

ACBEL POLYTECH, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2015, December 31, and September 30,2014  
(expressed in thousands of New Taiwan dollars)

Assets	September 30, 2015		December 31, 2014		September 30, 2014		Liabilities and equity	September 30, 2015		December 31, 2014		September 30, 2014	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
<b>Current assets:</b>							<b>Current liabilities:</b>						
Cash and cash equivalents	\$ 2,268,097	14.0	2,665,388	15.3	2,746,913	15.4	Short-term borrowings	\$ 266,421	1.6	277,600	1.6	446,635	2.5
Current financial assets at fair value through profit or loss	494,665	3.1	154,229	0.9	166,054	0.9	Current financial liabilities at fair value through profit or loss	97,778	0.6	154,229	0.9	166,054	0.9
Current derivative financial assets for hedging	107,793	0.7	6,409	-	9,811	0.1	Current derivative financial liabilities for hedging	98,959	0.6	6,033	-	9,133	0.1
Current debt instrument investment without active market	200,000	1.2	200,000	1.1	200,000	1.1	Accounts payable	4,455,267	27.5	4,994,280	28.6	5,677,243	31.7
Notes receivable, net	25,515	0.2	7,752	-	3,076	-	Accounts payable to related parties	66	-	147	-	225	-
Accounts receivable, net	4,403,063	27.2	4,726,566	27.1	5,151,418	28.8	Accrued expenses and other payables	1,236,259	7.7	1,533,614	8.8	1,504,056	8.4
Accounts receivable due from related parties, net	730,939	4.5	1,086,176	6.2	845,498	4.7	Other current liabilities	290,378	1.8	298,090	1.7	300,595	1.7
Other receivables, net	74,170	0.5	52,966	0.4	85,954	0.5		6,445,128	39.8	7,263,993	41.6	8,103,941	45.3
Inventories, net	2,617,765	16.2	2,992,360	17.1	3,244,083	18.1	<b>Non-current liabilities:</b>						
Prepayments and other current assets	277,181	1.6	315,741	1.8	249,212	1.4	Deferred income tax liabilities	471,046	2.9	458,436	2.6	436,916	2.4
	11,199,188	69.2	12,207,587	69.9	12,702,019	71.0	Accrued pension liabilities	417,355	2.6	423,965	2.5	411,625	2.3
							Other non-current liabilities	2,227	-	2,452	-	1,779	-
<b>Non-current assets :</b>								890,628	5.5	884,853	5.1	850,320	4.7
Non-current financial assets at cost	62,999	0.4	62,999	0.4	62,999	0.3	<b>Total liabilities</b>	7,335,756	45.3	8,148,846	46.7	8,954,261	50.0
Non-current debt instrument investment without active market	600,000	3.7	800,000	4.6	800,000	4.5	<b>Equity attributable to owners of parent:</b>						
Investments accounted for using equity method	137,872	0.8	141,173	0.8	136,807	0.8	Ordinary shares	5,313,733	32.8	5,236,493	30.0	5,219,393	29.2
Property, plant and equipment, net	3,609,416	22.3	3,725,731	21.3	3,663,562	20.5	Capital surplus	1,092,596	6.8	984,453	5.6	976,330	5.4
Investment property, net	26,206	0.2	26,368	0.2	25,202	0.1	Retained earnings:						
Deferred tax assets	154,108	1.0	135,407	0.8	164,191	0.9	Legal reserve	763,271	4.7	653,206	3.7	653,206	3.6
Other non-current assets	393,591	2.4	359,978	2.0	345,637	1.9	Unappropriated retained earnings	1,566,031	9.7	2,001,377	11.5	1,754,876	9.8
	4,984,192	30.8	5,251,656	30.1	5,198,398	29.0		2,329,302	14.4	2,654,583	15.2	2,408,082	13.4
							Other equity interest	59,089	0.4	142,708	0.8	64,219	0.4
							Treasury shares	(237,871)	(1.5)	-	-	-	-
								8,556,849	52.9	9,018,237	51.6	8,668,024	48.4
							<b>Non-controlling interests</b>	290,775	1.8	292,160	1.7	278,132	1.6
							<b>Total equity</b>	8,847,624	54.7	9,310,397	53.3	8,946,156	50.0
<b>Total assets</b>	<b>\$16,183,380</b>	<b>100.0</b>	<b>17,459,243</b>	<b>100.0</b>	<b>17,900,417</b>	<b>100.0</b>	<b>Total liabilities and equity</b>	<b>\$16,183,380</b>	<b>100.0</b>	<b>17,459,243</b>	<b>100.0</b>	<b>17,900,417</b>	<b>100.0</b>

