0.4</u>
Earnings per share:								
Basic net income per share	<u>\$ 0.60</u>		<u>(0.63)</u>		<u>0.62</u>		<u>-</u>	
Diluted net income per share	<u>\$ 0.60</u>		<u>(0.63)</u>		<u>0.62</u>		<u>-</u>	

See accompanying notes to the consolidated financial statements.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

**Consolidated statements of changes in equity (Unaudited)
For the nine months ended September 30, 2014 and 2013
(expressed in thousands of New Taiwan dollars)**

	Equity attributable to owners of parent												
	Retained earnings					Other equity interest							
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on Available-for-sale financial assets	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance on January 1, 2013	\$ 44,126,526	16,122,810	14,980,079	8,713,018	31,360,844	55,053,941	(3,134,265)	(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	-	71,124	-	-	-	-	(11,070)	(96)	(11,166)	-	59,958	98,151	158,109
Change in ownership interests in subsidiaries	-	(1,223)	-	-	(38,034)	(38,034)	-	-	-	-	(39,257)	-	(39,257)
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>
Balance on January 1, 2014	\$ 44,134,467	16,193,087	15,621,182	8,818,725	19,820,927	44,260,834	(1,846,674)	(5,860,844)	(7,707,518)	(2,007,725)	94,873,145	5,089,127	99,962,272
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	246,721	-	(246,721)	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(1,111,208)	1,111,208	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(2,177,668)	(2,177,668)	-	-	-	-	(2,177,668)	-	(2,177,668)
Cash dividends from capital surplus	-	(2,177,668)	-	-	-	-	-	-	-	-	(2,177,668)	-	(2,177,668)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	1,389	-	-	(1,575,776)	(1,575,776)	6,763	87	6,850	-	(1,567,537)	(628,329)	(2,195,866)
Changes in ownership interests in subsidiaries	-	(1,119)	-	-	(795)	(795)	-	-	-	-	(1,914)	-	(1,914)
Changes in equity of associates and joint ventures accounted for using equity method	-	22,030	-	-	-	-	-	-	-	-	22,030	-	22,030
Issuance of shares for employee share options exercised	74,311	74,702	-	-	-	-	-	-	-	-	149,013	-	149,013
Share-based payment transaction	-	109,389	-	-	-	-	-	-	-	282,986	392,375	-	392,375
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	49,991	-	-	-	-	-	-	-	-	49,991	-	49,991
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(196,818)	(196,818)
	<u>44,208,778</u>	<u>14,271,801</u>	<u>15,867,903</u>	<u>7,707,517</u>	<u>16,931,175</u>	<u>40,506,595</u>	<u>(1,839,911)</u>	<u>(5,860,757)</u>	<u>(7,700,668)</u>	<u>(1,724,739)</u>	<u>89,561,767</u>	<u>4,263,980</u>	<u>93,825,747</u>
Profit for the nine months ended September 30, 2014	-	-	-	-	2,687,723	2,687,723	-	-	-	-	2,687,723	383,172	3,070,895
Other comprehensive income	-	-	-	-	-	-	883,712	1,125,989	2,009,701	-	2,009,701	3,522	2,013,223
Comprehensive income	-	-	-	-	2,687,723	2,687,723	883,712	1,125,989	2,009,701	-	4,697,424	386,694	5,084,118
Balance on September 30, 2014	\$ <u>44,208,778</u>	<u>14,271,801</u>	<u>15,867,903</u>	<u>7,707,517</u>	<u>19,618,898</u>	<u>43,194,318</u>	<u>(956,199)</u>	<u>(4,734,768)</u>	<u>(5,690,967)</u>	<u>(1,724,739)</u>	<u>94,259,191</u>	<u>4,650,674</u>	<u>98,909,865</u>

See accompanying notes to the consolidated financial statements.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated statements of cash flows (Unaudited)

For the nine months ended September 30, 2014 and 2013

(expressed in thousands of New Taiwan dollars)

