

CHICONY ELECTRONICS CO., LTD AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of New Taiwan dollars)

(The consolidated balance sheets as of June 30, 2015 and 2014 are reviewed, not audited)

	Assets	Notes	June 30, 2015	December 31, 2014	June 30, 2014
	Current assets				
1100	Cash and cash equivalents	6(1)	\$ 1,814,918	\$ 1,980,696	\$ 1,681,611
1110	Financial assets at fair value through profit or loss - current	6(2)			
			144,290	267,564	25,669
1125	Available-for-sale financial assets - current	6(3)	4,492,457	5,151,339	5,153,745
1150	Notes receivable, net		69,141	15,999	29,244
1170	Accounts receivable, net	6(5)	19,253,510	18,913,995	16,846,463
1180	Accounts receivable - related parties	7	173,468	241,285	92,479
1200	Other receivables		728,682	596,465	520,890
130X	Inventories, net	6(7)	9,097,508	10,018,702	7,900,732
1410	Prepayments		1,314,871	1,376,621	953,353
1470	Other current assets	8	827,864	27,886	339
11XX	Current Assets		<u>37,916,709</u>	<u>38,590,552</u>	<u>33,204,525</u>
	Non-current assets				
1523	Available-for-sale financial assets - noncurrent	6(3)	235,326	382,573	528,349
1543	Financial assets carried at cost - noncurrent	6(4)	1,337,500	1,097,746	458,559
1550	Investments accounted for under equity method	6(8)	1,070,013	1,176,824	1,230,866
1600	Property, plant and equipment, net	6(9)	14,186,288	14,204,652	12,475,373
1760	Investment property, net	6(10) and 8	1,838,337	-	-
1780	Intangible assets	6(11)	291,442	246,430	172,343
1840	Deferred income tax assets		186,508	194,281	186,824
1900	Other non-current assets	6(12) and 8	1,015,632	1,106,700	1,104,061
15XX	Non-current assets		<u>20,161,046</u>	<u>18,409,206</u>	<u>16,156,375</u>
1XXX	Total assets		<u>\$ 58,077,755</u>	<u>\$ 56,999,758</u>	<u>\$ 49,360,900</u>

(Continued)

CHICONY ELECTRONICS CO., LTD AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of New Taiwan dollars)

(The consolidated balance sheets as of June 30, 2015 and 2014 are reviewed, not audited)

	Liabilities and Equity	Notes	June 30, 2015	December 31, 2014	June 30, 2014
	Current liabilities				
2100	Short-term borrowings	6(13) and 8	\$ 6,412,652	\$ 2,098,920	\$ 1,722,246
2110	Short-term notes and bills payable		-	-	10,000
2120	Financial liabilities at fair value through profit or loss - current	6(2)	105,484	143,388	123,585
2150	Notes payable		11,461	31,341	941
2170	Accounts payable	6(14)	14,484,063	19,115,143	13,300,991
2180	Accounts payable - related parties	7	304,852	425,304	515,570
2200	Other payables		10,336,186	6,939,367	9,490,402
2230	Current income tax liabilities		1,041,280	1,135,472	1,108,070
2300	Other current liabilities	6(15)	214,491	567,847	176,786
21XX	Current Liabilities		<u>32,910,469</u>	<u>30,456,782</u>	<u>26,448,591</u>
	Non-current liabilities				
2540	Long-term borrowings	6(15) and 8	2,673,665	500,000	500,000
2570	Deferred income tax liabilities		36,925	36,999	45,532
2600	Other non-current liabilities		180,648	179,335	131,029
25XX	Non-current liabilities		<u>2,891,238</u>	<u>716,334</u>	<u>676,561</u>
2XXX	Total Liabilities		<u>35,801,707</u>	<u>31,173,116</u>	<u>27,125,152</u>
	Equity attributable to owners of parent				
	Share capital	6(17)			
3110	Share capital - common stock		6,948,654	6,948,654	6,867,216
3150	Stock dividends to be distributed		455,743	-	400,836
	Capital surplus	6(18)			
3200	Capital surplus		3,688,101	3,602,741	3,235,607
	Retained earnings	6(19)			
3310	Legal reserve		3,477,140	3,069,046	3,069,046
3320	Special reserve		433,524	433,524	433,524
3350	Unappropriated retained earnings	6(27)	6,403,775	8,440,750	6,060,684
	Other equity interest	6(20)			
3400	Other equity interest		(2,079,791)	(52,986)	(727,710)
3500	Treasury stocks	6(17) and 8(2)	(311,277)	(311,277)	(311,277)
31XX	Equity attributable to owners of the parent		<u>19,015,869</u>	<u>22,130,452</u>	<u>19,027,926</u>
36XX	Non-controlling interest		<u>3,260,179</u>	<u>3,696,190</u>	<u>3,207,822</u>
3XXX	Total equity		<u>22,276,048</u>	<u>25,826,642</u>	<u>22,235,748</u>
	Significant contingent liabilities and unrecognized contract commitments	9			
	Significant events after the balance sheet date	11			
3X2X	Total liabilities and equity		<u>\$ 58,077,755</u>	<u>\$ 56,999,758</u>	<u>\$ 49,360,900</u>

