Coxon Precise Industrial Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2015 and 2014 and Independent Auditors’ Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2015 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 "Consolidated Financial Statements." Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

COXON PRECISE INDUSTRIAL CO., LTD.

By:

HUNG, HUAN-CHING
Director

March 30, 2016

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Coxon Precise Industrial Co., Ltd.

We have audited the accompanying consolidated balance sheets of Coxon Precise Industrial Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") as of December 31, 2015 and 2014, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. The financial statements of affiliated enterprises as of December 31, 2015 and for the year then ended were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts and information disclosed, is based on the report of the other auditors. The accompanying consolidated financial statements of the Group include its investments accounted for using the equity method in affiliated enterprises of NT$756,962 thousand, which was 6.49% of the Group's total assets, as of December 31, 2015, and its share of the loss of affiliated enterprises of NT$217,540 thousand, which was (22.65%) of the Group's profit before income tax for the year ended December 31, 2015.

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the other auditors, such the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2015 and 2014, and their consolidated financial performance and their consolidated cash flows for the years then ended, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed by the Financial Supervisory Commission of the Republic of China.

We have also audited the financial statements of the parent company, Coxon Precise Industrial Co., Ltd., as of and for the years ended December 31, 2015 and 2014, on which we have issued a modified unqualified report.

Deloitte & Touche

March 30, 2016

<u>*Notice to Readers*</u>

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)

	2015		2014	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 35)	$ 2,673,916	23	$ 1,622,331	13
Available-for-sale financial assets - current (Notes 4, 8 and 35)	11,480	-	16,534	-
Notes receivable from unrelated parties (Notes 4, 10 and 35)	3,710	-	7,438	-
Accounts receivables from unrelated parties (Notes 4, 5, 10 and 35)	2,239,866	19	3,344,451	27
Accounts receivables from related parties (Notes 4, 5, 10, 35 and 36)	18,325	-	10,367	-
Other receivables (Note 35)	19,615	-	21,006	-
Other receivables from related parties (Notes 35 and 36)	65,061	1	88,352	1
Inventories (Notes 4, 5 and 11)	592,923	5	914,471	7
Prepayments	267,622	3	111,657	1
Other financial assets - current (Notes 4, 17, 35 and 37)	251,447	2	239,628	2
Other current assets	7,501	-	13,005	-
Total current assets	6,151,466	53	6,389,240	51
NON-CURRENT ASSETS				
Financial assets measured at cost - non-current (Notes 4, 5, 9 and 35)	56,345	-	56,345	-
Investments accounted for using the equity method (Notes 4 and 13)	756,962	6	924,399	7
Property, plant and equipment (Notes 4, 14 and 37)	4,331,699	37	4,711,297	37
Intangible assets (Notes 4 and 15)	65,080	1	51,988	-
Deferred tax assets (Notes 4, 5 and 27)	93,727	1	80,661	1
Prepayment for equipment (Note 38)	137,143	1	339,486	3
Long-term prepayments for lease (Notes 16 and 37)	62,117	1	65,788	1
Other non-current assets (Notes 4, 10 and 18)	5,964	-	10,834	-
Total non-current assets	5,509,037	47	6,240,798	49
TOTAL	$ 11,660,503	100	$ 12,630,038	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 19 and 35)	$ 32,825	-	$ -	-
Financial liabilities at fair value through profit or loss - current (Notes 4, 7, 20 and 35)	11,840	-	335	-
Notes payable to unrelated parties (Notes 21 and 35)	1,301	-	1,424	-
Trade payables to unrelated parties (Notes 21 and 33)	818,284	7	1,016,046	8
Trade payables to related parties (Notes 21, 35 and 36)	1,646	-	10,604	-
Payables on equipment (Note 35)	69,181	1	120,068	1
Other payables (Notes 22 and 35)	859,709	7	1,159,859	9
Other payables to related parties (Notes 22, 35 and 36)	2,091	-	5,955	-
Current tax liabilities (Notes 4 and 27)	113,099	1	67,988	1
Provisions - current (Notes 4 and 23)	11,270	-	20,386	-
Current portion of long-term borrowings and bonds payable (Notes 19 and 35)	20,833	-	640,863	5
Other current liabilities (Notes 22 and 36)	48,630	1	64,633	1
Total current liabilities	1,990,709	17	3,108,161	25
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4, 20 and 35)	730,070	6	283,297	2
Long-term borrowings (Notes 19 and 35)	1,029,167	9	1,277,041	10
Deferred tax liabilities (Notes 4 and 27)	482,655	4	515,189	4
Accrued pension liabilities (Notes 4, 5 and 24)	24,521	-	18,767	-
Other non-current liabilities (Notes 22 and 35)	39,793	1	100,178	1
Total non-current liabilities	2,306,206	20	2,194,472	17
Total liabilities	4,296,915	37	5,302,633	42
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 25, 27 and 31)				
Share capital				
Ordinary shares	1,251,512	11	1,192,244	10
Capital surplus	2,940,462	25	2,649,344	21
Retained earnings				
Legal reserve	605,355	5	533,475	4
Special reserve	-	-	173,553	2
Unappropriated earnings	2,017,672	18	1,797,488	14
Total retained earnings	2,623,027	23	2,504,516	20
Other equity	513,297	4	542,642	4
Total equity attributable to owners of the Company	7,328,298	63	6,888,746	55
NON-CONTROLLING INTERESTS	35,290	-	438,659	3
Total equity	7,363,588	63	7,327,405	58
TOTAL	$ 11,660,503	100	$ 12,630,038	100

The accompanying notes are an integral part of the consolidated financial statements.

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE				
Sales (Notes 4 and 36)	$ 10,250,801	104	$ 9,837,806	103
Less: Sales return	(312,585)	(3)	(221,611)	(2)
Less: Sales discount	(50,195)	(1)	(72,109)	(1)
Total operating revenue	9,888,021	100	9,544,086	100
OPERATING COSTS (Notes 11, 26 and 36)	(8,053,683)	(81)	(7,770,893)	(81)
GROSS PROFIT	1,834,338	19	1,773,193	19
OPERATING EXPENSES (Notes 26 and 36)				
Selling and marketing expenses	(214,928)	(2)	(213,017)	(2)
General and administrative expenses	(600,586)	(6)	(530,814)	(6)
Research and development expenses	(27,830)	(1)	(34,443)	-
Total operating expenses	(843,344)	(9)	(778,274)	(8)
OTHER OPERATING INCOME (Notes 26 and 36)	67,972	1	11,705	-
PROFIT FROM OPERATIONS	1,058,966	11	1,006,624	11
NONOPERATING INCOME AND EXPENSES (Notes 4, 13, 26 and 30)				
Other income	13,277	-	12,248	-
Other gains and losses	157,721	2	93,355	1
Finance costs	(52,011)	(1)	(37,978)	-
Share of profit or loss of associate and joint ventures	(217,540)	(2)	12,719	-
Total nonoperating income and expenses	(98,553)	(1)	80,344	1
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	960,413	10	1,086,968	12
INCOME TAX EXPENSE (Notes 4, 5 and 27)	(267,533)	(3)	(348,125)	(4)
NET PROFIT FOR THE YEAR	692,880	7	738,843	8

(Continued)

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (Notes 4, 24, 25 and 27)				
Items that will not be reclassified subsequently to profit or loss:				
Actuarial gain and loss arising from defined benefit plans	$ (5,828)	-	$ 2,694	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	991	-	(458)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(34,862)	-	429,537	4
Unrealized loss on available-for-sale financial assets	(5,054)	-	(10,163)	-
Income tax relating to item that may be reclassified subsequently to profit or loss	4,970	-	(69,238)	(1)
Other comprehensive income for the year, net of income tax	(39,783)	-	352,372	3
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 653,097	7	$ 1,091,215	11
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 664,425	7	$ 718,804	8
Non-controlling interests	28,455	-	20,039	-
	$ 692,880	7	$ 738,843	8
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 630,243	7	$ 1,048,924	11
Non-controlling interests	22,854	-	42,291	-
	$ 653,097	7	$ 1,091,215	11
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 27)				
Basic	$ 5.42		$ 6.05	
Diluted	$ 4.96		$ 5.77	

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company									
			Retained Earnings			Other Equity				
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2014	$ 1,184,844	$ 2,627,218	$ 491,765	$ 173,553	$ 1,497,340	$ 192,458	$ 22,300	$ 6,189,478	$ 635,282	$ 6,824,760
Appropriation of the 2013 earnings										
Legal reserve	-	-	41,710	-	(41,710)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(379,182)	-	-	(379,182)	-	(379,182)
Net profit for the year ended December 31, 2014	-	-	-	-	718,804	-	-	718,804	20,039	738,843
Other comprehensive income for the year ended December 31, 2014, net of income tax	-	-	-	-	2,236	338,047	(10,163)	330,120	22,252	352,372
Total comprehensive income for the year ended December 31, 2014	-	-	-	-	721,040	338,047	(10,163)	1,048,924	42,291	1,091,215
Convertible bonds converted to ordinary shares	-	-	-	-	-	-	-	-	-	-
Issue of ordinary shares under employee share options	7,400	22,126	-	-	-	-	-	29,526	-	29,526
Non-controlling interests	-	-	-	-	-	-	-	-	(238,914)	(238,914)
BALANCE, DECEMBER 31, 2014	1,192,244	2,649,344	533,475	173,553	1,797,488	530,505	12,137	6,888,746	438,659	7,327,405
Appropriation of the 2014 earnings										
Legal reserve	-	-	71,880	-	(71,880)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(517,450)	-	-	(517,450)	-	(517,450)
Special reserve reversed	-	-	-	(173,553)	173,553	-	-	-	-	-
Equity component of convertible bonds issued by the Company	-	63,520	-	-	-	-	-	63,520	-	63,520
Net profit for the year ended December 31, 2015	-	-	-	-	664,425	-	-	664,425	28,455	692,880
Other comprehensive income for the year ended December 31, 2015, net of income tax	-	-	-	-	(4,837)	(24,291)	(5,054)	(34,182)	(5,601)	(39,783)
Total comprehensive income for the year ended December 31, 2015	-	-	-	-	659,588	(24,291)	(5,054)	630,243	22,854	653,097
Convertible bonds converted to ordinary shares	58,718	225,953	-	-	-	-	-	284,671	-	284,671
Changes in percentage of ownership interest in subsidiaries	-	-	-	-	(23,627)	-	-	(23,627)	-	(23,627)
Issue of ordinary shares under employee share options	550	1,645	-	-	-	-	-	2,195	-	2,195
Non-controlling interests	-	-	-	-	-	-	-	-	(426,223)	(426,223)
BALANCE, DECEMBER 31, 2015	$ 1,251,512	$ 2,940,462	$ 605,355	$ -	$ 2,017,672	$ 506,214	$ 7,083	$ 7,328,298	$ 35,290	$ 7,363,588

The accompanying notes are an integral part of the consolidated financial statements.

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 960,413	$ 1,086,968
Adjustments for:		
Depreciation expenses	800,741	778,272
Amortization expenses	20,002	17,546
Impairment loss (reversal of impairment loss) recognized on accounts receivables	(4,241)	8,638
Net (gain) loss on fair value change of financial assets and liabilities designated as at fair value through profit or loss	2,581	(4,363)
Finance costs	52,011	37,978
Interest income	(11,978)	(11,481)
Dividend income	(1,299)	(767)
Share of (profit) loss of associates and joint ventures	217,540	(12,719)
Gain on disposal of property, plant and equipment	(20,203)	(6,066)
Loss on disposal of subsidiaries	-	5,168
Gain on disposal of available-for-sale financial assets	-	(8,674)
Write-down (reversal) of inventories	(29,917)	57,285
Unrealized gain on the foreign currency exchange	(25,337)	(31,478)
Changes in operating assets and liabilities		
Increase in financial assets held for trading	-	(2,501)
(Increase) decrease in notes receivable	3,766	(4,790)
(Increase) decrease in accounts receivables	1,111,197	(949,172)
(Increase) decrease in other receivables	51,433	(83,738)
(Increase) decrease in inventories	353,955	(390,466)
(Increase) decrease in prepayments	(147,325)	(47,606)
(Increase) decrease in other current assets	5,504	(6,452)
Decrease in notes payable	(123)	(211)
Increase (decrease) in trade payables	(191,635)	97,317
Increase in other payables	(322,651)	287,779
Increase in provisions	(9,116)	1,922
Increase in other current liabilities	(16,003)	9,139
Increase (decrease) in accrued pension liabilities	(74)	187
Cash generated from operations	2,799,241	827,715
Interest received	11,978	11,481
Dividend received	1,299	44,200
Interest paid	(29,486)	(31,871)
Income tax paid	(273,977)	(96,207)
Net cash generated from operating activities	2,509,055	755,318
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on sale of available-for-sale financial assets	-	10,677
Acquisition of Investments accounted for using the equity method	(28,485)	(295,121)
Net cash outflow on disposal of associates	-	(185,565)
Payments for property, plant and equipment	(430,556)	(484,956)

(Continued)

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)

	2015	2014
Proceeds from disposal of property, plant and equipment	$ 54,294	$ 158,612
(Increase) decrease in refundable deposits	4,870	(2,735)
Payments for intangible assets	(25,384)	(39,858)
Purchase of other financial assets	(11,819)	(34,021)
Increase in prepayments for equipment	115,281	(371,765)
Net cash used in investing activities	(321,799)	(1,244,732)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	32,825	-
Repayments of short-term borrowings	-	(149,025)
Proceeds from long-term borrowings	1,000,000	966,050
Proceeds from issue of bond payable	800,000	-
Repayments of long-term borrowings	(1,867,904)	(557,450)
Proceeds from guarantee deposits received	-	93,067
Refund of guarantee deposits received	(95,188)	-
Exercise of employee shares options	2,195	29,526
Dividends paid to owners of the Company	(517,450)	(379,182)
Non-controlling interests variation	(426,223)	-
Net cash generated from (used in) financing activities	(1,071,745)	2,986
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(63,926)	94,278
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	1,051,585	(392,150)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,622,331	2,014,481
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 2,673,916	$ 1,622,331

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

1. GENERAL INFORMATION

Coxon Precise Industrial Co., Ltd. (the "Company") was incorporated in the Republic of China ("ROC") in June 1989. The Company mainly manufactures, packages and sells all kinds of molds, metal, plastic components and makes relevant investments.

The Company's shares have been listed on the Taiwan GreTai Securities Market since January 2008 and listed on the Taiwan Stock Exchange ("TSE") since October 2009.

The consolidated financial statements are presented in the Company's functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on March 30, 2016.

3. APPLICATION OF NEW AND REVISED STANDARDS, AMENDMENTS AND INTERPRETATIONS

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the FSC

Rule No. 1030029342 and Rule No. 1030010325 issued by the FSC on April 3, 2014, stipulated that the Group should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the "IFRSs") endorsed by the FSC and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers starting January 1, 2015.

Except for the following, whenever applied, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 IFRSs version would not have any material impact on the Group's accounting policies:

1) IFRS 10 "Consolidated Financial Statements"

IFRS 10 replaces IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation - Special Purpose Entities". The Group considers whether it has control over other entities for consolidation. The Group has control over an investee if and only if it has i) power over the investee; ii) exposure, or rights, to variable returns from its involvement with the investee and iii) the ability to use its power over the investee to affect the amount of its returns. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee.

2) IFRS 12 “Disclosure of Interests in Other Entities”

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive, please refer to Note 12 for related disclosures.

3) Revision to IAS 28 “Investments in Associates and Joint Ventures”

Revised IAS 28 requires when a portion of an investment in an associate meets the criteria to be classified as held for sale, that portion is classified as held for sale. Any retained portion that has not been classified as held for sale is accounted for using the equity method. Under current IAS 28, when a portion of an investment in associates meets the criteria to be classified as held for sale, the entire investment is classified as held for sale and ceases to apply the equity method.

4) IFRS 13 “Fair Value Measurement”

IFRS 13 establishes a single source of guidance for fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The disclosure requirements in IFRS 13 are more extensive, for example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only will be extended by IFRS 13 to cover all assets and liabilities within its scope.

The fair value measurement under IFRS 13 will be applied prospectively from January 1, 2015. Refer to Note 34 for related disclosures.

5) Amendment to IAS 1 “Presentation of Items of Other Comprehensive Income”

The amendments to IAS 1 requires items of other comprehensive income to be grouped into those items that (1) will not be reclassified subsequently to profit or loss; and (2) may be reclassified subsequently to profit or loss. Income taxes on related items of other comprehensive income are grouped on the same basis. Under current IAS 1, there were no such requirements.

