

CHICONY ELECTRONICS CO., LTD AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of New Taiwan dollars)

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

	Assets	Notes	September 30, 2015	December 31, 2014	September 30, 2014
	Current assets				
1100	Cash and cash equivalents	6(1)	\$ 2,967,872	\$ 1,980,696	\$ 2,132,177
1110	Financial assets at fair value through profit or loss - current	6(2)	637,604	267,564	42,937
1125	Available-for-sale financial assets - current	6(3)	4,323,587	5,151,339	5,100,039
1144	Financial assets carried at cost - current	6(4)	10,942	-	-
1150	Notes receivable, net		107,844	15,999	36,510
1170	Accounts receivable, net	6(5)	20,815,230	18,913,995	18,553,777
1180	Accounts receivable - related parties	7	301,633	241,285	184,149
1200	Other receivables		410,770	596,465	415,639
130X	Inventories, net	6(7)	10,018,031	10,018,702	9,663,397
1410	Prepayments		1,278,420	1,376,621	956,765
1470	Other current assets	8	107,749	27,886	8,577
11XX	Current Assets		<u>40,979,682</u>	<u>38,590,552</u>	<u>37,093,967</u>
	Non-current assets				
1523	Available-for-sale financial assets - noncurrent	6(3)	186,515	382,573	378,646
1543	Financial assets carried at cost - noncurrent	6(4)	1,404,774	1,097,746	495,690
1550	Investments accounted for under equity method	6(8)	1,035,068	1,176,824	1,202,775
1600	Property, plant and equipment, net	6(9)	14,874,924	14,204,652	13,452,664
1760	Investment property, net	6(10) and 8	1,977,064	-	-
1780	Intangible assets	6(11)	279,439	246,430	255,703
1840	Deferred income tax assets		190,812	194,281	188,033
1900	Other non-current assets	6(12) and 8	1,994,702	1,106,700	1,224,066
15XX	Non-current assets		<u>21,943,298</u>	<u>18,409,206</u>	<u>17,197,577</u>
1XXX	Total assets		<u>\$ 62,922,980</u>	<u>\$ 56,999,758</u>	<u>\$ 54,291,544</u>

(Continued)

CHICONY ELECTRONICS CO., LTD AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of New Taiwan dollars)