**ACBEL POLYTECH, INC. AND SUBSIDIARIES**

**Consolidated statements of comprehensive income**

**For the three months and nine months ended September 30, 2015 and 2014**

(expressed in thousands of New Taiwan dollars, except net income per share)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2015		2014		2015		2014	
	Amount	%	Amount	%	Amount	%	Amount	%
Sales revenue	\$ 5,384,316	100.3	6,350,499	101.0	15,597,147	100.3	18,248,710	100.5
Less : Sales returns	16,497	0.3	61,633	1.0	41,828	0.3	94,210	0.5
Sales discounts and allowances	682	-	921	-	6,615	-	4,197	-
<b>Net sales revenue</b>	<b>5,367,137</b>	<b>100.0</b>	<b>6,287,945</b>	<b>100.0</b>	<b>15,548,704</b>	<b>100.0</b>	<b>18,150,303</b>	<b>100.0</b>
<b>Cost of sales</b>	<b>4,527,946</b>	<b>84.4</b>	<b>5,351,567</b>	<b>85.1</b>	<b>13,204,828</b>	<b>84.9</b>	<b>15,386,804</b>	<b>84.8</b>
<b>Gross profit</b>	<b>839,191</b>	<b>15.6</b>	<b>936,378</b>	<b>14.9</b>	<b>2,343,876</b>	<b>15.1</b>	<b>2,763,499</b>	<b>15.2</b>
<b>Operating expenses:</b>								
Selling expenses	249,584	4.6	236,062	3.7	728,489	4.7	733,676	4.1
Administrative expenses	157,202	2.9	168,907	2.7	457,388	3.0	479,893	2.6
Research and development expenses	251,240	4.7	257,124	4.1	761,529	4.9	742,500	4.1
	658,026	12.2	662,093	10.5	1,947,406	12.6	1,956,069	10.8
<b>Net operating income</b>	<b>181,165</b>	<b>3.4</b>	<b>274,285</b>	<b>4.4</b>	<b>396,470</b>	<b>2.5</b>	<b>807,430</b>	<b>4.4</b>
<b>Non-operating income and expenses:</b>								
Interest income	22,220	0.4	48,925	0.8	85,676	0.6	160,222	0.9
Other income	638	-	546	-	9,381	0.1	12,012	0.1
Foreign exchange gains (losses), net	115,483	2.1	47,806	0.7	74,027	0.4	38,687	0.2
Gains on financial assets (liabilities) at fair value through profit or loss	(11,095)	(0.2)	19,617	0.3	218,684	1.4	133,809	0.7
Interest expenses	(162)	-	(4,453)	(0.1)	(6,494)	(0.1)	(11,772)	(0.1)
Miscellaneous disbursements	(729)	-	(1,491)	-	(2,991)	-	(3,864)	-
Losses on financial assets (liabilities) at fair value through profit or loss	48,792	0.9	4,245	0.1	(145,093)	(0.9)	(70,525)	(0.4)
Share of profit (loss) of associates and joint ventures accounted for using equity method	(949)	-	8,170	0.1	(3,728)	-	(8,913)	-
	174,198	3.2	123,365	1.9	229,462	1.5	249,656	1.4
<b>Profit before tax</b>	<b>355,363</b>	<b>6.6</b>	<b>397,650</b>	<b>6.3</b>	<b>625,932</b>	<b>4.0</b>	<b>1,057,086</b>	<b>5.8</b>
Tax expense	62,282	1.2	81,678	1.3	116,520	0.7	217,211	1.2
<b>Profit</b>	<b>293,081</b>	<b>5.4</b>	<b>315,972</b>	<b>5.0</b>	<b>509,412</b>	<b>3.3</b>	<b>839,875</b>	<b>4.6</b>
<b>Other comprehensive income :</b>								
<b>Items that may be reclassified subsequently to profit or loss</b>								
Other comprehensive income, before tax, exchange differences on translation	122,087	2.3	60,508	1.0	56,013	0.3	16,588	0.1
Share of other comprehensive income of associates and joint ventures accounted for using equity method	5,893	0.1	3,126	-	427	-	(1,402)	-
Less: Income tax relating to components of other comprehensive income	7,599	0.1	5,398	0.1	3,075	-	1,532	-
<b>Other comprehensive income, net</b>	<b>120,381</b>	<b>2.3</b>	<b>58,236</b>	<b>0.9</b>	<b>53,365</b>	<b>0.3</b>	<b>13,654</b>	<b>0.1</b>
<b>Comprehensive income</b>	<b>\$ 413,462</b>	<b>7.7</b>	<b>374,208</b>	<b>5.9</b>	<b>562,777</b>	<b>3.6</b>	<b>853,529</b>	<b>4.7</b>
<b>Profit, attributable to:</b>								
Owners of parent	\$ 291,115	5.4	314,176	5.0	515,214	3.3	841,459	4.6
Non-controlling interests	1,966	-	1,796	-	(5,802)	-	(1,584)	-
	<b>\$ 293,081</b>	<b>5.4</b>	<b>315,972</b>	<b>5.0</b>	<b>509,412</b>	<b>3.3</b>	<b>839,875</b>	<b>4.6</b>
<b>Comprehensive income attributable to:</b>								
Owners of parent	\$ 400,233	7.5	365,005	5.8	564,162	3.6	855,218	4.7
Non-controlling interests	13,229	0.2	9,203	0.1	(1,385)	-	(1,689)	-
	<b>\$413,462</b>	<b>7.7</b>	<b>374,208</b>	<b>5.9</b>	<b>562,777</b>	<b>3.6</b>	<b>853,529</b>	<b>4.7</b>
<b>Earnings per share</b>								
<b>Basic net income per share</b>	<b>\$ 0.56</b>		<b>0.60</b>		<b>0.98</b>		<b>1.62</b>	
<b>Diluted net income per share</b>	<b>\$ 0.55</b>		<b>0.59</b>		<b>0.97</b>		<b>1.59</b>	