The Group retrospectively applied the above amendments starting in 2015. Items not expected to be reclassified to profit or loss are remeasurements of the defined benefit plans. Items expected to be reclassified to profit or loss are the exchange differences on translating foreign operations, unrealized gains (loss) on available-for-sale financial assets, cash flow hedges, and share of the other comprehensive income (except the share of the remeasurements of the defined benefit plans) of associates and joint ventures accounted for using the equity method. However, the application of the above amendments will not have any impact on the net profit for the year, other comprehensive income for the year, and total comprehensive income for the year.

6) Revision to IAS 19 “Employee Benefits”

The interest cost and expected return on plan assets used in current IAS 19 are replaced with a “net interest” amount, which is calculated by applying the discount rate to the net defined benefit liability or asset. In addition, the revised IAS 19 introduces certain changes in the presentation of the defined benefit cost, and also includes more extensive disclosures.

b. New IFRSs in issue but not yet endorsed by the FSC

On March 10, 2016, the FSC announced the scope of IFRSs to be endorsed and will take effect from January 1, 2017. The scope includes all IFRSs that were issued by the IASB before January 1, 2016 and have effective dates on or before January 1, 2017, which means the scope excludes those that are not yet effective as of January 1, 2017 such as IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" and those with undetermined effective date. In addition, the FSC announced that the Group should apply IFRS 15 starting January 1, 2018. As of the date the consolidated financial statements were authorized for issue, the FSC has not announced the effective dates of other new, amended and revised standards and interpretations.

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 3)
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures"	January 1, 2018
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"	January 1, 2016
Amendment to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
IFRS 16 "Leases"	January 1, 2019
Amendment to IAS 1 "Disclosure Initiative"	January 1, 2016
Amendment to IAS 7 "Disclosure Initiative"	January 1, 2017
Amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Losses"	January 1, 2017
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	January 1, 2016
Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"	January 1, 2016
Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: The amendment to IFRS 2 applies to share-based payment transactions with grant date on or after July 1, 2014; the amendment to IFRS 3 applies to business combinations with acquisition date on or after July 1, 2014; the amendment to IFRS 13 is effective immediately; the remaining amendments are effective for annual periods beginning on or after July 1, 2014.

Note 3: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

The initial application of the above New IFRSs, whenever applied, would not have any material impact on the Group's accounting policies, except for the following:

1) IFRS 9 "Financial Instruments"

   Recognition and measurement of financial assets

   With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortized cost or fair value. Under IFRS 9, the requirement for the classification of financial assets is stated below.

   For the Group's debt instruments that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, their classification and measurement are as follows:

   a) For debt instruments, if they are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss recognized in profit or loss, if any. Interest revenue is recognized in profit or loss by using the effective interest method;

   b) For debt instruments, if they are held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of financial assets, the financial assets are measured at fair value through other comprehensive income (FVTOCI) and are assessed for impairment. Interest revenue is recognized in profit or loss by using the effective interest method, and other gain or loss shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When the debt instruments are derecognized or reclassified, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

   Except for above, all other financial assets are measured at fair value through profit or loss. However, the Group may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss. No subsequent impairment assessment is required, and the cumulative gain or loss previously recognized in other comprehensive income cannot be reclassified from equity to profit or loss.

   The impairment of financial assets

   IFRS 9 requires that impairment loss on financial assets is recognized by using the "Expected Credit Losses Model". The credit loss allowance is required for financial assets measured at amortized cost, financial assets mandatorily measured at FVTOCI, lease receivables, contract assets arising from IFRS 15 "Revenue from Contracts with Customers", certain written loan commitments and financial guarantee contracts. A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition and is not low. However, a loss allowance for full lifetime expected credit losses is required for trade receivables that do not constitute a financing transaction.

   For purchased or originated credit-impaired financial assets, the Group takes into account the expected credit losses on initial recognition in calculating the credit-adjusted effective interest rate. Subsequently, any changes in expected losses are recognized as a loss allowance with a corresponding gain or loss recognized in profit or loss.

2) Amendment to IAS 36 "Recoverable Amount Disclosures for Non-financial Assets"

In issuing IFRS 13 "Fair Value Measurement", the IASB made consequential amendment to the disclosure requirements in IAS 36 "Impairment of Assets", introducing a requirement to disclose in every reporting period the recoverable amount of an asset or each cash-generating unit. The amendment clarifies that such disclosure of recoverable amounts is required only when an impairment loss has been recognized or reversed during the period. Furthermore, the Group is required to disclose the discount rate used in measurements of the recoverable amount based on fair value less costs of disposal measured using a present value technique.

3) Annual Improvements to IFRSs: 2010-2012 Cycle

Several standards including IFRS 2 "Share-based Payment", IFRS 3 "Business Combinations" and IFRS 8 "Operating Segments" were amended in this annual improvement.

The amended IFRS 2 changes the definitions of "vesting condition" and "market condition" and adds definitions for "performance condition" and "service condition". The amendment clarifies that a performance target can be based on the operations (i.e. a non-market condition) of the Group or another entity in the same group or the market price of the equity instruments of the Group or another entity in the same group (i.e. a market condition); that a performance target can relate either to the performance of the Group as a whole or to some part of it (e.g. a division); and that the period for achieving a performance condition must not extend beyond the end of the related service period. In addition, a share market index target is not a performance condition because it not only reflects the performance of the Group, but also of other entities outside the Group.

IFRS 3 was amended to clarify that contingent consideration should be measured at fair value, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39. Changes in fair value should be recognized in profit or loss.

The amended IFRS 8 requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have "similar economic characteristics". The amendment also clarifies that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segments' assets are regularly provided to the chief operating decision-maker.

IFRS 13 was amended to clarify that the issuance of IFRS 13 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of not discounting is immaterial.

IAS 24 was amended to clarify that a management entity providing key management personnel services to the Group is a related party of the Group. Consequently, the Group is required to disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

4) Annual Improvements to IFRSs: 2011-2013 Cycle

Several standards, including IFRS 3, IFRS 13 and IAS 40 "Investment Property", were amended in this annual improvement.

IFRS 3 was amended to clarify that IFRS 3 does not apply to the accounting for the formation of all types of joint arrangements in the financial statements of the joint arrangement itself.

The scope in IFRS 13 of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis was amended to clarify that it includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

IAS 40 was amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required to determine whether the investment property acquired is acquisition of an asset or a business combination.

5) Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"

The entity should use appropriate depreciation and amortization method to reflect the pattern in which the future economic benefits of the property, plant and equipment and intangible asset are expected to be consumed by the entity.

The amended IAS 16 "Property, Plant and Equipment" requires that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. The amended standard does not provide any exception from this requirement.

The amended IAS 38 "Intangible Assets" requires that there is a rebuttable presumption that an amortization method that is based on revenue that is generated by an activity that includes the use of an intangible asset is not appropriate. This presumption can be overcome only in the following limited circumstances:

a) In which the intangible asset is expressed as a measure of revenue (for example, the contract that specifies the entity's use of the intangible asset will expire upon achievement of a revenue threshold); or

b) When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

An entity should apply the aforementioned amendments prospectively for annual periods beginning on or after the effective date.

6) IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and will supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and a number of revenue-related interpretations.

When applying IFRS 15, an entity shall recognize revenue by applying the following steps:

- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts; and
- Recognize revenue when the entity satisfies a performance obligation.

When IFRS 15 is effective, an entity may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying this Standard recognized at the date of initial application.

7) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulated that, when an entity sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when an entity loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when an entity sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the unrelated investors’ interest in the associate or joint venture, i.e. the entity’s share of the gain or loss is eliminated. Also, when an entity loses control of a subsidiary that does not contain a business but retains significant influence or joint control in an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the unrelated investors’ interest in the associate or joint venture, i.e. the entity’s share of the gain or loss is eliminated.

8) Annual Improvements to IFRSs: 2012-2014 Cycle

Several standards including IFRS 5 “Non-current assets held for sale and discontinued operations”, IFRS 7, IAS 19 and IAS 34 were amended in this annual improvement.

IFRS 5 was amended to clarify that reclassification between non-current assets (or disposal group) “held for sale” and non-current assets “held for distribution to owners” dose not constiture a change to a plan of sale or distribution. Therefore, previous accounting treatment is not reversed. The amendment also explains that assets that no longer meet the criteria for “held for distribution to owners” and do not meet the criteria for “held for sale” should be treated in the same way as assets that cease to be classified as held for sale.

9) IFRS 16 “Leases”

IFRS 16 sets out the accounting standards for leases that will supersede IAS 17 and a number of related interpretations.

Under IFRS 16, if the Group is a lessee, it shall recognize right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for low-value and short-term leases. The Group may elect to apply the accounting method similar to the accounting for operating lease under IAS 17 to the low-value and short-term leases. On the consolidated statements of comprehensive income, the Group should present the depreciation expense charged on the right-of-use asset separately from interest expense accrued on the lease liability; interest is computed by using effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of the lease liability are classified within financing activities; cash payments for interest portion are classified within operating activities.

The application of IFRS 16 is not expected to have a material impact on the accounting of the Group as lessor.

When IFRS 16 becomes effective, the Group may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of the initial application of this Standard recognized at the date of initial application.

10) Amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Losses"

The amendment clarifies that the difference between the carrying amount of the debt instrument measured at fair value and its tax base gives rise to a temporary difference, even though there are unrealized losses on that asset, irrespective of whether the Group expects to recover the carrying amount of the debt instrument by sale or by holding it and collecting contractual cash flows.

In addition, in determining whether to recognize a deferred tax asset, the Group should assess a deductible temporary difference in combination with all of its other deductible temporary differences, unless the tax law restricts the utilization of losses to deduction against income of a specific type, in which case, a deductible temporary difference is assessed in combination only with other deductible temporary differences of the appropriate type. The amendment also stipulates that, when determining whether to recognize a deferred tax asset, the estimate of probable future taxable profit may include some of the Group's assets for more than their carrying amount if there is sufficient evidence that it is probable that the Group will achieve this, and that the estimate for future taxable profit should exclude tax deductions resulting from the reversal of deductible temporary differences.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRSs as endorsed by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within twelve months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

Principles for preparing consolidated financial statements.

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries, including special purpose entities).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition of an investment in an associate or a jointly controlled entity.

See Note 12, Tables 6 and 7 for the detailed information of subsidiaries (including the percentage of ownership and main business).

e. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including of the subsidiaries, associates, joint ventures or branches operations in other countries or currencies used different with the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income attributed to the owners of the Company and non-controlling interests as appropriates.

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences (is re-attributed to non-controlling interests of the subsidiary and/is included in the calculation of equity transactions but) is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

g. Investment in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of equity of associates attributable to the Group.

When the Group subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Group's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which it ceases to have significant influence. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group' consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

h. Property, plant and equipment

Property, plant and equipment are stated at cost, less subsequent accumulated depreciation and subsequent accumulated impairment loss.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation on property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

i. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at less accumulated impairment loss.

2) Derecognition of intangible assets

On depreciation of intangible assets, the difference between the net disposal proceeds and the carrying amount of the asset are recognized in profit or loss.

j. Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation; otherwise, corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

k. Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at fair value through profit or loss, available-for-sale financial assets, and loans and receivables.

i. Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are measured at fair value. Changes in the carrying amount of available-for-sale monetary financial assets relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognized in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of or is determined to be impaired.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Group’s right to receive the dividends is established.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment loss at the end of each reporting period and are presented in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between carrying amount and fair value is recognized in other comprehensive income on financial assets. Any impairment losses are recognized in profit and loss.

ii. Loans and receivables

Loans and receivables (including trade receivables, cash and cash equivalent, other financial assets, and other receivables) are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

Cash equivalent includes time deposits and with original maturities within three months from the date of acquisition, highly liquid, readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, such as trade receivables and other receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables, and other situation.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

In respect of available-for-sale equity securities, impairment loss previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income. In respect of available-for-sale debt securities, the impairment loss is subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables and other receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable and other receivables are considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss except for uncollectible trade receivables and other receivables that are written off against the allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

2) Equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the following situation, all the financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability may be designated as at fair value through profit or loss upon initial recognition when doing so results in more relevant information and if:

i. Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

ii. The financial liability forms parts of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis in accordance with the Company's documented risk management or investment strategy and information about the grouping is provided internally on that basis; or

iii. The contract contains one or more embedded derivatives so that the entire combined contract (asset or liability) can be designated as at fair value through profit or loss.

For a financial liability designated as at fair value through profit or loss, the amount of changes in fair value attributable to changes in the credit risk of the liability is presented in other comprehensive income, and it will not be subsequently reclassified to profit or loss. The remaining amount of changes in the fair value of that liability which does not incorporate any interest or dividend paid on the financial liability is presented in profit or loss. The gain or loss accumulated in other comprehensive income will be transferred to retained earnings when the financial liabilities are derecognized. If this accounting treatment related to credit risk would create or enlarge an accounting mismatch, all changes in fair value of the liability are presented in profit or loss.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Convertible bonds

The component parts of compound instruments (convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to capital surplus - share premium. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premium.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

l. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

m. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Sales returns are recognized at the time of sale provided the seller can reliably estimate future returns and recognizes a liability for returns based on previous experience and other relevant factors.

1) Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

a) The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

b) The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

c) The amount of revenue can be measured reliably;

d) It is probable that the economic benefits associated with the transaction will flow to the Group; and

e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Group does not recognize sales revenue on materials delivered to subcontractors because this delivery does not involve a transfer of risks and rewards of materials ownership.

2) Rendering of services

Service income is recognized when conditions are satisfied as follow:

a) The amount of revenue can be measured reliably;

b) It is probable that the economic benefits associated with the transaction will flow to the entity;

c) The stage of completion of the transaction at the end of the reporting period can be measured reliably; and

d) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

The Group recognized the revenue within the scope of recoverable costs, when the results of rendering services cannot be measured reliably; the Group does not recognized the revenue, when the results of rendering services cannot be measured reliably and the cost is likely unrecoverable.

3) Dividend and interest income

Dividend income from investments is recognized when the shareholder’s right to receive payment has been established provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

n. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

1) The Group as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

2) The Group as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

o. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

p. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and net interest) on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plan except that remeasurement is recognized in profit or loss.

4) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

q. Employee share options

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's estimate of employee share options that will eventually vest, with a corresponding increase in capital surplus - employee share options. The fair value determined at the grant date of the employee share options is recognized as an expense in full at the grate date when the share options granted vest immediately.

At the end of each reporting period, the Group revises its estimate of the number of employee share options expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the capital surplus - employee share options.

r. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carry forward to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a. Income taxes

As of December 31, 2015 and 2014, the carrying amount of deferred tax assets in relation to unused tax losses was $93,727 thousand and $80,661 thousand, respectively. As of December 31, 2015 and 2014, no deferred tax asset has been recognized on tax losses of $199,871 thousand and $292,368 thousand, respectively, due to the unpredictability of future profit streams. The realizability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal takes place.

b. Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. Where the actual future cash flows are less than expected, a material impairment loss may arise.

As of December 31, 2015 and 2014, the carrying amount of trade receivables was $2,258,191 thousand and $3,354,818 thousand (after deduction of the amount of allowance for impairment loss $7,508 thousand and $19,674 thousand), respectively.

c. Write-down of inventory

Net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value was based on current market conditions and the historical experience of selling products of a similar nature. Changes in market conditions may have a material impact on the estimation of net realizable value.

As of December 31, 2015 and 2014, the carrying amount of inventory was $592,923 thousand and $914,471 thousand, respectively.

d. Recognition and measurement of defined benefit plans

Accrued pension liabilities and the resulting pension expense under defined benefit pension plans are calculated using the Projected Unit Credit Method. Actuarial assumptions comprise the discount rate, rate of employee turnover, and long-term average future salary increase. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and the liability.

As of December 31, 2015 and 2014, the carrying amount of accrued pension liability was $24,521 thousand and $18,767 thousand, respectively.

e. Impairment of financial asset measured at cost

The Group immediately recognizes impairment loss when there is any indication that the financial asset may be impaired and the carrying amount may not be recoverable. The Group's management evaluates the impairment based on the estimated future cash flow.

As of December 31, 2015 and 2014, the carrying amount of financial asset measured at cost both are $56,345 thousand; the carrying amount of accumulated impairment both are $26,224 thousand.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2015	2014
Cash on hand	$ 3,195	$ 3,027
Checking accounts and demand deposits	2,483,725	1,484,856
Cash equivalents (investments with original maturities of less than three months)		
Time deposits	31,000	134,448
Bank acceptances	155,996	-
	$ 2,673,916	$ 1,622,331

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2015	2014
Financial liabilities held for trading		
Derivative financial liabilities		
Convertible options (Note 19 (note of convertible options))	$ 11,840	$ 335

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31	
	2015	2014
Domestic investments		
Listed shares and emerging market shares	$ 11,840	$ 16,534

9. FINANCIAL ASSETS MEASURED AT COST

	December 31	
	2015	2014
Overseas unlisted common stocks	$ 56,345	$ 56,345

Management believed that fair value of the above unlisted equity investments held by the Company, which could not be reliably measured because the range of reasonable fair value estimates was so significant; thus, they were measured at cost less impairment at the end of the reporting period.