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

	Liabilities and Equity	Notes	September 30, 2015	December 31, 2014	September 30, 2014
	Current liabilities				
2100	Short-term borrowings	6(13) and 8	\$ 6,030,909	\$ 2,098,920	\$ 3,661,258
2110	Short-term notes and bills payable		300,000	-	-
2120	Financial liabilities at fair value through profit or loss - current	6(2)	74,239	143,388	91,282
2150	Notes payable		4,514	31,341	8,745
2170	Accounts payable	6(14)	19,544,302	19,115,143	17,261,799
2180	Accounts payable - related parties	7	443,036	425,304	531,919
2200	Other payables		7,724,961	6,939,367	6,701,289
2230	Current income tax liabilities		1,112,143	1,135,472	955,711
2300	Other current liabilities	6(15)	165,606	567,847	565,454
21XX	Current Liabilities		<u>35,399,710</u>	<u>30,456,782</u>	<u>29,777,457</u>
	Non-current liabilities				
2540	Long-term borrowings	6(15) and 8	2,782,305	500,000	500,000
2570	Deferred income tax liabilities		37,120	36,999	36,871
2600	Other non-current liabilities		174,784	179,335	179,252
25XX	Non-current liabilities		<u>2,994,209</u>	<u>716,334</u>	<u>716,123</u>
2XXX	Total Liabilities		<u>38,393,919</u>	<u>31,173,116</u>	<u>30,493,580</u>
	Equity attributable to owners of parent				
	Share capital	6(18)			
3110	Share capital - common stock		7,038,101	6,948,654	6,948,654
	Capital surplus	6(19)			
3200	Capital surplus		4,094,127	3,602,741	3,602,741
	Retained earnings	6(20)			
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(28)	7,234,305	8,440,750	7,070,895
	Other equity interest	6(21)			
3400	Other equity interest	(	849,163)	(52,986)	(558,995)
3500	Treasury stocks	6(18) and 8	(311,277)	(311,277)	(311,277)
31XX	Equity attributable to owners of the parent		<u>21,116,757</u>	<u>22,130,452</u>	<u>20,254,588</u>
36XX	Non-controlling interest		<u>3,412,304</u>	<u>3,696,190</u>	<u>3,543,376</u>
3XXX	Total equity		<u>24,529,061</u>	<u>25,826,642</u>	<u>23,797,964</u>
	Significant contingent liabilities and unrecognized contract commitments	9			
	Significant events after the balance sheet date	11			
3X2X	Total liabilities and equity		<u>\$ 62,922,980</u>	<u>\$ 56,999,758</u>	<u>\$ 54,291,544</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 September 30		Nine months ended September 30	
			2015	2014	2015	2014
4000	Sales revenue	6(22) and 7	\$ 21,031,726	\$ 19,996,569	\$ 59,295,628	\$ 55,934,464
5000	Operating costs	6(7)(16)(25)(26) and 7	(17,724,717)	(16,719,465)	(50,514,019)	(47,167,931)
5900	Net operating margin		<u>3,307,009</u>	<u>3,277,104</u>	<u>8,781,609</u>	<u>8,766,533</u>
	Operating expenses	6(16)(25)(26)				
6100	Selling expenses		(818,720)	(880,773)	(2,254,521)	(2,450,814)
6200	General and administrative expenses		(639,156)	(590,051)	(1,860,441)	(1,750,639)
6300	Research and development expenses		(618,267)	(560,842)	(1,709,624)	(1,554,025)
6000	Total operating expenses		<u>(2,076,143)</u>	<u>(2,031,666)</u>	<u>(5,824,586)</u>	<u>(5,755,478)</u>
6900	Operating profit		<u>1,230,866</u>	<u>1,245,438</u>	<u>2,957,023</u>	<u>3,011,055</u>
	Non-operating income and expenses					
7010	Other income	6(23)	156,867	61,302	556,211	413,778
7020	Other gains and losses	6(24)	(111,825)	116,027	149,014	435,319
7050	Finance costs	6(27)	(22,000)	(12,239)	(52,232)	(32,742)
7060	Share of profit/(loss) of associates and joint ventures accounted for under equity method		(38,272)	(36,977)	(136,654)	(54,148)
7000	Total non-operating revenue and expenses		<u>(15,230)</u>	<u>128,113</u>	<u>516,339</u>	<u>762,207</u>
7900	Profit before income tax		<u>1,215,636</u>	<u>1,373,551</u>	<u>3,473,362</u>	<u>3,773,262</u>
7950	Income tax expense	6(28)	(231,526)	(172,771)	(603,501)	(665,680)
8200	Profit for the year		<u>\$ 984,110</u>	<u>\$ 1,200,780</u>	<u>\$ 2,869,861</u>	<u>\$ 3,107,582</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		\$ 1,563,231	\$ 501,737	\$ 821,743	\$ 243,115
8362	Other comprehensive loss, before tax, available-for-sale financial assets	6(3)	(224,583)	(385,846)	(1,770,192)	(1,111,084)
8370	Share of other comprehensive (loss) income of associates and joint ventures accounted for under equity method		<u>3,328</u>	<u>7,282</u>	<u>(5,101)</u>	<u>2,552</u>
8300	Total other comprehensive income for the year		<u>\$ 1,341,976</u>	<u>\$ 123,173</u>	<u>(\$ 953,550)</u>	<u>(\$ 865,417)</u>
8500	Total comprehensive income for the year		<u>\$ 2,326,086</u>	<u>\$ 1,323,953</u>	<u>\$ 1,916,311</u>	<u>\$ 2,242,165</u>
	Profit, attributable to:					
8610	Owners of the parent		<u>\$ 830,530</u>	<u>\$ 1,010,211</u>	<u>\$ 2,467,516</u>	<u>\$ 2,690,573</u>
8620	Non-controlling interest		<u>\$ 153,580</u>	<u>\$ 190,569</u>	<u>\$ 402,345</u>	<u>\$ 417,009</u>
	Comprehensive income attributable to:					
8710	Owners of the parent		<u>\$ 2,061,136</u>	<u>\$ 1,178,926</u>	<u>\$ 1,671,339</u>	<u>\$ 1,823,838</u>
8720	Non-controlling interest		<u>\$ 264,950</u>	<u>\$ 145,027</u>	<u>\$ 244,972</u>	<u>\$ 418,327</u>
	Earnings per share	6(29)				
9750	Total basic earnings per share		<u>\$ 1.25</u>	<u>\$ 1.53</u>	<u>\$ 3.72</u>	<u>\$ 4.08</u>
9850	Total diluted earnings per share		<u>\$ 1.24</u>	<u>\$ 1.52</u>	<u>\$ 3.67</u>	<u>\$ 4.04</u>