**ACBEL POLYTECH, INC. AND SUBSIDIARIES**  
**Consolidated statements of changes in equity**  
**For the nine months ended September 30, 2015 and 2014**  
(expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of parent											
	Retained earnings				Other equity interest							
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Share of other comprehensive income of associates and joint ventures accounted for using equity method	Unearned employee benefit	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance as of January 1, 2014	\$ 5,189,943	945,475	528,389	1,974,688	37,839	4,757	-	42,596	-	8,681,091	371,858	9,052,949
Appropriation:												
Legal reserve	-	-	124,817	(124,817)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	(936,454)	-	-	-	-	-	(936,454)	-	(936,454)
	-	-	124,817	(1,061,271)	-	-	-	-	-	(936,454)	-	(936,454)
Profit for the nine-month period ended September 30, 2014	-	-	-	841,459	-	-	-	-	-	841,459	(1,584)	839,875
Other comprehensive income for the nine-month period ended September 30, 2014	-	-	-	-	15,161	(1,402)	-	13,759	-	13,759	(105)	13,654
Comprehensive income for the nine-month period ended September 30, 2014	-	-	-	841,459	15,161	(1,402)	-	13,759	-	855,218	(1,689)	853,529
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	3,227	-	-	7,864	-	-	7,864	-	11,091	(92,037)	(80,946)
Share-based payment transactions	29,450	27,628	-	-	-	-	-	-	-	57,078	-	57,078
Balance as of September 30, 2014	\$5,219,393	976,330	653,206	1,754,876	60,864	3,355	-	64,219	-	8,668,024	278,132	8,946,156
Balance as of January 1, 2015	\$ 5,236,493	984,453	653,206	2,001,377	135,321	7,387	-	142,708	-	9,018,237	292,160	9,310,397
Appropriation:												
Legal reserve	-	-	110,065	(110,065)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	(840,495)	-	-	-	-	-	(840,495)	-	(840,495)
	-	-	110,065	(950,560)	-	-	-	-	-	(840,495)	-	(840,495)
Profit for the nine-month period ended September 30, 2015	-	-	-	515,214	-	-	-	-	-	515,214	(5,802)	509,412
Other comprehensive income for the nine-month period ended September 30, 2015	-	-	-	-	48,521	427	-	48,948	-	48,948	4,417	53,365
Comprehensive income for the nine-month period ended September 30, 2015	-	-	-	515,214	48,521	427	-	48,948	-	564,162	(1,385)	562,777
Purchase of treasury share	-	-	-	-	-	-	-	-	(237,871)	(237,871)	-	(237,871)
Share-based payment transactions	77,240	108,143	-	-	-	-	(132,567)	(132,567)	-	52,816	-	52,816
Balance as of September 30, 2015	\$5,313,733	1,092,596	763,271	1,566,031	183,842	7,814	(132,567)	59,089	(237,871)	8,556,849	290,775	8,847,624