10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31	
	2015	2014
Notes receivable		
Notes receivable - operating	$ 3,747	$ 7,513
Less: Allowance for impairment loss	(37)	(75)
	$ 3,710	$ 7,438
Trade receivables		
Non-related parties	$ 2,247,374	$ 3,364,125
Related parties	18,325	10,367
Less: Allowance for impairment loss	(7,508)	(19,674)
	$ 2,258,191	$ 3,354,818

The average credit period on sales of goods was 90-120 days. No interest was charged on trade receivables. The Group recognized an allowance for impairment loss of 100% against all receivables over 181 days because historical experience had been that receivables that are past due beyond 181 days were not recoverable. Allowance for impairment loss were recognized against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparties and an analysis of their current financial position.

The customers individually represented more than 5% of the total balance of trade receivables on December 31, 2015 and 2014 as follow:

	December 31	
Customer	**2015**	**2014**
A	$ 162,456	$ 230,367
D	127,576	Note
E	124,003	Note
C	Note	177,966
L	Note	328,747
M	Note	451,759

Note: Less than 5% of the total balance of trade receivables.

The credit risk is limited, because the customers of the Group have no relevance each other.

Trade receivables disclosed above included amounts (the aging analysis is shown below) that were past due at the end of the reporting period but for which the Company did not recognized an allowance for impairment loss because there were no significant changes in their credit quality and the amounts were considered recoverable.

The aging analysis of the trade receivables that were impaired was as follows:

	December 31	
	2015	2014
Not overdue	$ 2,148,794	$ 3,248,476
Overdue with ages of 1-30 days	73,298	73,832
Overdue with ages of 31-60 days	36,332	37,735
Overdue with ages of 61-90 days	3,756	1,792
Overdue with ages of 91-180 days	2,107	2,574
Overdue with ages of 181 days	1,412	10,083
	$ 2,265,699	$ 3,374,492

The movements of the allowance for doubtful note receivable were as follows:

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2014	$ -	$ 15	$ 15
Add: Impairment losses recognized on receivables	-	60	60
Balance at December 31, 2014	$ -	$ 75	$ 75
Balance at January 1, 2015	$ -	$ 75	$ 75
Less: Impairment losses reversed	-	(38)	(38)
Balance at December 31, 2015	$ -	$ 37	$ 37

The movements of the allowance of doubtful trade receivable were as follows:

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2014	$ -	$ 13,106	$ 13,106
Add: Impairment losses recognized on receivables	1,824	6,956	8,780
Less: Amounts written off during the period as uncollectible	-	(2,464)	(2,464)
Foreign exchange translation gains and losses	-	252	252
Balance at December 31, 2014	$ 1,824	$ 17,850	$ 19,674
Balance at January 1, 2015	$ 1,824	$ 17,850	$ 19,674
Less: Impairment losses reversed	-	(4,192)	(4,192)
Less: Amounts written off during the period as uncollectible	(1,824)	(6,066)	(7,890)
Foreign exchange translation gains and losses	-	(84)	(84)
Balance at December 31, 2015	$ -	$ 7,508	$ 7,508

The movements of the allowance of doubtful overdue receivable were as follows:

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2014	$ -	$ 12,688	$ 12,688
Less: Impairment losses reversed	-	(202)	(202)
Less: Reclassification	8,667	(8,667)	-
Foreign exchange translation gains and losses	-	166	166
Balance at December 31, 2014	$ 8,667	$ 3,985	$ 12,652
Balance at January 1, 2015	$ 8,667	$ 3,985	$ 12,652
Less: Impairment losses reversed	-	(11)	(11)
Less: Amounts written off during the year as uncollectible	(8,667)	-	(8,667)
Foreign exchange translation gains and losses	-	(31)	(31)
Balance at December 31, 2015	$ -	$ 3,943	$ 3,943

Overdue receivables were classified under other assets.

11. INVENTORIES

	December 31	
	2015	2014
Raw materials	$ 127,176	$ 137,606
Materials	57,779	50,966
Work in progress (include mold)	123,752	292,461
Semifinished product	92,205	88,099
Finished goods	192,011	345,339
	$ 592,923	$ 914,471

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2015 and 2014 was $8,053,683 thousand and $7,770,893 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2015 and 2014 included reversal of inventory write - down of $29,917 thousand and inventory write-down of $57,285 thousand, respectively. Previous write - downs were reversed as a result of increased selling prices in markets. The allowance of impaired inventory as of December 31, 2015 and 2014 is $221,202 thousand and $253,609 thousand, respectively.

12. SUBSIDIARY

a. Subsidiary included in consolidated financial statements

Investor	Investee	Main Business	% of Ownership December 31 2015	2014
Coxon Precise Industrial Co., Ltd.	Coxon Industry Ltd. (Samoa)	Global investing activities	100	100
	Sun Can International Ltd. (Samoa)	Global investing activities	100	100
Coxon Industrial Ltd. (Samoa)	DongGuan Chensang Plastic Co., Ltd.	Manufacturing and sale of nonmetal molding and automobile part	100	-
Sun Can International Ltd. (Samoa)	Sinxon Plastic (Dong Guan) Ltd.	Manufacturing and sale of nonmetal molding and automobile part	100	100
Coxon Precise Industrial Co., Ltd.	Teckyork Enterprise Co., Ltd. (Samoa)	Global investing activities	100	100
Teckyork Enterprise Co., Ltd. (Samoa)	Shanghai Teckyork Enterprise Co., Ltd.	Manufacturing and sale of nonmetal molding, precision plastic injection parts and optical lens	100	100
	Shanghai Sonor Enterprise Co., Ltd.	Manufacturing and sale of nonmetal molding, precision plastic injection parts, related semi-finished goods and components	100	100
	Vastech Industrial Co., Ltd. (Samoa)	Global investing activities	100	100
Vastech Industrial Co., Ltd. (Samoa)	Vastech Plastic (Shanghai) Industrial Co., Ltd.	Manufacturing and sale of nonmetal molding, precision plastic injection parts and optical lens	100	100
Teckyork Enterprise Co., Ltd. (Samoa)	Changshu Huaxon Industry Co., Ltd.	Manufacturing, assembling and sale of optical disc drive, digital camera parts, electric parts and nonmetal molding	100	100
Changshu Huaxon Industry Co., Ltd.	GoerXon Optical Precision Industry Co., Ltd. (Note 2)	Manufacturing and sale of precision plastic injection parts	Note 1	Note 1
Coxon Precise Industrial Co., Ltd.	Cheng Yee Enterprise Ltd. (Samoa)	Global investing activities	100	80
Cheng Yee Enterprise Ltd. (Samoa)	Coxon Precise International Ltd. (BVI)	Global investing activities	100	100
	Hang Yuan Enterprise Ltd. (Samoa)	Global investing activities	100	100
Hang Yuan Enterprise Ltd. (Samoa)	Coxon Industry (Changshu) Co., Ltd.	Manufacturing and sale of nonmetal molding, precision plastic injection parts, related semi-finished goods and components	100	100
Cheng Yee Enterprise Ltd. (Samoa)	Coxon Medical Limited (Samoa)	Global investing activities	80	80
Coxon Medical Limited (Samoa)	Shanghai Coxon Medical Limited	Manufacturing of medical materials	100	100
Coxon Precise Industrial Co., Ltd.	Cheng Da Industry Ltd. (Samoa)	Global investing activities	100	100
Cheng Da Industry Ltd. (Samoa)	Dong Guan Cheng Da Metal Product Company Limited	Manufacturing optical instrument, electronic products and plastic products	100	100
Coxon Precise Industrial Co., Ltd.	Soartek Optoelectronics Technology Co., Ltd.	Manufacturing of optical instrument and electronic components	100	100
Soartek Optoelectronics Technology Co., Ltd.	Hsiangtek Optical Technology Co., Ltd. (Samoa)	Global investing activities	100	100

Note 1: When the Group lost control over Shandong GoerXon Precision Industry Co., Ltd. on June 27, 2014, this investee ceased to be included in the consolidated financial statements. However, the investment result on this investee as of June 27, 2014 was still included in the consolidated financial statements.

Note 2: Shandong GoerXon Precision Industry Co., Ltd. changed its name to GoerXon Optical Precision Industry Co., Ltd. in September 2014.

b. Subsidiary not included in consolidated financial statements: None

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	December 31 2015	2014
Unlisted companies		
Toyo Precision Appliance (Kanshan) Co., Ltd.	$ 408,270	$ 527,500
Changshu Houkennixx Plastic Product Co., Ltd.	47,862	33,582
GoerXon Optical Precision Co., Ltd.	216,568	250,112
Siix Coxon Precision Phils., Inc.	84,262	113,205
	$ 756,962	$ 924,399

As the end of the reporting period, the proportion of ownership and voting rights in associates held by the Group were as follows:

Name of Associate	December 31 2015	December 31 2014
Toyo Precision Appliance (Kanshan) Co., Ltd.	30%	30%
Changshu Houkennixx Plastic Product Co., Ltd.	25%	20%
GoerXon Optical Precision Co., Ltd.	25%	25%
Siix Coxon Precision Phils., Inc.	45%	45%

In March 2015, Changshu Houkennixx Plastic Product Co., Ltd. issued new shares and the Group subscribed for these shares. Thus, the Group's percentage of ownership of Changshu Houkennixx Plastic Product Co., Ltd. increased from 20% to 25%.

In January 2014, the Group subscribed for the common shares of Siix Coxon Precision., Inc. ("Siix Coxon"). After this subscription, the Group's percentage of ownership of Siix Coxon became 45%, and the Group started to exercise significant influence over this investee.

In June 2014, GoerXon Optical Precision Co., Ltd. ("GoerXon"; formerly Shandong GoerXon Precision Industry Co., Ltd.; please refer to Note 30 to the financial statements) issued new shares but the Group did not subscribe for these shares. Thus, the Group's percentage of ownership of GoerXon decreased from 51% to 25% and the Group lost control over GoerXon.

The summarized financial information in respect of the Group's associates is set out below:

	December 31 2015	December 31 2014
Total assets	$ 5,248,189	$ 4,380,303
Total liabilities	$ 2,866,588	$ 1,202,045

	For the Year Ended December 31 2015	For the Year Ended December 31 2014
Revenue	$ 4,064,488	$ 2,581,978
(Loss) profit for the year	$ (713,345)	$ (9,987)

The investments accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2015 and 2014 was based on the associates' financial statements audited by the auditors for the same years.

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery	Transportation Equipment	Office Equipment	Leasehold Improvement	Other Equipment	Construction in progress	Total
Cost									
Balance, at January 1, 2014	$ 79,244	$ 1,997,901	$ 7,009,783	$ 66,378	$ 163,511	$ 940,702	$ 295,116	$ 4,635	$ 10,557,270
Additions	-	2,776	150,091	4,699	6,542	40,072	17,835	198,875	420,890
Disposals	-	(864)	(549,098)	(7,018)	(10,192)	-	(2,948)	-	(570,120)
Reclassification	-	863	117,636	1,100	12,507	53,889	74,039	(144,912)	115,122
Effect of disposal associates	-	-	(211,564)	(1,847)	(2,290)	-	-	(53,594)	(269,295)
Effect of exchange rate changes	-	111,121	388,088	2,720	8,699	60,731	19,360	(457)	590,262
Balance, at December 31, 2014	$ 79,244	$ 2,111,797	$ 6,904,936	$ 66,032	$ 178,777	$ 1,095,394	$ 403,402	$ 4,547	$ 10,844,129
Accumulated depreciation and impairment									
Balance at January 1, 2014	$ 18,812	$ 553,275	$ 4,233,561	$ 45,499	$ 106,472	$ 312,235	$ 212,801	$ -	$ 5,482,655
Depreciation expense	-	93,272	568,868	5,842	16,260	64,109	29,921	-	778,272
Disposals	-	-	(401,978)	(6,350)	(7,134)	-	(2,112)	-	(417,574)
Reversals of impairment losses recognized in profit or loss	-	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	194	-	194
Effect of disposal associates	-	-	(34,787)	(727)	(529)	-	-	-	(36,043)
Effect of exchange rate changes	-	33,650	252,395	1,785	5,362	20,681	11,455	-	325,328
Balance, at December 31, 2014	$ 18,812	$ 680,197	$ 4,618,059	$ 46,049	$ 120,431	$ 397,025	$ 252,259	$ -	$ 6,132,832
Carry amounts value at December 31, 2014	$ 60,432	$ 1,431,600	$ 2,286,877	$ 19,983	$ 58,346	$ 698,369	$ 151,143	$ 4,547	$ 4,711,297
Cost									
Balance, at January 1, 2015	$ 79,244	$ 2,111,797	$ 6,904,936	$ 66,032	$ 178,777	$ 1,095,394	$ 403,402	$ 4,547	$ 10,844,129
Additions	-	2,395	277,750	11,458	6,570	21,016	35,057	60,226	414,472
Disposals	-	(37,131)	(200,585)	(9,610)	(6,017)	(6,492)	(2,352)	-	(262,187)
Reclassification	-	(64,595)	(2,283,857)	(11,083)	(105,999)	(530,496)	123,333	(53,894)	(2,926,591)
Effect of exchange rate changes	-	(35,219)	(31,949)	(136)	(260)	7,613	(5,632)	(154)	(65,737)
Balance, at December 31, 2015	$ 79,244	$ 1,977,247	$ 4,666,295	$ 56,661	$ 73,071	$ 587,035	$ 553,808	$ 10,725	$ 8,004,086
Accumulated depreciation and impairment									
Balance, at January 1, 2015	$ 18,812	$ 680,197	$ 4,618,059	$ 46,049	$ 120,431	$ 397,025	$ 252,259	$ -	$ 6,132,832
Depreciation expense	-	94,570	587,029	5,403	12,439	53,281	48,019	-	800,741
Disposals	-	(18,333)	(192,598)	(8,569)	(5,106)	(1,506)	(1,984)	-	(228,096)
Reclassification	-	(37,862)	(2,636,975)	(3,251)	(64,030)	(167,191)	(91,024)	-	(3,000,333)
Effect of exchange rate changes	-	(9,449)	(19,799)	(645)	(355)	(422)	(2,087)	-	(32,757)
Balance, at December 31, 2015	$ 18,812	$ 709,123	$ 2,355,716	$ 38,987	$ 63,379	$ 281,187	$ 205,183	$ -	$ 3,672,387
Carry amounts value at December 31, 2015	$ 60,432	$ 1,268,124	$ 2,310,579	$ 17,674	$ 9,692	$ 305,848	$ 348,625	$ 10,725	$ 4,331,699

Impairment assessment was performed by management for the years ended 2015 and 2014 as there was no indication of impairment.

The above items of property, plant and equipment were depreciated on a straight-line basis over the estimated useful life of the asset:

Building	
Main buildings	5-50 years
Elevators	2-20 years
Engineering systems	5-20 years
Machinery	1-19 years
Transportation equipment	4-19 years
Office equipment	2-18 years
Leasehold improvement	2-20 years
Other equipment	2-20 years

Refer to Note 37 for the carrying amount of property, plant and equipment pledged by the group to secure borrowings/general banking facilities granted to the Group.

15. INTANGIBLE ASSETS

	Computer Software	Other Intangible Assets	Total
Cost			
Balance at January 1, 2014	$ 84,927	$ 30,516	$ 115,443
Additions	39,858	-	39,858
Reclassification	(11,713)	-	(11,713)
Disposals	-	-	-
Effect of exchange rate changes	5,311	1,889	7,200
Balance at December 31, 2014	$ 118,383	$ 32,405	$ 150,788
Accumulated amortization			
Balance at January 1, 2014	$ 56,510	$ 22,289	$ 78,799
Amortization expense	9,215	6,206	15,421
Reclassification	(355)	-	(355)
Disposals	-	-	-
Effect of exchange rate changes	3,280	1,655	4,935
Balance at December 31, 2014	$ 68,650	$ 30,150	$ 98,800
Carrying amounts at December 31, 2014	$ 49,733	$ 2,255	$ 51,988
Cost			
Balance at January 1, 2015	$ 118,383	$ 32,405	$ 150,788
Additions	25,384	-	25,384
Reclassification	4,680	-	4,680
Disposals	-	-	-
Effect of exchange rate changes	(7)	1,203	1,196
Balance at December 31, 2015	$ 148,440	$ 33,608	$ 182,048
Accumulated amortization			
Balance at January 1, 2015	$ 68,650	$ 30,150	$ 98,800
Amortization expense	15,546	2,261	17,807
Reclassification	-	-	-
Disposals	-	-	-
Effect of exchange rate changes	(836)	1,197	361
Balance at December 31, 2015	$ 83,360	$ 33,608	$ 116,968
Carrying amounts at December 31, 2015	$ 65,080	$ -	$ 65,080

The above items of other intangible assets were depreciated on a straight-line basis at the following rates per annum:

Computer software	1-10 years
Other intangible assets	5 years

16. LONG-TERM REPAYMENTS FOR LEASE OBLIGATIONS - NON-CURRENT

	December 31	
	2015	2014
Land use right	$ 62,117	$ 65,788

Long-term prepaid lease payments include land use right which are located in Mainland China.