CHICONY ELECTRONICS CO., LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)
(UNAUDITED)

Items		Notes	Three months ended June 30		Six months ended June 30	
			2015	2014	2015	2014
4000	Sales revenue	6(21) and 7	\$ 20,260,552	\$ 18,981,372	\$ 38,263,902	\$ 35,937,895
5000	Operating costs	6(7)(16)(24)(25) and 7	(17,368,068)	(16,013,915)	(32,789,302)	(30,448,466)
5900	Net operating margin		<u>2,892,484</u>	<u>2,967,457</u>	<u>5,474,600</u>	<u>5,489,429</u>
	Operating expenses	6(16)(24)(25)				
6100	Selling expenses		(737,637)	(890,941)	(1,435,801)	(1,571,679)
6200	General and administrative expenses		(627,700)	(553,789)	(1,221,285)	(1,160,588)
6300	Research and development expenses		(560,723)	(516,753)	(1,091,357)	(993,183)
6000	Total operating expenses		<u>(1,926,060)</u>	<u>(1,961,483)</u>	<u>(3,748,443)</u>	<u>(3,725,450)</u>
6900	Operating profit		<u>966,424</u>	<u>1,005,974</u>	<u>1,726,157</u>	<u>1,763,979</u>
	Non-operating income and expenses					
7010	Other income	6(22)	317,214	304,583	399,344	352,476
7020	Other gains and losses	6(23)	165,060	205,338	260,839	320,930
7050	Finance costs	6(26)	(17,353)	(10,082)	(30,232)	(20,503)
7060	Share of profit/(loss) of associates and joint ventures accounted for under equity method	6(8)	(47,122)	(18,833)	(98,382)	(17,171)
7000	Total non-operating revenue and expenses		<u>417,799</u>	<u>481,006</u>	<u>531,569</u>	<u>635,732</u>
7900	Profit before income tax		<u>1,384,223</u>	<u>1,486,980</u>	<u>2,257,726</u>	<u>2,399,711</u>
7950	Income tax expense	6(27)	(185,893)	(325,944)	(371,975)	(492,909)
8200	Profit for the year		<u>\$ 1,198,330</u>	<u>\$ 1,161,036</u>	<u>\$ 1,885,751</u>	<u>\$ 1,906,802</u>
	Other comprehensive income					
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Other comprehensive income, before tax, exchange differences on translation		(\$ 478,644)	(\$ 417,289)	(\$ 741,488)	(\$ 258,622)
8362	Other comprehensive income, before tax, available-for-sale financial assets	6(3)	(1,377,165)	(337,111)	(1,545,609)	(725,238)
8370	Share of other comprehensive (loss) income of associates and joint ventures accounted for under equity method		(4,612)	(8,543)	(8,429)	(4,730)
8300	Total other comprehensive income for the year		<u>(\$ 1,860,421)</u>	<u>(\$ 762,943)</u>	<u>(\$ 2,295,526)</u>	<u>(\$ 988,590)</u>
8500	Total comprehensive income for the year		<u>(\$ 662,091)</u>	<u>\$ 398,093</u>	<u>(\$ 409,775)</u>	<u>\$ 918,212</u>
	Profit, attributable to:					
8610	Owners of the parent		<u>\$ 1,034,743</u>	<u>\$ 1,003,429</u>	<u>\$ 1,636,986</u>	<u>\$ 1,680,362</u>
8620	Non-controlling interest		<u>\$ 163,587</u>	<u>\$ 157,607</u>	<u>\$ 248,765</u>	<u>\$ 226,440</u>
	Comprehensive income attributable to:					
8710	Owners of the parent		<u>(\$ 593,659)</u>	<u>\$ 239,575</u>	<u>(\$ 389,797)</u>	<u>\$ 644,912</u>
8720	Non-controlling interest		<u>(\$ 68,432)</u>	<u>\$ 158,518</u>	<u>(\$ 19,978)</u>	<u>\$ 273,300</u>
	Earnings per share	6(28)				
9750	Total basic earnings per share		<u>\$ 1.57</u>	<u>\$ 1.53</u>	<u>\$ 2.49</u>	<u>\$ 2.57</u>
9850	Total diluted earnings per share		<u>\$ 1.55</u>	<u>\$ 1.52</u>	<u>\$ 2.45</u>	<u>\$ 2.54</u>