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

Equity attributable to owners of the parent											
Notes	Retained Earnings					Other equity interest		Treasury stocks	Total	Non-controlling interest	Total equity
	Share capital - common stock	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				
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(20)	-	-	-	-	-	-	-	-	-	-
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	47,102	319,398	-	-	-	-	-	-	366,500	-	366,500
Profit for the period	-	-	-	-	2,690,573	-	-	-	2,690,573	417,009	3,107,582
Other comprehensive income (loss) for the period	-	-	-	-	-	238,433	(1,105,168)	-	(866,735)	1,318	(865,417)
Cash dividends paid to the subsidiaries	-	167,639	-	-	-	-	-	-	167,639	-	167,639
Changes in ownership interests in subsidiaries	-	47,736	-	-	-	-	-	-	47,736	-	47,736
Difference between proceeds from addition and disposal of subsidiary and book value	-	(106)	-	-	-	-	-	-	(106)	-	(106)
Minority interest adjustment	-	-	-	-	-	-	-	-	-	(170,360)	(170,360)
Balance at September 30, 2014	<u>\$ 6,948,654</u>	<u>\$ 3,602,741</u>	<u>\$ 3,069,046</u>	<u>\$ 433,524</u>	<u>\$ 7,070,895</u>	<u>\$ 405,997</u>	<u>(\$ 964,992)</u>	<u>(\$ 311,277)</u>	<u>\$ 20,254,588</u>	<u>\$ 3,543,376</u>	<u>\$ 23,797,964</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(20)	-	-	-	-	-	-	-	-	-	-
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	54,704	366,296	-	-	-	-	-	-	421,000	-	421,000
Profit for the period	-	-	-	-	2,467,516	-	-	-	2,467,516	402,345	2,869,861
Other comprehensive income (loss) for the period	-	-	-	-	-	753,024	(1,549,179)	-	(796,155)	(157,373)	(953,528)
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	-	(45,218)	-	-	-	-	-	-	(45,218)	-	(45,218)
Minority interest adjustment	-	-	-	-	-	-	-	-	-	(528,858)	(528,858)
Balance at September 30, 2015	<u>\$ 7,038,101</u>	<u>\$ 4,094,127</u>	<u>\$ 3,477,140</u>	<u>\$ 433,524</u>	<u>\$ 7,234,305</u>	<u>\$ 1,982,943</u>	<u>(\$ 2,832,106)</u>	<u>(\$ 311,277)</u>	<u>\$ 21,116,757</u>	<u>\$ 3,412,304</u>	<u>\$ 24,529,061</u>

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

	Notes	Nine months ended September 30, 2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 3,473,362	\$ 3,773,262
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)	1,503,317	1,366,035
Amortization	6(11)	66,044	66,305
Long-term lease amortization	6(12)	8,929	12,424
Provision for (reversal of) allowance for uncollectible accounts		295	(6,496)
Interest expense	6(27)	52,232	32,742
Interest income	6(23)	(58,871)	(33,381)
Dividend income	6(23)	(226,740)	(209,249)
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(24)	(550,063)	(67,474)
Investment loss recognized under the equity method		136,654	54,148
Loss on disposal of property, plant and equipment	6(24)	119,276	4,583
Loss on disposal of intangible assets		2,038	-
Gain on disposal of investments	6(24)	(88,846)	(498,356)
Gain on reversal of provisions for liabilities-noncurrent	6(24)	-	(66,221)
Impairment loss of non-financial assets	6(11)(24)	39,000	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets and liabilities at fair value through profit or loss - current		110,874	220,845
Notes receivable		(39,383)	7,329
Accounts receivable		(1,809,705)	(253,518)
Accounts receivable - related parties		(60,348)	(65,742)
Other receivables		(1,233)	(30,035)
Inventories		47,467	(953,072)
Prepayments		100,150	(286,094)
Other current assets		13,160	(6,880)
Changes in operating liabilities			
Notes payable		(26,827)	(6,879)
Accounts payable		361,777	1,230,021
Accounts payable - related parties		17,732	(38,769)
Other payables		1,072,728	844,796
Other current liabilities		6,224	(34,301)
Provisions		-	(224,245)
Other non-current liabilities		(4,551)	(9,776)
Cash inflow generated from operations		4,264,692	4,822,002
Interest received		58,970	33,287
Dividend received		226,740	231,931
Interest paid		(46,014)	(31,085)
Income tax paid		(623,240)	(801,598)
Net cash flows from operating activities		3,881,148	4,254,537

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

	Notes	Nine months ended September 30, 2015	2014
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of government grants		\$ 198,834	\$ -
Increase in other current assets		(93,023)	-
Acquisition of available-for-sale financial assets		(3,006,178)	(2,989,792)
Proceeds from disposal of available-for-sale financial assets		2,393,600	2,807,314
Acquisition of financial assets carried at cost – non-current		(321,835)	(52,331)
Return of capital from financial assets carried at cost – non-current		3,150	16,000
Acquisition of property, plant and equipment	6(30)	(1,720,419)	(2,824,999)
Proceeds from disposal of property, plant and equipment		174,784	119,574
Acquisition of investment property	6(10)	(1,893,763)	-
Acquisition of intangible assets	6(11)	(41,524)	(60,925)
Increase in other non-current assets		(1,114,700)	(87,940)
Cash flow from business combination		(210,437)	525
Increase in refundable deposits		(149,012)	(42,411)
Net cash flows used in investing activities		(5,780,523)	(3,114,985)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		3,931,989	2,963,657
Increase in short-term notes and bills payable		300,000	-
Increase in long-term borrowings		5,634,030	895,525
Decrease in long-term borrowings		(3,762,785)	(1,370,570)
Payment of cash dividends		(3,060,817)	(2,991,280)
Changes in non-controlling interests		(422,415)	(358,574)
Net cash flows from (used in) financing activities		2,620,002	(861,242)
Effect of exchange rate changes on cash and cash equivalents		266,549	275,530
Net increase in cash and cash equivalents		987,176	553,840
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)	<u>\$ 2,967,872</u>	<u>\$ 2,132,177</u>