Refer to Note 37 for the land use right which are located in Mainland China Pledged by the Group to secure borrowings/general banking facilities granted to the Group.

17. OTHER FINANCIAL ASSETS

	December 31	
	2015	2014
Other financial assets - current		
Time deposits with original maturities of more than three months	$ 7,582	$ 116,453
Principal guaranteed fund	161,760	62,069
Time deposits pledged	82,105	61,106
	$ 251,447	$ 239,628

The market interest rates intervals in above time deposits with original maturities of more than three months at the date of December 31, 2015 and 2014 were 0.5%-3.0% and 0.5%-3.3%, respectively.

18. OTHER ASSETS

	December 31	
	2015	2014
Refundable deposits	$ 5,964	$ 10,834
Overdue receivable	3,943	12,652
Less: Allowance for impairment loss	(3,943)	(12,652)
	$ 5,964	$ 10,834

19. BORROWINGS

a. Short-term borrowings

	December 31	
	2015	2014
Unsecured borrowings		
Line of credit borrowings	$ 32,825	$ -

The range of weighted average effective interest rate of bank loans was 1% per annum as of December 31, 2015.

b. Long-term borrowings

	December 31	
	2015	2014
Secured borrowings (Note 37)		
Bank loans		
Hua Nan Bank Medium-term working capital loan with a credit line of \$800,000 thousand and interest rate of 1.51% for the year ended December 31, 2015; loan period from November 26, 2014 to November 11, 2017. Principal lump-sum payment at maturity and interest payment monthly.	\$ 53,000	\$ 53,000
Unsecured borrowings		
Bank loans		
Hua Nan Bank Medium-term working capital loan with a credit line of \$200,000 thousand and interest rate of 1.695% for the year ended December 31, 2014; loan period from March 13, 2014 to March 12, 2017. Repayable in 12 quarterly installment and interest is paid monthly. The company had paid off ahead of time.	-	74,999
Hua Nan Bank Medium-term working capital loan with a credit line of \$800,000 thousand and interest rate of 1.51% for the year ended December 31, 2015; loan period from November 26, 2014 to November 11, 2017. Principal lump-sum payment at maturity and interest payment monthly.	247,000	247,000
Hua Nan Bank Medium-term working capital loan with a credit line of \$800,000 thousand and interest rate of 1.51% for the year ended December 31, 2015; loan period from April 13, 2015 to April 13, 2017. Principal lump-sum payment at maturity and interest payment monthly.	100,000	-
China Trust Bank Medium-term working capital loan with a credit line of \$150,000 thousand and interest rate of 1.6760% for the year ended December 31, 2014; loan period from October 21, 2013 to October 21, 2016. Repayable in 12 quarterly installments from October 2013 and interest is paid monthly. A grace period of one year is given. The company had paid off ahead of time.	-	150,000
China Trust Bank Medium-term working capital loan with a credit line of \$400,000 thousand and interest rate of 1.6798% for the year ended December 31, 2014; loan period from December 26, 2013 to October 25, 2015. Principal lump-sum payment at maturity and interest payment monthly.	-	250,000

(Continued)

	December 31	
	2015	2014
China Trust Bank Medium-term working capital loan with a credit line of $150,000 thousand and interest rate of 1.676% for the year ended December 31, 2014; loan period from July 21, 2014 to July 21, 2017. Repayable in 8 equal installments from starting July 21, 2015. A grace period of one year is given.	$ -	$ 150,000
China Trust Bank Medium-term working capital loan with a credit line of $400,000 thousand and interest rate of 1.27% for the year ended December 31, 2014; loan period from December 26, 2013 to December 25, 2015. Principal lump-sum payment at maturity and interest payment monthly.	-	85,455
China Trust Bank Medium-term working capital loan with a credit line of $700,000 thousand and interest rate of 1.5111% for the year ended December 31, 2015; loan period from July 21, 2015 to July 21, 2017. Repayable in 4 quarterly installments from starting July 21, 2015. A grace period of one year is given.	550,000	-
Shanghai Commercial Savings Bank Medium-term working capital loan with a credit line of $200,000 thousand and interest rate of 1.75% for the year ended December 31, 2014; loan period from May 2, 2014 to April 15, 2016. Principal lump-sum payment at maturity and interest payment monthly. A grace period of one year is given. The company had paid off ahead of time.	-	100,000
Shanghai Commercial Savings Bank Medium-term working capital loan with a credit line of $250,000 thousand and interest rate of 1.75% for the year ended December 31, 2014; loan period from July 21, 2014 to July 15, 2016. Principal lump-sum payment at maturity and interest payment monthly. A grace period of one year is given. The company had paid off ahead of time.	-	50,000
Shanghai Commercial Savings Bank Medium-term working capital loan with a credit line of $300,000 thousand and interest rate of 1.600% for the year ended December 31, 2015; loan period from December 2, 2015 to November 15, 2018. Principal lump-sum payment at maturity and interest payment monthly. A grace period of one year is given.	50,000	-
China Development Industrial Bank Medium-term working capital loan with a credit line of $200,000 thousand and interest rate of 1.766% for the year ended December 31, 2014; loan period from August 5, 2013 to April 15, 2016. Repayable in 8 quarterly installments from November 5, 2014 and interest is paid monthly. The company had paid off ahead of time.	-	112,500

(Continued)

	December 31	
	2015	2014
E.Sun Bank		
Medium-term working capital loan with a credit line of $200,000 thousand and interest rate of 1.750% for the year ended December 31, 2014; loan period from December 25, 2014 to October 14, 2017. Repayable in 4 quarterly installments from April 14, 2016 and interest is paid monthly. The company had paid off ahead of time.	$ -	$ 200,000
Taiwan Cooperative Bank		
Medium-term working capital loan with a credit line of $450,000 thousand and interest rate of 1.70% for the year ended December 31, 2014; loan period from July 21, 2014 to July 21, 2017. Repayable from July 21, 2016 and interest is paid monthly. The company had paid off ahead of time.	-	250,000
Taiwan Cooperative Bank		
Medium-term working capital loan with a credit line of $450,000 thousand and interest rate of 1.70%, for the year ended December 31, 2014; loan period from September 11, 2014 to July 21, 2017. Repayable from July 21, 2016 and interest is paid monthly. The company had paid off ahead of time.	-	100,000
Taiwan Cooperative Bank		
Medium-term working capital loan with a credit line of $350,000 thousand and interest rate of 1.63% for the year ended December 31, 2015; loan period from July 21, 2014 to July 21, 2017. Principal lump-sum payment at maturity and interest payment monthly.	50,000	-
Ta Chong Bank		
Medium-term working capital loan with a credit line of $300,000 thousand and interest rate of 1.6% for the year ended December 31, 2014; loan period from May 23, 2014 to May 23, 2016. Repayable in 8 equal installments from May 23, 2014 and interest is paid monthly. The company had paid off ahead of time.	-	94,950
	1,050,000	1,917,904
Less: Current portion	(20,833)	(640,863)
	$ 1,029,167	$ 1,277,041

(Concluded)

20. BONDS PAYABLE

	December 31	
	2015	2014
Unsecured domestic bonds	$ 800,000	$ 304,400
Less: Discount on unsecured convertible bonds	(69,930)	(21,103)
	$ 730,070	$ 283,297

First Issue of Unsecured Domestic Convertible Bonds

a. The conversion price is $58 per common share initially and the conversion period is from December 6, 2012 to October 26, 2017. The conversion price will be adjusted upon the occurrence of change in the number of common shares and the conversion price is 49.01 per common share as of September 3, 2015.

b. Each bondholder has the right to put the convertible bonds at 101% of par value or 101.51% of par value before 30 days on and after the 2nd and 3rd year, respectively.

c. The Company could redeem the convertible bonds at par value at any time during the period from 31 days after the original issue date to 40 days before the maturity date, under the following conditions: The closing price of the common shares on each of 30 consecutive trading days reaches or exceeds 30% of the conversion price, or the outstanding balance of the bonds is less than 10% of the original issuance.

d. According to the c., the Group was announcement that should redeem all the convertible bonds at par value. However, the outstanding balance of the bonds is all redeemed in 2015.

The convertible bonds contain both liability and convertible options. The effective interest rate of the liability component was 2.13% per annum on initial recognition. The convertible options were recognized in "Financial assets or liabilities at fair value through profit or loss".

The convertible bonds contain both liability and equity components. The equity component was presented from the original issue date to December 31, 2015, under the following conditions:

	December 31, 2015
Proceeds from issue, November 5, 2015 (less transaction costs $5,000 thousand)	$ 595,000
Equity component	(49,140)
Derivatives component - redeem puttable right	(6,480)
Liability component at the date of issue (less transaction costs allocated to the liability component of $5,000 thousand)	539,380
Interest charged at on effective interest rate of 2.13%	60,620
Interest paid	-
Convertible bonds converted into common shares	(600,000)
Liability component at December 31, 2015	$ -

Movements of the host liability instrument and the conversion option derivative instrument in 2015 were as follows:

	The Host Liability Instrument	The Conversion Option Derivative Instrument
Balance at January 1, 2015	$ 283,297	$ (335)
Rate adjusted	(284,635)	36
Interest expense	1,338	-
Fair value changes gain (loss)	-	299
Balance at December 31, 2015	$ -	$ -

As of December 31, 2015, the bonds were all converted.

Second Issue of Unsecured Domestic Convertible Bonds

a. The conversion price is $71 per common share initially and the conversion period is from July 30, 2015 to June 29, 2020. The conversion price will be adjusted upon the occurrence of change in the number of common shares and the conversion price is 66.72 per common share as of December 31, 2015.

b. Each bondholder has the right to put the convertible bonds at 101% of par value or 101.51% of par value before 30 days on and after the 2nd and 3rd year, respectively.

c. The Company could redeem the convertible bonds at par value at any time during the period from 31 days after the original issue date to 40 days before the maturity date, under the following conditions: The closing price of the common shares on each of 30 consecutive trading days reaches or exceeds 30% of the conversion price, or the outstanding balance of the bonds is less than 10% of the original issuance.

The convertible bonds contain both liability and convertible options. The effective interest rate of the liability component was 2.058% per annum on initial recognition. The convertible options were recognized in "Financial assets or liabilities at fair value through profit or loss".

The convertible bonds contain both liability and equity components. The equity component was presented form the original issue date to December 31, 2015 under the following conditions:

	December 31, 2015
Proceeds from issue, June 29, 2015 (less transaction costs $5,000 thousand)	$ 795,000
Equity component	(63,520)
Derivatives component - redeem puttable right	(8,960)
Liability component at the date of issue (less transaction costs allocated to the liability component of $5,000 thousand)	722,520
Interest charged at on effective interest rate of 2.058%	77,480
Interest paid	(69,930)
Liability component at December 31, 2015	$ 730,070

Movements of the host liability instrument and the conversion option derivative instrument in 2015 were as follows:

	The Host Liability Instrument	The Conversion Option Derivative Instrument
Balance at January 1, 2015	$ -	$ -
Issued in current period	722,520	(8,960)
Interest expense	7,550	-
Fair value changes gain (loss)	-	(2,880)
Balance at December 31, 2015	$ 730,070	$ (11,840)

As of December 31, 2015, the bonds were converted $0 thousand so the outstanding bonds were $800,000 thousand.

21. NOTES PAYABLE AND TRADE PAYABLES

	December 31 2015	December 31 2014
Notes payable - operating		
Non-related parties	$ 1,301	$ 1,424
Trade payables - operating		
Non-related parties	$ 818,284	$ 1,016,046
Related parties	1,646	10,604
	$ 819,930	$ 1,026,650

Trade payables were paid according to the condition of contract or billings from the suppliers. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

22. OTHER LIABILITIES

	December 31 2015	December 31 2014
Current		
Other payables		
Salaries or bonus	$ 187,670	$ 281,480
Payable for processing fees	48,712	214,562
Payable for bonus and director salaries	48,500	50,000
Others	576,918	619,772
	$ 861,800	$ 1,165,814
Other liabilities		
Advance payment	$ 31,516	$ 26,518
Others	17,114	38,115
	$ 48,630	$ 64,633
Non-current		
Payable for purchase of equipment	$ 35,033	$ 230
Guarantee deposits	4,760	99,948
	$ 39,793	$ 100,178

23. PROVISIONS

	December 31 2015	December 31 2014
Employee benefits	$ 11,270	$ 20,386

The provision for employee benefits represents annual leave made by employees.

24. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company of the Group adopted a pension plan under the Labor Pension Act (the “LPA”), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group’s subsidiary in China are members of a state-managed retirement benefit plan operated by the government of China. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plans

The defined benefit plan adopted by the Company of the Group in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (“the Bureau”); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group’s defined benefit plans were as follows:

	December 31	
	2015	**2014**
Present value of defined benefit obligation	$ 58,392	$ 52,505
Fair value of plan assets	(33,871)	(33,738)
Deficit (surplus)	24,521	18,767
Net defined benefit liability (asset)	$ 24,521	$ 18,767

Movements in net defined benefit liability (asset) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2014	$ 57,353	$ (36,079)	$ 21,274
Service cost			
Current service cost	1,120	-	1,120
Net interest expense (income)	1,004	(734)	270
Recognized in profit or loss	2,124	(734)	1,390
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(106)	(106)
Actuarial loss - changes in financial assumptions	548	-	548
Actuarial loss - changes in demographic assumptions	76	-	76
Actuarial (gain) - experience adjustments	(3,212)	-	(3,212)
Recognized in other comprehensive income	(2,588)	(106)	(2,694)
Contributions from the employer	-	(1,203)	(1,203)
Benefits paid	(4,384)	4,384	-
Balance at December 31, 2014	$ 52,505	$ (33,738)	$ 18,767
Balance at January 1, 2015	$ 52,505	$ (33,738)	$ 18,767
Service cost			
Current service cost	791	-	791
Net interest expense (income)	853	(558)	295
Recognized in profit or loss	1,644	(558)	1,086
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(379)	(379)
Actuarial loss - changes in financial assumptions	1,155	-	1,155
Actuarial loss - changes in demographic assumptions	3,070	-	3,070
Actuarial loss - changes in financial assumptions	1,155	-	1,155
Actuarial loss - experience adjustments	1,982	-	1,982
Recognized in other comprehensive income	6,207	(379)	5,828
Contributions from the employer	-	(1,160)	(1,160)
Benefits paid	(1,964)	1,964	-
Balance at December 31, 2015	$ 58,392	$ (33,871)	$ 24,521

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic/and foreign/equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the (government/corporate) bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2015	**2014**
Discount rate(s)	1.375%	1.625%
Expected rate(s) of salary increase	2.000%	2.000%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would (decrease/increase) as follows:

	December 31	
	2015	**2014**
Discount rate(s)		
0.25% increase	$ (1,279)	$ (1,089)
0.25% decrease	$ 1,323	$ 1,124
Expected rate(s) of salary increase		
0.25% increase	$ 1,284	$ 1,090
0.25% decrease	$ (1,248)	$ (1,061)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2015	**2014**
The expected contributions to the plan for the next year	$ 1,185	$ 1,204
The average duration of the defined benefit obligation	8.8 years	8.4 years

25. EQUITY

a. Ordinary shares

	December 31	
	2015	**2014**
Numbers of shares authorized (in thousands)	150,000	150,000
Shares authorized	$ 1,500,000	$ 1,500,000
Number of shares issued and fully paid (in thousands)	125,151	119,224
Shares issued	$ 1,251,512	$ 1,192,244

Fully paid ordinary shares, which have a par value of $10, carry one vote and one dividend per share.

12,000 thousand shares of the Company's shares authorized were reserved for the issuance of employee share options.

b. Capital surplus

	December 31	
	2015	**2014**
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital		
From premium on issuance of common shares	$ 2,303,766	$ 2,303,766
From premium on stock option of convertible bonds	496,427	242,736
From premium on conversion of employee stock options	133,054	131,409
From cancellation of treasury shares	(120,729)	(120,729)
May not be used for any purpose		
From employee stock options - issuance of common shares	6,300	6,300
From employee stock options	58,124	58,124
From stock option of convertible bonds	63,520	27,738
	$ 2,940,462	$ 2,649,344

Note: Such capital surplus may be used to offset a deficit; in addition when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

c. Retained earnings and dividend policy

Under the Company law and the Company's articles of incorporation, 10% of the Company's net income after paying taxes and offsetting any deficit should first be appropriated as legal reserve. The special reserve can be appropriated or reversed if necessary. The appropriation of remaining amount which is proposed by the board of directors and approved by the shareholders in their annual meeting should be distributed in the following order:

1) Set aside 3% to 15% of the remaining amount as employee bonus.
2) Set aside no more than 3% of the remaining amount as directors' and supervisors' remuneration.
3) Set aside the remaining portion as shareholders' bonus.