CHICONY ELECTRONICS CO., LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

		Equity attributable to owners of the parent											Total equity
		Capital			Retained Earnings			Other equity interest			Non-controlling interest		
		Share capital - common stock	Stock dividends to be distributed	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Treasury stocks		Total	
Notes													
Year 2014													
Balance at January 1, 2014		\$ 6,867,216	\$ -	\$ 3,068,074	\$ 2,690,843	\$ 1,457,609	\$ 6,927,695	\$ 167,564	\$ 140,176	(\$ 311,277)	\$ 21,007,900	\$ 3,295,409	\$ 24,303,309
Appropriation of 2013 earnings	6(19)												
Appropriation of legal reserve		-	-	-	378,203	-	(378,203)	-	-	-	-	-	-
Reversal of special reserve		-	-	-	-	(1,024,085)	1,024,085	-	-	-	-	-	-
Distribution of stock dividends		-	34,336	-	-	-	(34,336)	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	(3,158,919)	-	-	-	(3,158,919)	-	(3,158,919)
Appropriation of employee bonuses		-	366,500	-	-	-	-	-	-	-	366,500	-	366,500
Profit for the period		-	-	-	-	-	1,680,362	-	-	-	1,680,362	226,440	1,906,802
Other comprehensive loss for the period	6(20)	-	-	-	-	-	-	(235,548)	(799,902)	-	(1,035,450)	46,860	(988,590)
Cash dividends paid to the subsidiaries		-	-	167,639	-	-	-	-	-	-	167,639	-	167,639
Difference between proceeds from addition and disposal of subsidiary and book value		-	-	(106)	-	-	-	-	-	-	(106)	-	(106)
Minority interest adjustment		-	-	-	-	-	-	-	-	-	-	(360,887)	(360,887)
Balance at June 30, 2014		<u>\$ 6,867,216</u>	<u>\$ 400,836</u>	<u>\$ 3,235,607</u>	<u>\$ 3,069,046</u>	<u>\$ 433,524</u>	<u>\$ 6,060,684</u>	<u>(\$ 67,984)</u>	<u>(\$ 659,726)</u>	<u>(\$ 311,277)</u>	<u>\$ 19,027,926</u>	<u>\$ 3,207,822</u>	<u>\$ 22,235,748</u>
Year 2015													
Balance at January 1, 2015		\$ 6,948,654	\$ -	\$ 3,602,741	\$ 3,069,046	\$ 433,524	\$ 8,440,750	\$ 1,229,944	(\$ 1,282,930)	(\$ 311,277)	\$ 22,130,452	\$ 3,696,190	\$ 25,826,642
Appropriation of 2014 earnings	6(19)												
Appropriation of legal reserve		-	-	-	408,094	-	(408,094)	-	-	-	-	-	-
Distribution of stock dividends		-	34,743	-	-	-	(34,743)	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	(3,231,124)	-	-	-	(3,231,124)	-	(3,231,124)
Appropriation of employee bonuses	6(17)	-	421,000	-	-	-	-	-	-	-	421,000	-	421,000
Profit for the period		-	-	-	-	-	1,636,986	-	-	-	1,636,986	248,765	1,885,751
Other comprehensive loss for the period	6(20)	-	-	-	-	-	-	(627,000)	(1,399,783)	-	(2,026,783)	(268,743)	(2,295,526)
Cash dividends paid to the subsidiaries		-	-	170,307	-	-	-	-	-	-	170,307	-	170,307
Difference between proceeds from addition and disposal of subsidiary and book value		-	-	1	-	-	-	(25)	3	-	(21)	-	(21)
Changes in ownership interests in subsidiaries		-	-	(84,948)	-	-	-	-	-	-	(84,948)	-	(84,948)
Minority interest adjustment		-	-	-	-	-	-	-	-	-	-	(416,033)	(416,033)
Balance at June 30, 2015		<u>\$ 6,948,654</u>	<u>\$ 455,743</u>	<u>\$ 3,688,101</u>	<u>\$ 3,477,140</u>	<u>\$ 433,524</u>	<u>\$ 6,403,775</u>	<u>\$ 602,919</u>	<u>(\$ 2,682,710)</u>	<u>(\$ 311,277)</u>	<u>\$ 19,015,869</u>	<u>\$ 3,260,179</u>	<u>\$ 22,276,048</u>