	2014	2013
Cash flows from (used in) operating activities:		
Profit before tax	\$ <u>4,311,496</u>	<u>959,499</u>
Adjustments:		
Depreciation and amortization	4,499,405	4,297,437
Increase (decrease) in allowances for uncollectible accounts and allowance for sales returns and discounts	49,293	(17,103)
Interest expense	736,863	330,647
Interest income	(788,347)	(436,863)
Dividend income	(208,983)	(179,601)
Compensation cost of employee share options	152,745	28,922
Share of loss (profit) of associates and joint ventures accounted for using equity method	(786,505)	1,244,004
Gain on disposal of property, plant and equipment	(19,346)	(43,778)
Gain on disposal of investments	(18,348)	(116,105)
Impairment loss on financial assets	4,743,395	4,909,772
Long-term prepaid rents	<u>12,434</u>	<u>9,876</u>
Adjustments to reconcile profit	<u>8,372,606</u>	<u>10,027,208</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Changes in financial assets at fair value through profit or loss	(14,167)	74,336
Decrease (increase) in notes and accounts receivable	10,757,963	9,361,508
Decrease (increase) in other receivable	(502,186)	422,130
Decrease (increase) in inventories	(22,503,574)	96,393
Decrease (increase) in other current assets	(812,978)	(327,392)
Decrease (increase) in other non-current assets	<u>(146,224)</u>	<u>(12,401)</u>
Total changes in operating assets	<u>(13,221,166)</u>	<u>9,614,574</u>
Changes in operating liabilities:		
Changes in financial liabilities at fair value through profit or loss	2,228	25,113
Increase (decrease) in notes and accounts payable	23,922,412	(8,093,087)
Increase (decrease) in other payable	1,374,708	3,093,230
Increase (decrease) in provisions	295,533	(292,055)
Increase (decrease) in unearned revenue	289,061	123,078
Increase (decrease) in other current liabilities	720,215	(626,746)
Other	<u>66,348</u>	<u>(43,153)</u>
Total changes in operating liabilities	<u>26,670,505</u>	<u>(5,813,620)</u>
Total changes in operating assets and liabilities	<u>13,449,339</u>	<u>3,800,954</u>
Total adjustments	<u>21,821,945</u>	<u>13,828,162</u>
Cash flows from (used in) operations	26,133,441	14,787,661
Interest received	735,773	447,532
Dividend received	284,335	204,924
Interest paid	(715,494)	(321,309)
Income taxes paid	<u>(873,603)</u>	<u>(1,559,769)</u>
Net Cash flows from (used in) operating activities	<u>25,564,452</u>	<u>13,559,039</u>
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method, available-for-sale financial assets, current bond investment without active market and financial assets at cost	(515,692)	(1,081,464)
Proceeds from disposal of investments accounted for using equity method and available-for-sale financial assets	183,002	535,099
Net cash flow from acquisition of subsidiaries	2,159,000	(24,102)
Proceeds from capital reduction and liquidation of investments	40,369	25,456
Acquisition of property, plant and equipment	(5,119,097)	(3,880,382)
Proceeds from disposal of property, plant and equipment	64,833	906,831
Acquisition of intangible assets	(295,682)	(578,785)
Increase in prepayment of equipment	(5,281)	(224,838)
Other	<u>21,725</u>	<u>129,768</u>
Net cash flows from (used in) investing activities	<u>(3,466,823)</u>	<u>(4,192,417)</u>
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	(16,713,998)	9,498,050
Proceeds from long-term debt	10,015,790	2,058,938
Repayments of long-term debt	(144,215)	-
Cash dividends paid	(4,305,345)	(4,334,168)
Exercise of employee share options	149,013	2,954
Payments to acquire treasury shares	-	(1,126,478)
Treasury shares convert to employee	282,125	-
Acquisition of non-controlling interests	(2,304,824)	-
Disposal of ownership interests in subsidiaries (without losing control)	98,938	141,517
Changes in non-controlling interests	(231,742)	(458,938)
Other	<u>28,292</u>	<u>25,541</u>
Net cash flows from (used in) financing activities	<u>(13,125,966)</u>	<u>5,807,416</u>
Effect of exchange rate changes on cash and cash equivalents	<u>158,215</u>	<u>188,156</u>
Net increase (decrease) in cash and cash equivalents	9,129,878	15,362,194
Cash and cash equivalents at beginning of period	46,965,852	44,154,582
Cash and cash equivalents at end of period	\$ <u><u>56,095,730</u></u>	<u><u>59,516,776</u></u>

See accompanying notes to financial statements.