The employees of the Group who meet the conditions can join the employee bonus plan.

To ensure that the Company has funds for its present and future expansion plans, the Company prefers to distribute mixed stock dividends and cash dividends as shareholders' bonus among which stock dividend is distributed from 0% to 50% and cash dividends from 100% to 50%. The distribution policy would be adjusted depending on the operating conditions, industry developments, capital requirement and so forth.

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The consequential amendments to the Company's Articles of Incorporation had been proposed by the Company's board of directors on March 16, 2016 and are subject to the resolution of the shareholders in their meeting to be held on June 6, 2016. For information about the accrual basis of the employees' compensation and remuneration to directors and supervisors and the actual appropriations, please refer to 25. employee benefits expense in Note 26,e.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", the Company should appropriate or reverse to a special reserve.

The appropriations of earnings for 2014 and 2013 had been approved in the shareholders' meetings on June 2, 2015 and June 4, 2014, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		**Dividends Per Share (NT$)**	
	For Year 2014	**For Year 2013**	**For Year 2014**	**For Year 2013**
Legal reserve	$ 71,880	$ 41,710	$ -	$ -
Cash dividends	517,450	379,182	4.153	3.187

The appropriations of earnings for 2015 had been proposed by the Company's board of directors on March 30, 2016. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	**Dividends Per Share (NT$)**
Legal reserve	$ 66,443	$ -
Cash dividends	525,635	4.2

The appropriations of earnings, the bonus to employees, and the remuneration to directors and supervisors for 2015 are subject to the resolution of the shareholders' meeting to be held on June 6, 2016.

d. Others equity items

1) Exchange differences on translating foreign operations

	For the Year Ended December 31	
	2015	**2014**
Balance at January 1	$ 530,505	$ 192,458
Exchange differences arising on translating the financial statement of foreign operations	(29,261)	407,285
Income tax related to gains arising on translating the financial statement of foreign operations	4,970	(69,238)
Balance at December 31	$ 506,214	$ 530,505

2) Unrealized gain (loss) on available-for-sale financial assets

	For the Year Ended December 31	
	2015	2014
Balance at January 1	$ 12,137	$ 22,300
Unrealized gain arising on revaluation of available-for-sale financial assets	(5,054)	(1,978)
Cumulative (gain)/loss reclassified to profit or loss on sale of available-for-sale financial assets	-	(8,185)
Balance at December 31	$ 7,083	$ 12,137

e. Non-controlling interests

	For the Year Ended December 31	
	2015	2014
Balance at January 1	$ 438,659	$ 635,282
Attributable to non-controlling interests:		
Share of profit for the year	28,455	20,039
Exchange difference arising on translation of foreign entities	(5,601)	22,252
Non-controlling interests increase	(426,223)	-
Effect of disposal associates	-	(238,914)
Balance at December 31	$ 35,290	$ 438,659

26. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations contains the following items:

a. Other revenue and expenses

	For the Year Ended December 31	
	2015	2014
Lease revenue	$ 22,185	$ 12,242
Lease cost	(9,928)	(6,603)
Other revenue	20,481	-
Technical service income	15,031	-
Gain on disposal of property plant and equipment	39,453	25,545
Loss on disposal of property plant and equipment	(19,250)	(19,479)
	$ 67,972	$ 11,705

b. Other income

	For the Year Ended December 31	
	2015	2014
Interest income	$ 11,978	$ 11,481
Dividends	1,299	767
	$ 13,277	$ 12,248

c. Other gains and losses

	For the Year Ended December 31	
	2015	2014
Gain on disposal of available-for-sale financial assets	$ -	$ 8,674
Loss on disposal of associates	-	(5,168)
Net foreign exchange gains	124,616	63,530
Net gain (loss) arising on financial assets classified as held for trading	(2,581)	4,363
Other revenue	41,953	35,993
Other expense	(6,267)	(14,037)
	$ 157,721	$ 93,355

d. Finance cost

	For the Year Ended December 31	
	2015	2014
Interest on bank loans	$ 29,276	$ 31,662
Interest on convertible bonds	8,888	6,084
Other finance cost	13,847	232
	$ 52,011	$ 37,978

e. Depreciation and amortization and employee benefit expense

	For the Year Ended December 31					
	2015			2014		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Short-term benefits	$ 1,924,790	$ 477,832	$ 2,402,622	$ 2,005,643	$ 298,647	$ 2,304,290
Post-employment benefit						
Defined contribution plans	2,199	9,176	11,375	2,260	4,256	6,516
Defined benefit plans	323	763	1,086	441	949	1,390
	$ 1,927,312	$ 487,771	$ 2,415,083	$ 2,008,344	$ 303,852	$ 2,312,196
Depreciation	$ 709,563	$ 81,250	$ 790,813	$ 688,556	$ 83,113	$ 771,669
Amortization	$ 10,885	$ 6,922	$ 17,807	$ 9,288	$ 6,133	$ 15,421

The Group entered into lease agreements on some assets. The related depreciation expenses that were listed in other income and expense were $9,928 thousand in 2015 and $6,603 thousand in 2014.

The existing Articles of Incorporation of the Company stipulate to distribute bonus to employees and remuneration to directors and supervisors at the rates no less than 3% and no higher than 15%, respectively, of net income (net of the bonus and remuneration). For the year ended December 31, 2014, the bonus to employees and the remuneration to directors and supervisors were $35,000 thousand and $15,000 thousand, respectively.

To be in compliance with the Company Act as amended in May 2015, the proposed amended Articles of Incorporation of the Company stipulate to distribute employees' compensation and remuneration to directors and supervisors at the rates no less than 3% and no higher than 12%, respectively, of net profit before income tax, employees' compensation, and remuneration to directors and supervisors. For the year ended December 31, 2015, the employees' compensation and the remuneration to directors and supervisors were $35,000 thousand and $13,500 thousand, respectively, representing 3% and 12%, respectively, of the base net profit. The employees' compensation and remuneration to directors and supervisors in cash for the year ended December 31, 2015 have been approved by the Company's board of directors on March 3, 2016 and are subject to the resolution of the amendments to the Company's Articles of Incorporation for adoption by the shareholders in their meeting to be held on June 6, 2016, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Material differences between such estimated amounts and the amounts proposed by the board of directors on or before the date the annual consolidated financial statements are authorized for issue are adjusted in the year the bonus and remuneration were recognized. If there is a change in the proposed amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in accounting estimate.

The bonuses to employees and remuneration to directors and supervisors for 2014 and 2013 which have been approved in the shareholders' meetings on June 2, 2015 and June 4, 2014, respectively, were as follows:

	For the Year Ended December 31			
	2014		2013	
	Cash Dividends	Share Dividends	Cash Dividends	Share Dividends
Bonus to employees	$ 35,000	$ -	$ 18,000	$ -
Remuneration of directors and supervisors	15,000	-	10,000	-

There was no difference between the amounts of the bonus to employees and the remuneration to directors and supervisors (proposed by the board of directors and) approved in the shareholders' meetings on June 2, 2015 and June 4, 2014 and the amounts recognized in the consolidated financial statements for the years ended December 31, 2014 and 2013, respectively.

Information on the employees' compensation and remuneration to directors and supervisors resolved by the Company's board of directors in 2016 and bonus to employees, directors and supervisors resolved by the shareholders' meeting in 2015 and 2014 are available on the Market Observation Post System website of the Taiwan Stock Exchange.

27. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2015	2014
Current tax		
In respect of the current year	$ 285,236	$ 125,554
Income tax on unappropriated earnings	13,170	-
Adjustments for prior years' tax	8,183	17,658

(Continued)

	For the Year Ended December 31	
	2015	2014
Deferred tax		
In respect of the current year	$ (39,056)	$ 200,570
Others	-	4,343
Income tax expense recognized in profit or loss	$ 267,533	$ 348,125

(Concluded)

A reconciliation of accounting income and current income tax expense was as follows:

	For the Year Ended December 31	
	2015	2014
Profit before income tax	$ 960,413	$ 1,086,968
Income tax expense at the statutory rate	$ 290,850	$ 349,123
Tax effect of adjusting items:		
Nondeductible expenses and losses	1,568	1,277
Tax-exempt income	6,869	9,013
Income tax on unappropriated earnings	13,170	-
Temporary differences	(53,107)	(33,289)
Adjustments for prior years' tax	8,183	17,658
Others	-	4,343
Income tax expense recognized in profit or loss	$ 267,533	$ 348,125

The applicable tax rate used above is the corporate tax rate of 17% payable by the Group in ROC, while the applicable tax rate used by subsidiaries in China is 25%. Tax rates used by other group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

The Group received the associated entities' dividends under equity method $43,433 thousand and related enterprise income tax paid in Mainland China $4,343 thousand for the years 2014.

As the status of 2016 appropriations of earnings is uncertain, the potential income tax consequences of 2015 unappropriated earnings are not reliably determinable.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2015	2014
Deferred tax		
In respect of the current year:		
Translation of foreign operations	$ (4,970)	$ 69,238
Actuarial gains and losses on defined benefit plan	(991)	458
Total income tax recognized in other comprehensive income	$ (5,961)	$ 69,696

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2015

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Property, plant and equipment	$ 13,103	$ 7,013	$ -	$ (356)	$ 19,760
Intangible assets	458	(216)	-	(10)	232
Defined benefit obligation	3,190	(12)	991	-	4,169
Doubtful debts	4,016	1,375	-	(19)	5,372
Unrealized loss of reduce inventory to market	42,631	6,025	-	(552)	48,104
Impair loss	5,271	(238)	-	-	5,033
Others	11,992	(918)	-	(17)	11,057
	$ 80,661	$ 13,029	$ 991	$ (954)	$ 93,727
Deferred tax liabilities					
Temporary differences					
Unrealized gain or loss investments in associates and joint ventures accounted for by using equity method	$ 300,281	$ 84,105	$ -	$ -	$ 384,386
Exchange difference on foreign operations	108,657	-	(4,970)	-	103,687
Others	106,251	(110,132)	-	(1,537)	(5,418)
	$ 515,189	$ (26,027)	$ (4,970)	$ (1,537)	$ 482,655

For the year ended December 31, 2014

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Property, plant and equipment	$ 17,486	$ (4,744)	$ -	$ 361	$ 13,103
Intangible assets	3,331	(2,924)	-	51	458
Defined benefit obligation	3,616	32	(458)	-	3,190
Doubtful debts	3,438	519	-	59	4,016
Unrealized loss of reduce inventory to market	35,871	5,942	-	818	42,631
Impair loss	3,079	2,192	-	-	5,271
Others	15,286	(3,267)	-	(27)	11,992
	$ 82,107	$ (2,250)	$ (458)	$ 1,262	$ 80,661

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen- sive Income	Exchange Differences	Closing Balance
Deferred tax liabilities					
Temporary differences					
Unrealized gain or loss investments in associates and joint ventures accounted for by using equity method	$ 198,509	$ 101,772	$ -	$ -	$ 300,281
Exchange difference on foreign operations	39,419	-	69,238	-	108,657
Others	9,719	96,548	-	(16)	106,251
	$ 247,647	$ 198,320	$ 69,238	$ (16)	$ 515,189

(Concluded)

d. Deductible temporary differences, unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31 2015	2014
Loss carryforwards		
Expire in 2015 to 2019	$ 524,862	$ 822,562
Deductible temporary differences	$ 329,750	$ 409,331

e. Integrated income tax

	December 31 2015	2014
Unappropriated earnings generated before January 1, 1998	$ 981	$ 981
Unappropriated earnings generated on and after January 1, 1998	2,016,691	1,796,507
	$ 2,017,672	$ 1,797,488
Imputation credits accounts	$ 302,864	$ 320,723

	December 31 2015 (Estimate)	2014 (Actual)
Creditable ratios for the distribution of earnings	17.16%	20.06%

f. The Company and Soartek Optoelectronics Technology Co., Ltd. tax returns through 2013 had been assessed by the tax authorities.

28. EARNINGS PER SHARE

a. Basic earnings per share

Unit: NT$ Per Share

	For the Year Ended December 31	
	2015	**2014**
Profits attributable to owners of the Company	$ 664,425	$ 718,804
The weighted average number of ordinary shares outstanding in the computation of basic earnings per share (in thousands)	122,675	118,815
Basic earnings per share	$ 5.42	$ 6.05

b. Diluted earnings per share

	For the Year Ended December 31	
	2015	**2014**
Profit for the period attributable to owners of the Company	$ 664,425	$ 718,804
The effects of potential common stocks:		
Income after tax of convertible bonds	7,377	5,049
Earnings used in the computation of diluted earnings per share from continuing operations	$ 671,802	$ 723,853
Weighted average number of ordinary shares (in thousand shares)	122,675	118,815
The effects of potential common stocks:		
Convertible bonds (in thousand shares)	11,990	5,837
Bonus issue to employees (in thousand shares)	906	774
Employee share option (in thousand shares)	9	112
Weighted average number of ordinary shares used in the computation of diluted earnings per share (in thousand shares)	135,580	125,538
Diluted earnings per share (NT$)	$4.96	$5.77

If the Group offered to settle bonuses paid to employees in cash or shares, the Group assumed the entire amount of the bonus would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

29. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee share option plan of the Company/subsidiaries

Qualified employees of the Company and its subsidiaries were granted 5,000 options (forfeited 1,141 options) in August 2007 and 660 options (forfeited 57 options) in October 2007. Each option entitles the holder to subscribe for one thousand common shares of the Company. The options granted are valid for 8 years and exercisable at certain percentages after the second anniversary from the grant date. The options were granted at an exercise price equal to the equity certified by CPA. For any subsequent changes in the Company’s capital surplus, the exercise price is adjusted accordingly.

Information on employee share options was as follows:

	For the Year Ended December 31			
	2015		2014	
Employee Share Option	Number of Options (In Thousands)	Weighted-average Exercise Price (NT$)	Number of Options (In Thousands)	Weighted-average Exercise Price (NT$)
Balance at January 1	55		807	
Options exercised	(55)	$39.9	(740)	$39.9
Options expired	-		(12)	
Balance at December 31	-		55	
Options exercisable, end of period	-		55	

30. DISPOSAL OF SUBSIDIARIES

In June 2014, the Group did not subscribe the share of GoerXon Optical Precision Co., Ltd. (Shandong GoerXon Precision Industry Co., Ltd.) as the Group's percentage of ownership and lost control.

a. Analysis of assets and liabilities on the date control was lost

	GoerXon Optional Precision Co., Ltd.
Current assets	
Cash and cash equivalents	$ 185,565
Trade receivables	37,197
Other receivables	14,057
Inventory	2,224
Prepaid assets	20,944
Non-current assets	
Property, plant and equipment	233,252
Prepaid for equipment	36,384
Deferred tax assets	400
Current liabilities	
Other payables	(20,538)
Equipment payables	(16,255)
Other current liabilities	(450)
Non-current liabilities	
Deferred tax liabilities	(73)
Net assets disposal of	$ 492,707

b. Loss on disposal of subsidiary

		For the Year Ended December 31, 2014
Fair value of residual investment		$ (248,115)
Less:	Book value of residual investment	
	Net assets disposed of	492,707
	Non-controlling interests	(238,914)
		253,793
Loss on disposal		$ (5,678)

Loss on disposal of subsidiary listed on other income and loss.

c. Net cash outflow on disposal of subsidiary

	For the Year Ended December 31, 2014
Cash and cash equivalent balance disposed of	$ 185,565

31. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTEREST

Coxon Precise Industrial Co., Ltd. signed a contract to buy 42.12% of common shares of Cheng Yee Enterprise Ltd. (Samoa) with Zhao Xuan Enterprise Co., Ltd. (Samoa). The value per share is based on net asset value per share of latest financial statements of Cheng Yee Enterprise Ltd. (Samoa). As of December 31, 2013, the Company had bought 22.12% of Cheng Yee's common shares, total holding percentage up to 80%.

Coxon Precise Industrial Co., Ltd. bought 20% of common shares of Cheng Yee Enterprise Ltd. (Samoa). $445,233 thousand. The value per share is based on net asset value per share of latest financial statements of Cheng Yee Enterprise Ltd. (Samoa). As of December 31, 2015, the Company held percentage up to 100%.

The above transactions were accounted for as equity transaction since the Group did not cease to have control over Cheng Yee Enterprise Ltd. (Samoa).