CHICONY ELECTRONICS CO., LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	Six months ended June 30,	
		2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 2,257,726	\$ 2,399,711
Adjustments to reconcile profit before tax to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Depreciation	6(9)(10)	995,033	898,682
Amortization	6(11)	42,266	43,570
Long-term lease amortization	6(12)	5,937	3,358
Provision for (reversal of) allowance for uncollectible accounts	6(23)	6,162	(8,134)
Interest expense	6(26)	30,232	20,503
Interest income	6(22)	(37,075)	(20,741)
Dividend income	6(22)	(195,590)	(194,643)
Net loss on financial assets or liabilities at fair value through profit or loss	6(2)(23)	122,763	137,773
Investment loss recognized under the equity method		98,382	17,171
Loss on disposal of property, plant and equipment	6(23)	19,257	5,883
Gain on disposal of investments	6(23)	(136,726)	(459,715)
Gain on reversal of provisions for liabilities-noncurrent		-	(66,221)
Impairment loss of non-financial assets	6(11)(23)	26,000	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets and liabilities at fair value through profit or loss - current		(37,393)	65,169
Notes receivable		(680)	14,595
Accounts receivable		(253,852)	1,451,113
Accounts receivable - related parties		67,817	25,928
Other receivables		(119,859)	77,451
Inventories		967,990	801,307
Prepayments		63,699	(282,933)
Other current assets		13,317	883
Changes in operating liabilities			
Notes payable		(19,880)	(14,683)
Accounts payable		(4,698,462)	(2,730,529)
Accounts payable - related parties		(120,452)	(55,118)
Other payables		230,770	176,580
Other current liabilities		55,109	(26,694)
Other non-current liabilities		1,313	(31,749)
Cash (outflow) inflow generated from operations		(616,196)	2,248,517
Interest received		28,464	20,205
Dividend received		5,014	5,030
Interest paid		(22,001)	(19,940)
Income tax paid		(462,382)	(513,825)
Net cash flows (used in) from operating activities		(1,067,101)	1,739,987

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CHICONY ELECTRONICS CO., LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	Six months ended June 30, 2015	2014
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of government grants		\$ 198,834	\$ -
Increase in other current assets		(825,243)	-
Acquisition of available-for-sale financial assets		(2,430,024)	(2,363,487)
Proceeds from disposal of available-for-sale financial assets		1,823,042	2,308,047
Acquisition of financial assets carried at cost – non-current		(244,220)	-
Return of capital from financial assets carried at cost – non-current	6(22)	3,150	-
Acquisition of property, plant and equipment	6(29)	(1,024,190)	(1,636,868)
Proceeds from disposal of property, plant and equipment		229,995	80,640
Acquisition of investment property	6(10)	(1,893,763)	-
Acquisition of intangible assets	6(11)	(26,676)	(47,695)
Increase in other non-current assets		(123,927)	(27,309)
Cash flow from business combination	6(30)	(210,437)	-
Increase in refundable deposits		(65,507)	(21,612)
Net cash flows used in investing activities		(4,588,966)	(1,708,284)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		4,313,732	1,024,645
Increase in short-term notes and bills payable		-	10,000
Increase in long-term borrowings		4,262,565	500,000
Decrease in long-term borrowings		(2,499,960)	(1,370,570)
Changes in non-controlling interests		8,503	2,991
Net cash flows from financing activities		6,084,840	167,066
Effect of exchange rate changes on cash and cash equivalents		(594,551)	(95,495)
Net (decrease) increase in cash and cash equivalents		(165,778)	103,274
Cash and cash equivalents at beginning of period	6(1)	1,980,696	1,578,337
Cash and cash equivalents at end of period	6(1)	\$ 1,814,918	\$ 1,681,611