**ACBEL POLYTECH, INC. AND SUBSIDIARIES**  
**Consolidated statements of cash flows**  
**For the nine months ended September 30, 2015 and 2014**

(expressed in thousands of New Taiwan dollars)

	2015	2014
<b>Cash flows from (used in) operating activities:</b>		
Profit (loss) before tax	\$ 625,932	1,057,086
Adjustments:		
Depreciation expense	372,294	344,558
Amortization expense	21,424	36,883
Provision (reversal of provision) for bad debt expense	13,631	(2,683)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(396,887)	(3,955)
Interest expenses	6,494	11,772
Interest income	(85,676)	(160,222)
Share-based payments	13,175	4,614
Share of loss (profit) of associates and joint ventures accounted for using equity method	3,728	8,913
Loss (gain) on disposal of investments	-	(6,174)
Other	2,319	3,660
	(49,498)	237,366
<b>Changes in operating assets and liabilities :</b>		
Decrease (increase) in derivative financial assets for hedging	(101,384)	7,411
Decrease (increase) in notes receivable	(17,763)	(1,277)
Decrease (increase) in notes receivable due from related parties	-	4,531
Decrease (increase) in accounts receivable	309,872	5,099
Decrease (increase) in accounts receivable due from related parties	355,237	(401,870)
Decrease (increase) in other receivables	4,286	(24,193)
Decrease (increase) in inventories	374,595	(561,695)
Decrease (increase) in prepayment and other current assets	9,618	(7,915)
Decrease (increase) in other operating assets	739	(300)
Increase (decrease) in derivative financial liabilities for hedging	92,926	145
Increase (decrease) in accounts payable	(539,013)	739,325
Increase (decrease) in accounts payable to related parties	(81)	105
Increase (decrease) in accrued expense and other current liabilities	(269,769)	(6,747)
Increase (decrease) in accrued pension liabilities	(6,610)	(4,975)
Increase (decrease) in other operating liabilities	-	11,719
	212,653	(240,637)
	163,155	(3,271)
Cash flows from (used in) operations	789,087	1,053,815
Interest received	85,059	152,604
Income taxes refund (paid)	(106,892)	(327,430)
<b>Net Cash flows from (used in) operating activities</b>	767,254	878,989
<b>Cash flows from (used in) investing activities:</b>		
Proceeds from repayments of bond investment without active market	200,000	-
Acquisition of investments accounted for using equity method	-	(47,744)
Acquisition of property, plant and equipment	(263,949)	(479,527)
Proceeds from disposal of property, plant and equipment	1,120	39,112
Decrease (increase) in refundable deposits	(91,319)	(45,977)
Acquisition of intangible assets	(4,561)	(17,668)
Other	15,046	(24,503)
<b>Net cash flows from (used in) investing activities</b>	(143,663)	(576,307)
<b>Cash flows from (used in) financing activities:</b>		
Increase (decrease) in short-term loans	(11,179)	12,427
Cash dividend paid	(840,495)	(936,454)
Exercise of employee share options	39,641	52,464
Payments to acquire treasury shares	(237,871)	-
Acquisition of ownership interests in subsidiaries	-	(80,946)
Interest paid	(6,964)	(11,746)
Other	(225)	(218)
<b>Net cash flows from (used in) financing activities</b>	(1,057,093)	(964,473)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	36,211	(786)
<b>Net increase (decrease) in cash and cash equivalents</b>	(397,291)	(662,577)
<b>Cash and cash equivalents at beginning of period</b>	2,665,388	3,409,490
<b>Cash and cash equivalents at end of period</b>	<b>\$ 2,268,097</b>	<b>2,746,913</b>