	Cheng Yee Enterprise Ltd. (Samoa)
Cash consideration paid	$ (445,233)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interest	426,223
Difference arising from equity transaction	$ (19,010)
Difference arising from equity transaction	
Retained earnings	$ (19,010)

32. NON-CASH TRANSACTIONS

As of December 31, 2015 and 2014, the Group reclassified long-term borrowings of $20,833 thousand and $640,863 thousand as current portion of long-term borrowings.

33. OPERATING LEASE ARRANGEMENTS

The Group as Lessee

a. Rental agreement

Lessee	Lesser	Objection	Period and Method of Payment
Sinxon Plastic (DongGuan) Ltd.	Changan town of Dongguan City, Wu Sha	Plant and dormitory	From December 1, 2013 to November 30, 2018, rent is RMB281 thousand every month.
	Jiang Bei Economic Cooperatives		From December 1, 2013 to November 30, 2018, rent is RMB48 thousand every month.
			From December 1, 2013 to November 30, 2018, rent is RMB71 thousand every month.
Sun Can International Ltd.	Zheng Cai-Hong	Plant and dormitory	From November 1, 2015 to February 28, 2019, rent is RMB635 thousand every month.
	Huang, Chien-Yi	Dormitory	From June 28, 2009 to May 31, 2019, rent is RMB226 thousand every month.
	Rong Base Leather Co., Ltd.	Plant and dormitory	From March 1, 2014 to February 28, 2019, rent is RMB432 thousand every month.
Coxon Industry Ltd.	Sun De-Xiao	Plant and dormitory	From March 1, 2008 to February 29, 2016, rent is RMB47 thousand every month.
Don Guan Cheng Da Metal Product Company Limited	Zheng Cai-Hong	Plant and dormitory	From July 1, 2015 to June 30, 2020, rent is RMB392 thousand every month.
Dongguan Chensong Plastic Co., Ltd.	Sun Yu-Hao	Plant and dormitory	From May 1, 2015 to April 30, 2020 rent is RMB663 thousand every month.
			From May 1, 2015 to April 30, 2020 rent is RMB636 thousand every month.

b. The future minimum lease payments of non-cancellable operating lease were as follows:

	December 31	
	2015	2014
Not later than 1 year	$ 228,500	$ 124,890
Later than 1 year and not later than 5 years	608,648	307,696
	$ 837,148	$ 432,586

34. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Company adopts prudent risk management strategy and performs audit on a regular basis. The capital structure of the Company is determined according to the business development strategies and operational requirements.

35. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

1) Financial assets and liabilities not carried at fair value that differences between carrying amounts and fair values were as follows:

	December 31			
	2015		2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities				
Financial liabilities measured at amortized cost - convertible bonds	$ 730,070	$ 812,000	$ 283,297	$ 343,972

2) Fair value hierarchy

	December 31, 2015			
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Financial liabilities measured at amortized cost				
Convertible bonds	$ 812,000	$ -	$ -	$ 812,000

	December 31, 2014			
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Financial liabilities measured at amortized cost				
Convertible bonds	$ 343,972	$ -	$ -	$ 343,972

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

	December 31, 2015			
	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Securities listed in ROC				
Equity securities	$ 11,480	$ -	$ -	$ 11,480
Financial liabilities at FVTPL				
Other	-	-	11,840	11,840

	December 31, 2014			
	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Securities listed in ROC				
Equity securities	$ 16,534	$ -	$ -	$ 16,534
Financial liabilities at FVTPL				
Other	-	-	335	335

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2015

	Financial Liabilities at Fair Value Through Profit or Loss
Balance at January 1, 2015	$ (335)
Issued in current period	(8,960)
Total gains or losses	
In profit or loss	(2,581)
Conversion of convertible bonds	36
Balance at December 31, 2015	$ (11,840)

For the year ended December 31, 2014

	Financial Liabilities at Fair Value Through Profit or Loss
Balance at January 1, 2014	$ (3,805)
Total gains or losses	
In profit or loss	3,470
Balance at December 31, 2014	$ (335)

3) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

Derivatives: The right of redemption and put are estimated fair value by convertible bonds with binomial tree method using price volatility (significant unobservable inputs). When the increase in price volatility, the fair value of these derivatives would increase.

c. Categories of financial instruments

	December 31 2015	December 31 2014
Financial assets		
Loans and receivables (1)	$ 5,271,940	$ 5,333,573
Available-for-sale financial assets (2)	11,480	16,534
Financial liabilities		
Fair value through profit or loss (FVTPL)		
Others	11,840	335
Amortized cost (3)	3,565,107	4,515,157

Note 1: The balances included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, trade and other receivables, and other financial assets.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term and long-term loans, short-term bills payable, trade and other payables, payables on equipment, and bonds payable issued.

d. Financial risk management objectives and policies

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis.

The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including:

a) Foreign currency risk

The Group use foreign exchange forward contracts to eliminate currency exposure in foreign currency risk. The change of rate eliminated by the profit and loss of the terms of the hedge derivatives so the market price risk is not martial.

The following table details the Group's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges. For a 1% weakening of New Taiwan dollars against the relevant currency, there would be a decrease of $25,972 thousand and $15,277 thousand for the years ended December 31, 2015 and 2014 in post-tax income.

b) Interest rate risk

The Group was exposed to fair value interest rate risk in relation to fixed-rate bank borrowings. The bonds payable are fixed-rate and measured at amortized cost, so changes in rate will not have effect on the cash flow in the future.

The sensitivity analysis assumed hold the bank borrowings in the reporting period and 1% change in rates it would be a decrease of $8,987 thousand and $15,919 thousand for the years ended December 31, 2015 and 2014 in post-tax income.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments. The Group manages this exposure by maintaining a portfolio of investments with different risks.

Assumed the listed equity securities in the reporting period and 5% change in price it would be a decrease of $574 thousand and $827 thousand for the years ended December 31, 2015 and 2014 in comprehensive income.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In order to minimize credit risk, management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, management believes the Group's credit risk was significantly reduced.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

For the ended December 31, 2015 and 2014 the unused bank borrowings is $2,098,175 thousand and $1,937,096 thousand.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

December 31, 2015

	Up to 1 Year	Later Than 1 Year and Up to 2 Years	Later Than 2 Years and Up to 3 Years	Over 3 Years	Total
Nonderivative financial liabilities					
Short-term borrowings	$ 32,825	$ -	$ -	$ -	$ 32,825
Notes payable	1,301	-	-	-	1,301
Trade payables	815,870	17	-	2,397	818,284
Trade payables related parties	1,646	-	-	-	1,646
Equipment payables	40,711	28,361	109	-	69,181
Other payables	853,349	717	729	4,914	859,709
Other payables - related parties	2,091	-	-	-	2,091
Current portion of long-term borrowings	20,833	-	-	-	20,833
Bonds payables	-	-	-	730,070	730,070
Long-term borrowings	-	983,333	45,834	-	1,029,167
Other non-current liabilities	29,102	5,152	779	-	35,033
	$ 1,797,728	$ 1,017,580	$ 47,451	$ 737,381	$ 3,600,140

December 31, 2014

	Up to 1 Year	Later Than 1 Year and Up to 2 Years	Later Than 2 Years and Up to 3 Years	Over 3 Years	Total
Nonderivative financial liabilities					
Notes payable	$ 1,424	$ -	$ -	$ -	$ 1,424
Trade payables	1,013,439	-	-	2,607	1,016,046
Trade payables related parties	10,604	-	-	-	10,604
Equipment payables	119,957	10	101	-	120,068
Other payables	1,155,879	443	635	2,902	1,159,859
Other payables - related parties	5,955	-	-	-	5,955
Current portion of long-term borrowings	640,863	-	-	-	640,863
Bonds payables	-	-	283,297	-	283,297
Long-term borrowings	-	868,291	408,750	-	1,277,041
Other non-current liabilities	-	-	230	-	230
	$ 2,948,121	$ 868,744	$ 693,013	$ 5,509	$ 4,515,387

36. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which were related parties of the Company, had been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Company and related parties are disclosed below.

a. Sales of goods

Line Items	Related Party Categories	For the Year Ended December 31 2015	2014
Sales	Associates	$ 42,874	$ 27,672
	Others	-	221,723
		$ 42,874	$ 249,395
Processing fees income	Others	$ 8	$ -

b. Purchase of goods

Related Party Categories	For the Year Ended December 31 2015	2014
Others	$ -	$ 295

c. Receivable from related parties (excluding loans to related parties)

Line Items	Related Party Categories	December 31 2015	2014
Trade receivables	Associates	$ 18,325	$ 10,367
Other receivables	Associates	$ 64,189	$ 87,426
	Others	872	926
		$ 65,061	$ 88,352

d. Payables to related parties (excluding by related party categories)

Line Items	Related Party Categories	For the Year Ended December 31 2015	2014
Trade payables	Others	$ 1,646	$ 10,604
Other payables	Others	$ 2,091	$ 5,955

The related parties trading conditions were no difference between the Groups and common customer.

For the years ended December 31, 2015 and 2014, no impairment loss was recognized for trade receivables from related parties.

e. Other transactions with related parties

Line Items	Related Party Categories	For the Year Ended December 31 2015	2014
Rental expense	Others	$ -	$ 653
Other expense	Others	$ 365	$ 1,855
Other revenue	Associates	$ 3,766	$ 2,144
	Others	2,513	-
		$ 6,279	$ 2,144
Processing fee	Others	$ 88,352	$ 127,550
Advance payment	Associates	$ 2,691	$ 2,197
Other current liability	Associates	$ 2,484	$ -

f. Rental revenue

Related Party Categories	Rental Objective	Rental Payment	For the Year Ended December 31 2015	2014
Associates	Jiangsu Province Southeast Economic Development Zone 28 Jiulong Road	Plant and dormitory rent paid every month	$ 6,786	$ 6,630
	Shanghai City Songjiang Zone Sijing Town 368. the nine road	Plant rent paid every month	121	304
			$ 6,907	$ 6,934

g. Property, plant and equipment acquired

	Proceeds		Gain (Loss) on Disposal	
	For the Year Ended December 31		For the Year Ended December 31	
Related Party Categories	2015	2014	2015	2014
Associates	$ -	$ 71,674	$ -	$ 10,085

h. Compensation of key management personnel

The remuneration of directors and other members of key management personnel for the years ended December 31, 2015 and 2014 were as follows:

	For the Year Ended December 31	
	2015	2014
Short-term benefits	$ 64,533	$ 73,452
Post-employment benefits	1,351	1,492
	$ 65,884	$ 74,944

The remuneration of directors and key executives was determined by the remuneration committee having regard to the performance of individuals and market trends.

37. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, the tariff of imported raw materials guarantees or the deposit for court guarantees:

	December 31	
	2015	2014
Property, plant and equipment - land	$ 79,244	$ 79,244
Property, plant and equipment - buildings	43,126	43,991
Prepaid lease payments	18,905	20,516
Other financial assets - current	65,751	61,106
	$ 207,026	$ 204,857

38. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2015 and 2014 were as follows:

a. Coxon Industry Ltd. (Samoa) had commitments to buy machinery and equipment to comply with repair construction contracts which amounted to $25,741 thousand, of which $23,629 thousand had been paid and booked under prepayment on equipment.

b. Sun Can International Ltd. (Samoa) had commitments to buy machinery and equipment and to comply with repair construction contracts which amounted to $25,907 thousand, of which $8,162 thousand had been paid and booked under prepayment on equipment.

c. Cheng Da Industry Ltd. (Samoa) had commitments to buy machinery and equipment which amounted to $4,786 thousand, of which $2,393 thousand had been paid and booked under prepayment on equipment.

d. Dong Guan Cheng Da Metal Product Co., Ltd. had commitments to buy machinery and equipment and to comply with repair construction contracts which amounted to $38,701 thousand, of which $14,457 thousand had been paid and booked under prepayment on equipment.

e. Coxon Industry (Changshu) Co., Ltd. had commitments to buy machinery and equipment and to comply with repair construction contracts which amounted to $4,228 thousand, of which $2,727 thousand had been paid and booked under prepayment on equipment.

f. Sinxon Plastic (Dong Guan) Ltd. had commitments to buy machinery and equipment and to comply with repair construction contracts which amounted to $96,985 thousand, of which $79,568 thousand had been paid and booked under prepayment on equipment.

g. Dong Guan Chensong Plastic Co., Ltd. had commitments to buy machinery and equipment and to comply with repair construction contracts which amounted to $2,839 thousand, of which $2,067 thousand had been paid and booked under prepayment on equipment.

h. The digital camera lawsuit between JCD Corporation (hereinafter referred to as "JCD") and the Company is summarized as below.

   1) Lawsuit matters: JCD applied to the Japan commercial arbitration association for a tort arbitration in relation to its forbidding of the Company from producing and selling the digital camera lens designed by JCD as well as its demand for payment of US$2,662 thousand, JPY635 thousand and RMB393 thousand as compensation in 2010.

   2) Lawsuit status up to report date: According to the verdict of the Japan commercial arbitration association, Tokyo No. 10-11 is summarized as below.

      a) The Company (the defendant) should pay JCD US$1,441 thousand, JPY1,270 thousand and the related accrued interests from November 24, 2010 up to the date when total compensation is made using 6% annual interest rate.

      b) The Company cannot manufacture and sell the suspended category of digital camera zooms.

      c) The Company needs to pay JCD lawsuit cost JPY1,562 thousand.

   According to the verdict above, the Company needed to pay NT$44,738 thousand (lawsuit compensation US$1,441 thousand and JPY1,270 thousand; lawsuit cost JPY1,562 thousand) and had accrued the amount as loss in 2011.

   However, the Company was still in doubt about the content of arbitration verdict because there is no clear contract definition whether the argument between both sides can be solved through arbitration, and the Company had made an appeal for the revocation of the arbitration award. The Company applied for revocation of arbitration verdict as of February 6, 2012, which is rejected by Tokyo District Court in July 2012; the Company made an appeal to Tokyo High Court in August 2013, and rejected by Tokyo High Court in October 2012. Later on, the Company received message from Taoyuan District Court about JCD's application for agreement to foreign arbitration verdict in March 2013; the appeal was admitted by Taoyuan District Court in July 2013; the Company had made an appeal for the revocation of the arbitration award on August 2, 2013. The appeal was dismissed by Taoyuan District Court on October 4, 2013; the Company had made an appeal for the revocation of the arbitration award on October 24, 2013.

   Upon the motion of JCD, the Taoyuan District Court ordered the freezing of the Company's bank deposits of NT$86,031 thousand and the attachment of plant of NT$124,856 thousand in Jungli Taiwan during the appeal processing period. The Company issued petition to Taoyuan District Court to stop the freezing of the Company's bank deposits of NT$86,031 thousand and the attachment of plant of NT$124,856 thousand on October 17, 2013 and the freezing of the amount in excess of the total loss accrued NT$44,438 thousand on October 18, 2013 to prevent non-recovery of total compensation, cost of lawsuit and interest, in case of finally winning the lawsuit. The Company received the order to stop the freezing of deposit and attachment of plant from the Taoyuan District Court on October 31, 2013 and provided NT$3,900 thousand time deposit as guarantee fund instead and received the notice for cancelation of the freeze order on the additional deposit in excess of the NT$44,738 thousand loss accrued from the Taoyuan District Court on November 11, 2013.

On May 5, 2014, the Taiwan High Court reversed the foreign arbitration approval given by the Taoyuan District Court in July 2013. Thus, the Company made an appeal on July 2, 2014 for the revocation of the arbitration award. The appeal was dismissed by the Taoyuan District Court on December 18, 2014; the Company had made an appeal for the revocation of the arbitration award on December 31, 2014; the appeal was dismissed by Taiwan High Court on February 26, 2015. As of March 5, 2015, the date of the accompanying auditors' report, the Company was still deliberating its options on this case; however, the appeal was dismissed by Taiwan High Court on April 17, 2015.

The Taoyuan District Court judged the first instance verdict of the Company against plaintiff. The Company was still made the second instance verdict, but the Taiwan High Court ended oral arguments on January 20, 2016 and the appeal was dismissed on February 18, 2016. Currently, the Company is preparing for third instance.

JCD ordered the Taoyuan District Court the enforcement action for the Company during the appeal processing period; nevertheless, the Company applied to the Taoyuan District Court for stopping the enforcement action on March 12, 2015, and the Taoyuan District Court ruled in temporarily respiting the enforcement action on March 20, 2015. The Company escrowed the time deposit as guarantee fund of NT$9,500 thousand. After the Company escrowed the guarantee fund, JCD made an appeal for the part of stopping enforcement action. At present, the Taiwan High Court is still hearing the case.

39. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities denominated in foreign currencies were as follows:

December 31, 2015

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 25,109	6.49 (USD:RMB)	$ 824,208
USD	64,291	32.83 (USD:NTD)	2,110,349
EUR	37	7.10 (EUR:RMB)	1,313
EUR	1	35.88 (EUR:NTD)	51
JPY	50	0.05 (JPY:RMB)	14
JPY	14	0.01 (JPY:USD)	4
JPY	175	0.27 (JPY:NTD)	48
HKD	356	0.84 (HKD:RMB)	1,507
HKD	209,387	0.13 (HKD:USD)	886,755
HKD	4,808	4.24 (HKD:NTD)	20,363
RMB	7,426	0.15 (RMB:USD)	37,094
			$ 3,881,706

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
Non-monetary items			
Investments accounted for using equity method			
RMB	$ 4,484,667	0.15 (RMB:USD)	$ 672,700
USD	2,567	32.83 (USD:NTD)	84,262
			$ 756,962
Financial liabilities			
Monetary items			
USD	12,409	6.49 (USD:RMB)	$ 407,313
USD	1,593	32.83 (USD:NTD)	52,292
JPY	43,089	0.05 (JPY:RMB)	11,750
JPY	397,953	0.01 (JPY:USD)	108,522
JPY	32,804	0.27 (JPY:NTD)	8,946
HKD	2,887	0.84 (HKD:RMB)	12,227
HKD	600	0.13 (HKD:USD)	2,539
HKD	4,296	4.24 (HKD:NTD)	18,195
RMB	21,956	0.15 (RMB:USD)	109,671
RMB	4,216	4.99 (RMB:NTD)	21,059
			$ 752,514

(Concluded)

December 31, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 26,313	6.12 (USD:RMB)	$ 832,818
USD	58,991	31.65 (USD:NTD)	1,867,054
EUR	27	7.44 (EUR:RMB)	1,039
EUR	14	1.22 (EUR:USD)	539
EUR	3	38.47 (EUR:NTD)	115
JPY	193,038	0.05 (JPY:RMB)	51,077
JPY	18,993	0.01 (JPY:USD)	5,026
JPY	600	0.26 (JPY:NTD)	159
HKD	16,918	0.13 (HKD:USD)	69,093
HKD	8,048	4.08 (HKD:NTD)	32,838
RMB	51,025	0.16 (RMB:USD)	259,819
			$ 3,119,577
Non-monetary items			
Investments accounted for using equity method			
RMB	159,307	0.16 (RMB:USD)	$ 811,194
USD	3,577	31.65 (USD:NTD)	113,205
			$ 924,399

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial liabilities			
Monetary items			
USD	$ 3,786	6.12 (USD:RMB)	$ 119,837
USD	11,334	31.65 (USD:NTD)	358,711
JPY	55,326	0.05 (JPY:RMB)	14,639
JPY	122,274	0.01 (JPY:USD)	32,354
JPY	18,189	0.26 (JPY:NTD)	4,813
HKD	4	0.79 (HKD:RMB)	16
HKD	3,633	0.13 (HKD:USD)	14,822
HKD	17,143	4.08 (HKD:NTD)	69,944
RMB	94,139	0.16 (RMB:USD)	479,355
RMB	36,213	5.09 (RMB:NTD)	184,397
			$ 1,278,888

(Concluded)

For the year ended December 31, 2015 and 2014, (realized and unrealized) net foreign exchange gains were $124,616 thousand and $63,530 thousand, respectively. It is impractical to disclose net foreign exchange gain by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Group entities.

40. SEPARATELY DISCLOSED ITEMS

Information on significant transactions and information on investees:

a. Lending funds to others: Table 1 (attached)

b. Providing endorsements or guarantees for others: Table 2 (attached)

c. Holding of securities at the end of the period (excluding investment in subsidiaries, associates and joint controlled entities): Table 3 (attached)

d. Aggregate purchases or sales of the same securities reaching NT$300 million or 20 % of paid-in capital or more: None

e. Acquisition of real estate reaching NT$300 million or 20 % of paid-in capital or more: None

f. Disposal of real estate reaching NT$300 million or 20 % of paid-in capital or more: None

g. Purchase or sales of goods from or to related parties reaching NT$100 million or 20 % of paid-in capital or more: Tables 4 (attached)

h. Trade receivables from related parties reaching NT$100 million or 20 % of paid-in capital or more: Table 5 (attached)

i. Trading in derivative instruments: Notes 7 and 20

j. Others: The business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions between them: Table 8 (attached)

k. Information on investees: Table 6 (attached)

Information on investments in Mainland China:

a. Information on any investee company in Mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in the Mainland China area: Table 7 (attached)

b. Any of the following significant transactions with investee companies in Mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses: Table 8 (attached)

   1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

   2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

   3) The amount of property transactions and the amount of the resultant gains or losses.

   4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

   5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

   6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

41. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group’s reportable segments under IFRS 8 “Operating Segments” were as follows:

- Taiwan and South China
- South China (the chief operating range are domestic sales)
- Shanghai
- Changshu
- Others

a. Segment revenues and results

The following was an analysis of the Group’s revenue and results from continuing operations by reportable segment.

	For the Year Ended December 31, 2015						
	Taiwan and South China	**South China**	**Shanghai**	**Changshu**	**Others**	**Adjustments and Elimination**	**Total**
Segment revenues and results							
Revenues from external customers	$ 6,518,462	$ 1,654,619	$ 635,844	$ 1,002,331	$ 76,765	$ -	$ 9,888,021
Inter-segment revenues	5,293,235	2,199,670	10,395	63,285	-	(7,566,585)	-
Segment revenues	$ 11,811,697	$ 3,854,289	$ 646,239	$ 1,065,616	$ 76,765	$ (7,566,585)	$ 9,888,021
Segment income	$ 488,267	$ 427,575	$ 61,695	$ 54,820	$ 19,470	$ 22,622	$ 1,074,449
Interest income							11,978
Other income							165,368
Interest expense							(52,011)
Other expense and loss							(239,371)
Income from continuing operating before income tax							$ 960,413
Segment assets							
Assets	$ 5,860,831	$ 4,916,116	$ 1,040,200	$ 2,661,966	$ 280,443	$ (4,017,567)	$ 10,741,989
Investments							824,787
Deferred income tax assets							93,727
Total assets							$ 11,660,503
Depreciation and amortization	$ 380,000	$ 266,067	$ 64,682	$ 96,494	$ 11,305		$ 818,548
Acquisition of property, plant and equipment	$ 111,073	$ 239,157	$ 19,988	$ 41,410	$ 2,844		$ 414,472

	For the Year Ended December 31, 2014						
	Taiwan and South China	**South China**	**Shanghai**	**Changshu**	**Others**	**Adjustments and Elimination**	**Total**
Segment revenues and results							
Revenues from external customers	$ 5,770,811	$ 1,822,437	$ 563,059	$ 1,293,696	$ 94,083	$ -	$ 9,544,086
Inter-segment revenues	3,594,406	3,239	13,180	28,699	-	(3,639,524)	-
Segment revenues	$ 9,365,217	$ 1,825,676	$ 576,239	$ 1,322,395	$ 94,083	$ (3,639,524)	$ 9,544,086
Segment income	$ 238,470	$ 690,604	$ 32,102	$ 97,832	$ (39,965)	$ 3,471	$ 1,022,514
Interest income							11,481
Other income							110,430
Interest expense							(37,978)
Other expense and loss							(19,479)
Income from continuing operating before income tax							$ 1,086,968
Segment assets							
Assets	$ 6,734,580	$ 1,992,167	$ 1,066,554	$ 2,866,480	$ 232,749	$ (1,340,431)	$ 11,552,099
Investments							997,278
Deferred income tax assets							80,661
Total assets							$ 12,630,038
Depreciation and amortization	$ 527,380	$ 48,713	$ 73,483	$ 127,238	$ 19,004		$ 795,818
Acquisition of property, plant and equipment	$ 97,622	$ 226,169	$ 10,863	$ 31,483	$ 54,753		$ 420,890

Segment profit represented the profit before tax earned by each segment without share of profits of associates, interest income, gain or loss on disposal of property, plant and equipment, exchange gain or loss, valuation gain or loss on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

	For the Year Ended December 31	
	2015	**2014**
Plastic components	$ 8,949,547	$ 8,491,405
Molds	652,234	445,006
Others	286,240	607,675
	$ 9,888,021	$ 9,544,086

c. Geographical information

The Group operates in three principal geographical areas - Taiwan and China.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers		**Non-current Assets December 31**	
	2015	**2014**	**2015**	**2014**
Taiwan	$ 1,026,343	$ 1,080,390	$ 167,116	$ 160,882
China	3,432,349	5,329,550	4,434,887	5,018,511
America	325,259	270,544	-	-
Japan	57,756	146,185	-	-
Others	5,046,314	2,717,417	-	-
	$ 9,888,021	$ 9,544,086	$ 4,602,003	$ 5,179,393

Non-current assets exclude non-current assets classified as held for sale, and exclude financial instruments, deferred tax assets.

d. Information about major customers

Individual customers accounting for at least 10% of net sales for the years ended December 31, 2015 and 2014 were as follows:

	For the Year Ended December 31			
	2015		**2014**	
Customer	**Amount**	**% to Total**	**Amount**	**% to Total**
Customer A	$ 979,512	10	$ 1,221,799	13

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits
												Item	Value		
1	Coxon Industry (Changshu) Co., Ltd.	Shanghai Teckyork Enterprise Co., Ltd.	Other receivable	Yes	$ 45,828 (RMB 9,000)	$ -	$ -	5.31	Financing	Interest income 814 (RMB 160)	Working capital	-	$ -	$ 1,586,533 (US$ 48,333)	$ 1,586,533 (US$ 48,333)
		Coxon Industry Ltd. (Samoa)	〃	〃	280,060 (RMB 55,000)	-	-	5.31	〃	Interest income 3,947 (RMB 774)	〃	-	-	1,586,533 (US$ 48,333)	1,586,533 (US$ 48,333)
		Changshu Huaxon Industry Co., Ltd.	〃	〃	178,220 (RMB 37,000)	139,860 (RMB 28,000)	139,860 (RMB 28,000)	5.31	〃	Interest income 8,908 (RMB 1,748)	〃	-	-	1,586,533 (US$ 48,333)	1,586,533 (US$ 48,333)
		Sun Can International Ltd. (Samoa)	〃	〃	101,840 (RMB 20,000)	-	-	5.31	〃	Interest income 396 (RMB 78)	〃	-	-	1,586,533 (US$ 48,333)	1,586,533 (US$ 48,333)
2	Vastech Plastic (Shanghai) Industrial Co., Ltd.	Shanghai Teckyork Enterprise Co., Ltd.	〃	〃	10,352 (RMB 2,000)	-	-	5.31	〃	Interest income 406 (RMB 80)	〃	-	-	103,776 (US$ 3,162)	103,776 (US$ 3,162)
3	Sinxon Plastic (DongGuan) Ltd.	Dong Guan Cheng Da Metal Product Company Limited	〃	〃	101,840 (RMB 20,000)	-	-	6.00	〃	Interest income 1,940 (RMB 381)	〃	-	-	1,503,710 (US$ 45,810)	1,503,710 (US$ 45,810)
		DongGuan Chensong Plastic Co., Ltd.	〃	〃	101,500 (RMB 20,000)	-	-	5.31	〃	Interest income 1,801 (RMB 353)	〃	-	-	1,503,710 (US$ 45,810)	1,503,710 (US$ 45,810)
4	Sun Can International Ltd. (Samoa)	Coxon Industry Ltd. (Samoa)	〃	〃	126,600 (US$ 4,000)	-	-	1.50	〃	Interest income 83 (US$ 3)	〃	-	-	1,864,928 (US$ 56,814)	1,864,928 (US$ 56,814)
		Coxon Precise International Limited (BVI)	〃	〃	115,045 (US$ 3,500)	114,888 (US$ 3,500)	114,888 (US$ 3,500)	1.50	〃	Interest income 1,666 (US$ 39)	〃	-	-	1,864,928 (US$ 56,814)	1,864,928 (US$ 56,814)
5	Coxon Industry Ltd. (Samoa)	Coxon Industry (Chanshu) Co., Ltd.	〃	〃	493,050 (US$ 15,000)	492,375 (US$ 15,000)	-	1.50	〃	Interest expense 3,947 (RMB 774)	〃	-	-	1,895,060 (US$ 57,732)	1,895,060 (US$ 57,732)
		Sun Can International Ltd. (Samoa)	〃	〃	41,408 (US$ 1,260)	39,960 (US$ 1,217)	39,960 (US$ 1,217)	5.31	〃	Interest income 632 (RMB 124)	〃	-	-	1,895,060 (US$ 57,732)	1,895,060 (US$ 57,732)
		Cheng Da Industry Ltd. (Samoa)	〃	〃	65,650 (US$ 2,000)	65,650 (US$ 2,000)	65,650 (US$ 2,000)	1.50	〃	Interest income 34 (RMB 6)	〃	-	-	1,895,060 (US$ 57,732)	1,895,060 (US$ 57,732)
		Hang Yuan Enterprise Ltd.	〃	〃	65,650 (US$ 2,000)	65,650 (US$ 2,000)	65,650 (US$ 2,000)	1.50	〃	Interest income 34 (RMB 6)	〃	-	-	1,895,060 (US$ 57,732)	1,895,060 (US$ 57,732)
6	Dong Guan Chensong Plastic Co., Ltd.	Sinxon Plastic (Dong Guan) Ltd.	〃	〃	99,900 (RMB 20,000)	99,900 (RMB 20,000)	99,900 (RMB 20,000)	5.31	〃	Interest income 900 (RMB 176)	〃	-	-	1,520,560 (US$ 46,323)	1,520,560 (US$ 46,323)

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity In Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Coxon Precise Industrial Co., Ltd.	Teckyork Enterprise Co., Ltd. (Samoa)	100% subsidiary of the Company's investments	$ 1,465,660	$ 37,980	$ -	$ -	$ -	-	$ 2,931,319	Y	N	N	
		Sun Can International Ltd. (Samoa)	100% subsidiary of the Company's investments	1,465,660	37,980	-	-	-	-	2,931,319	Y	N	N	
		Coxon Industry Ltd. (Samoa)	100% subsidiary of the Company's investments	1,465,660	37,980	-	-	-	-	2,931,319	Y	N	N	
		Cheng Da Industry Ltd. (Samoa)	100% subsidiary of the Company's investments	1,465,660	354,480	105,040	-	-	1	2,931,319	Y	N	N	
		Hang Yuan Enterprise Ltd. (Samoa)	100% subsidiary of the Company's investments through Cheng Yee Enterprise Ltd. (Samoa)	1,465,660	347,164	164,125	-	-	2	2,931,319	Y	N	N	

TABLE 3

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Issuer of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Coxon Precise Industrial Co., Ltd.	Stocks							
	CALIN Technology Co., Ltd.	None	Available-for-sale financial assets - current	721,988	$ 11,480	0.68	$ 11,480	
	Kin Tin Optotronic Co., Ltd.	〃	Financial assets measured at cost - non-current	2,255,193	$ -	6.37	$ -	Note
	CGK International Co., Ltd.	〃	Financial assets measured at cost - non-current	1,800,000	56,345	5.00	56,345	
					$ 56,345		$ 56,345	
Cheng Da Industry Ltd. (Samoa)	Taising Coxon Limited (Hong Kong)	Its director is the chairman of the parent company	Financial assets measured at cost - non-current	847,500	$ -	17.89	$ -	Note

Note: The financial assets measured at cost are unlisted stocks. The assets were assessed as impaired with small chance of recovery so impairment loss was recognized.

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) or Receivable		Note
			Purchase/(Sale)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Coxon Precise Industrial Co., Ltd.	Coxon Industry Ltd. (Samoa)	Subsidiaries	Processing fee	$ 557,887	31	Note 1	Note 2	Note 1	Other payable $ -	-	
	〃	〃	Sales	369,403	5	120 days	In accordance with mutual agreements	120 days	Account receivable 39,600	3	
	〃	〃	Purchases	2,060,918	52	120 days	In accordance with mutual agreements	120 days	Account payable 366,263	58	
	Sun Can International Ltd. (Samoa)	〃	Processing fee	1,245,676	69	Note 1	Note 2	Note 1	Other payable 329,688	29	
	〃	〃	Sales	108,958	2	120 days	In accordance with mutual agreements	120 days	Account receivable 11,025	1	
	〃	〃	Purchases	273,189	7	120 days	In accordance with mutual agreements	120 days	Account payable 165,571	26	
Coxon Industry Ltd. (Samoa)	Coxon Precise Industrial Co., Ltd.	〃	Sales	2,060,918	78	120 days	In accordance with mutual agreements	120 days	Account receivable 366,263	89	
	〃	〃	Processing revenue	557,887	100	Note 1	Note 2	Note 1	Other receivable -	-	
	〃	〃	Purchases	369,403	16	120 days	In accordance with mutual agreements	120 days	Account payable 39,600	8	
	Dong Guan Chensong Plastic Co., Ltd.	〃	Sales	568,925	22	120 days	In accordance with mutual agreements	120 days	Account receivable 45,711	11	
	〃	〃	Purchases	1,982,350	84	120 days	In accordance with mutual agreements	120 days	Account payable 449,091	92	
Sun Can International Ltd. (Samoa)	Coxon Precise Industrial Co., Ltd.	〃	Processing revenue	1,245,676	100	Note 1	Note 2	Note 1	Account receivable 329,688	80	
	〃	〃	Sales	273,189	76	120 days	In accordance with mutual agreements	120 days	Account receivable 165,571	5	
	〃	〃	Purchases	108,958	7	120 days	In accordance with mutual agreements	120 days	Account payable 11,025	5	
	Sinxon Plastic (Dong Hua)	〃	Purchases	213,125	13	120 days	In accordance with mutual agreements	120 days	Account payable 229,029	93	
Dong Guan Chensong Plastic Co., Ltd.	Coxon Industry Ltd. (Samoa)	〃	Sales	1,982,350	92	120 days	In accordance with mutual agreements	120 days	Account receivable 449,091	93	
	〃	〃	Purchases	568,925	44	120 days	In accordance with mutual agreements	120 days	Account payable 45,711	12	
Sinxon Plastic (Dong Guan) Ltd.	Sun Can International Ltd. (Samoa)	〃	Sales	213,125	15	120 days	In accordance with mutual agreements	120 days	Account receivable 229,029	4	

Note 1: Depended on the capital requirements of the Company, Coxon Industry Ltd. (Samoa) and Sun Can International Ltd. (Samoa) or settle accounts by offsetting debts.

Note 2: Depended on the production size and manufacturing expense as processing fee billing to the Company. The billing amount not over 5% of total manufacturing expenses.

Note 3: The related party transactions between subsidiaries have been eliminated already.

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Sun Can International Ltd. (Samoa)	Coxon Precise Industrial Co., Ltd.	Ultimate parent company	$ 495,259 (US$ 15,088)	2.54	$ -	-	$ -	$ -
	Coxon Precise International Limited (BVI)	Associate	114,888 (US$ 3,500) (Note 1)	-	-	-	-	-
Coxon Industry Ltd. (Samoa)	Coxon Precise Industrial Co., Ltd.	Ultimate parent company	366,263 (US$ 11,158)	5.62	-	-	-	-
	〃	〃	637,133 (US$ 19,410) (Note 1)	-				
Dong Guan Chensong Plastic Co., Ltd.	Coxon Industry Ltd. (Samoa)	Ultimate parent company	449,091 (US$ 87,555)	4.41	-	-	-	-
Sinxon Plastic (Dong Guan) Ltd.	Sun Can International Ltd. (Samoa)	Ultimate parent company	229,029 (RMB 45,782)	-	-	-	-	-
Coxon Industry (Changshu) Co., Ltd.	Changshu Huaxon Industry Co., Ltd.	Associate	139,860 (RMB 28,000) (Note 1)	-	-	-	-	-

Note 1: Listed on other receivable.

Note 2: The related party transactions between subsidiaries had been eliminated already.

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of December 31, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2015	December 31, 2014	Shares	%	Carrying Amount			
Coxon Precise Industrial Co., Ltd.	Teckyork Enterprise Co., Ltd. (Samoa)	Samoa	Global investing activities	$ 1,044,773 (US$ 31,678)	$ 1,044,773 (US$ 31,678)	17,569,700	100	$ 1,862,867	$ 39,575	$ 39,575	
	Sun Can International Ltd. (Samoa)	Samoa	Global investing activities	551,004 (US$ 16,933)	551,004 (US$ 16,933)	16,932,762	100	1,862,431	121,579	121,376	
	Coxon Industry Ltd. (Samoa)	Samoa	Global investing activities	1,371,321 (US$ 42,870)	900,001 (US$ 27,870)	42,870,000	100	1,889,316	253,292	251,733	
	Cheng Da Industry (Samoa)	Samoa	Global investing activities	1,098,824 (US$ 35,770)	1,098,824 (US$ 35,770)	35,769,500	100	955,402	40,156	40,156	
	Cheng Yee Enterprise Ltd. (Samoa)	Samoa	Global investing activities	1,723,671 (US$ 53,552)	1,278,438 (US$ 39,918)	43,000,000	100	2,031,413	(21,507)	(45,494)	
	Soartek Optoelectronics Technology Co., Ltd.	Taiwan	Manufacturing and sale of nonmetal molding and automobile parts	51,000	51,000	5,100,000	100	47,692	100	100	
Teckyork Enterprise Co., Ltd. (Samoa)	Vastech Industrial Co., Ltd. (Samoa)	Samoa	Global investing activities	97,290 (US$ 3,000)	97,290 (US$ 3,000)	3,000,000	100	110,966 (US$ 3,381)	9,872 (US$ 311)	9,872 (US$ 311)	
Cheng Yee Enterprise Ltd. (Samoa)	Hang Yuan Enterprise Ltd. (Samoa)	Samoa	Global investing activities	1,213,600 (US$ 40,000)	1,213,600 (US$ 40,000)	40,000,000	100	1,556,333 (US$ 47,413)	113,458 (US$ 3,575)	113,458 (US$ 3,575)	
	Coxon Precise International Limited (BVI)	Virgin Islands	Global investing activities	91,020 (US$ 3,000)	91,020 (US$ 3,000)	3,000,000	100	332,287 (US$ 10,123)	(147,143) (US$ (4,636))	(147,143) (US$ (4,636))	
	Coxon Medical Limited (Samoa)	Samoa	Global investing activities	159,600 (US$ 5,000)	159,600 (US$ 5,000)	5,000,000	80	141,158 (US$ 4,300)	22,264 (US$ 701)	17,811 (US$ 561)	
Soartek Optoelectronics Technology Co., Ltd.	Hsiangtek Optical Technology Co., Ltd. (Samoa)	Samoa	Global investing activities	18,021 (US$ 601)	18,021 (US$ 601)	601,000	100	16,159 (US$ 492)	4 (US$ -)	4 (US$ -)	
Coxon Industry Ltd. (Samoa)	Siix Coxon Precision Phils, Inc.	Philippines	Manufacturing and sale of nonmetal molding	121,642 (US$ 4,050)	121,642 (US$ 4,050)	4,050,000	45	84,262 (US$ 2,567)	(71,219) (US$ (2,244))	(31,904) (US$ (1,010))	

Note: All investment and the equity of investee company are eliminated upon consolidation.

TABLE 7

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars and U.S. Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2015	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2015	Accumulated Repatriation of Investment Income as of December 31, 2015	Note
					Outward	Inward							
Shanghai Teckyork Enterprise Co., Ltd.	Manufacturing and sale of nonmetal molding, precision plastic injection parts and optical lens	$ 484,400 (US$ 16,000)	Investment through third party	$ 667,893 (US$ 20,348)	$ -	$ -	$ 667,893 (US$ 20,348)	$ 67,192 (US$ 2,117)	100	$ 67,192 (US$ 2,117)	$ 655,051 (US$ 19,956)	$ -	
Shanghai Sonor Enterprise Co., Ltd.	Manufacturing and sale of nonmetal molding, precision plastic injection parts, related semi-finished goods and components	151,375 (US$ 5,000)	〃	218,175 (US$ 6,647)	-	-	218,175 (US$ 6,647)	14,546 (US$ 458)	100	14,546 (US$ 458)	98,214 (US$ 2,992)	-	
Vastech Plastic (Shanghai) Industrial Co., Ltd.	Manufacturing and sale of nonmetal molding, precision plastic injection parts and optical lens	90,825 (US$ 3,000)	〃	141,310 (US$ 4,303)	-	-	141,310 (US$ 4,303)	9,898 (US$ 312)	100	9,898 (US$ 312)	103,776 (US$ 3,162)	-	
Changshu Huaxon Industry Co., Ltd.	Manufacturing, assembling and sale of optical disc drive, digital camera parts, electric parts and nonmetal molding	938,525 (US$ 31,000)	〃	64,270 (US$ 2,000)	-	-	64,270 (US$ 2,000)	(50,070) (US$ 1,578)	100	(50,070) (US$ 1,578)	934,302 (US$ 28,463)	-	
Changshu Houkennixx Plastic Product Co., Ltd.	Manufacturing, assembling and sale of plastic products	299,850 (US$ 20,000)	〃	-	-	-	-	(35,164) (US$ 1,108)	25	(8,562) (US$ 268)	47,862 (US$ 1,458)	-	
Sinxon Plastic (DongGuan) Ltd.	Manufacturing and sale of nonmetal molding and automobile parts	550,844 (HK$ 119,630)	〃	320,818 (US$ 9,870)	-	-	320,818 (US$ 9,870)	64,566 (US$ 2,034)	100	64,566 (US$ 2,034)	1,348,090 (US$ 41,069)	-	
Coxon Industry (Changshu) Co., Ltd.	Manufacturing and sale of nonmetal molding, precision plastic injection parts, related semi-finished goods and components	1,211,000 (US$ 40,000)	〃	1,189,245 (US$ 37,133)	313,776 (US$ 9,708)	-	1,503,021 (US$ 46,841)	105,058 (US$ 3,310)	100	105,058 (US$ 3,310)	1,586,533 (US$ 48,333)	-	
Toyo Precision Appliance (Kunshan) Co., Ltd.	Manufacturing and processing of sheet metal-press work parts	936,141 (US$ 28,000)	〃	89,193 (US$ 2,785)	104,007 (US$ 3,218)	-	193,200 (US$ 6,003)	(479,764) (US$ (15,116))	24	(148,977) (US$ (4,535))	408,270 (US$ 12,438)	-	
Shanghai Coxon Medical Limited	Manufacturing of medical materials	149,770 (US$ 5,000)	〃	-	22,883 (US$ 708)	-	22,883 (US$ 708)	26,800 (US$ 844)	80	21,440 (US$ 676)	153,292 (US$ 4,670)	-	
GoerXon Optical Precision Industry Co., Ltd.	Manufacturing and sale of precision plastic injection parts	957,098 (RMB 200,000)	Investment through Changshu Huaxon Industry Co., Ltd.	-	-	-	-	(110,980) (RMB 22,050)	25	(28,097) (RMB 5,513)	216,568 (RMB 42,842)	-	
Dong Guan Cheng Da Metal Product Company Limited	Manufacturing instrument, electronic products and plastic products	145,871 (RMB 30,000)	〃	141,448 (US$ 4,770)	-	-	141,448 (US$ 4,770)	126,830 (US$ 3,996)	100	126,830 (US$ 3,996)	550,107 (US$ 16,759)	-	
Dong Guan Chensong Plastic Co., Ltd.	Manufacturing and sale of metal and nonmetal molding and automobile parts	1,367,130 (US$ 44,000)	Investment through third party	-	471,320 (US$ 15,000)	-	471,320 (US$ 15,000)	149,437 (US$ 4,708)	100	149,437 (US$ 4,708)	1,560,271 (US$ 47,533)	-	

Accumulated Investment in Mainland China as of December 31, 2015	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$ 3,744,338 (US$ 116,490)	$ 5,938,787 (US$ 180,675)	NA

(Continued)

Significant transactions with investee companies in Mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

Investee Company	Relationship	Transaction Type	Amount	Transaction Details			Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss
				Price	Payment Term	Comparison with Normal Transaction	Ending Balance	%	
Coxon Industry Ltd. (Samoa)	100% subsidiary of the Company's investments	Subcontract	$ 557,887	Note 1	Note 1	Note 1	Others payable $ -	-	$ -
Sun Can International Ltd. (Samoa)	100% subsidiary of the Company's investments	Subcontract	1,245,676	Note 1	Note 1	Note 1	Others payable 329,688	29	-
Dong Guan Chensong Plastic Co., Ltd.	100% subsidiary of the Company's investments through Coxon Industry Ltd. (Samoa)	Sales	1,982,350	Note 1	Note 1	Note 1	Account receivable 449,091	93	-
	100% subsidiary of the Company's investments through Coxon Industry Ltd. (Samoa)	Purchase	568,925	Note 1	Note 1	Note 1	Others payable 45,711	12	-
Sinxon Plastic (Dong Guan) Ltd.	100% subsidiary of the Company's investments through Sun Can International Ltd. (Samoa)	Sales	213,125	Note 1	Note 1	Note 1	Account receivable 229,029	4	-

Note 1: See Table 4.

Endorsements/guarantees provided with investee companies in Mainland China, either directly or indirectly through a third party:

Investee Company	Relationship	Endorsements/ Guarantees	Outstanding Endorsement /Guarantee at the End of the Period	Purpose of Providing Endorsements/Guarantees
Teckyork Enterprise Co., Ltd. (Samoa)	100% subsidiary of the Company's investments	Endorsements	$ -	To obtain bank loans and financial instruments transactions sufficient working capital and engage in currency hedging transactions
Sun Can International Ltd. (Samoa)	100% subsidiary of the Company's investments	Endorsements	-	To obtain bank loans and financial instruments transactions sufficient working capital and engage in currency hedging transactions
Coxon Industry Ltd. (Samoa)	100% subsidiary of the Company's investments	Endorsements	-	To obtain bank loans and financial instruments transactions sufficient working capital and engage in currency hedging transactions
Cheng Da Industry Ltd. (Samoa)	100% subsidiary of the Company's investments	Endorsements	105,040	To obtain bank loans and financial instruments transactions sufficient working capital and engage in currency hedging transactions
Hang Yuan Enterprise Ltd. (Samoa)	100% subsidiary of the Company's investments through Cheng Yee Enterprise Ltd. (Samoa)	Endorsements	164,125	To obtain bank loans and financial instruments transactions sufficient working capital and engage in currency hedging transactions

Financing provided with investee companies in Mainland China, either directly or indirectly through a third party: None.

Other transaction effects significantly profit and loss or financial situation: None.

(Concluded)

TABLE 8

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms (Note 3)	% to Total Sales or Assets (Note 4)
0	Coxon Precise Industrial Co., Ltd.	Coxon Industrial Ltd. (Samoa)	a	Account receivable	$ 39,600	Note	3
			a	Other receivable	10,962	Note	6
			a	Account payable	366,263	Note	1
			a	Other payable	637,133	Note	-
			a	Sales revenue	369,403	Note	-
			a	Purchases	2,060,918	Note	8
			a	Manufacturing overhead - outsourced	557,887	Note	2
			a	Operating expense	175	Note	-
		Dong Guan Chensong Plastic Co., Ltd.	a	Sales revenue	26	Note	-
		Sun Can International Ltd.	a	Account receivable	11,025	Note	-
			a	Other receivable	3,016	Note	-
			a	Account payable	165,571	Note	-
			a	Other payable	329,688	Note	3
			a	Sales revenue	108,958	Note	-
			a	Purchases	273,189	Note	1
			a	Manufacturing overhead - outsourced	1,245,676	Note	5
		Techyork Enterprise Co., Ltd. (Samoa)	a	Account receivable	687	Note	-
			a	Other receivable	814	Note	-
			a	Sales revenue	6,327	Note	-
		Shanghai Techyork Enterprise Co., Ltd.	a	Account receivable	147	Note	-
		Hang Yuan Enterprise Ltd.	a	Account receivable	1,616	Note	-
			a	Other receivable	1,342	Note	-
			a	Other payable	529	Note	-
			a	Sales revenue	12,197	Note	-
			a	Purchases	349	Note	-
		Coxon Medical Ltd. (Samoa)	a	Other receivable	297	Note	-
		Cheng Da Industrial Ltd.	a	Other receivable	8,735	Note	-
		Dong Guan Cheng Da Metal Product Co., Ltd.	a	Account payable	672	Note	-
			a	Sales revenue	1,433	Note	-
			a	Purchases	1,713	Note	-
		Soartek Optoelectronics Technology Co., Ltd.	a	Deposits received	33	Note	3
1	Coxon Industrial Ltd. (Samoa)	Coxon Precise Industrial Co., Ltd.	b	Account receivable	366,263	Note	6
			b	Other receivable	637,133	Note	7
			b	Account payable	39,600	Note	-
			b	Other payable	10,962	Note	-

(Continued)

No. (Note 1)	Investee Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms (Note 3)	% to Total Sales or Assets (Note 4)
			b	Sales revenue	$ 2,057,130	Note	8
			b	Processing revenue	562,604	Note	2
			b	Purchases	382,902	Note	2
			b	Other income	180	Note	-
		Dong Guan Chensong Plastic Co., Ltd.	a	Account receivable	45,711	Note	-
			a	Other receivable	81,375	Note	-
			a	Account payable	449,091	Note	4
			a	Sales revenue	568,925	Note	2
			a	Purchases	1,982,350	Note	8
		Sun Can International Ltd.	c	Payable on equipment	1,151	Note	-
			c	Other receivable	40,440	Note	-
			c	Other payable	37	Note	-
			c	Interest income	632	Note	-
			c	Interest expense	83	Note	-
		Coxon Industry (Changshu) Ltd.	c	Interest expense	3,947	Note	-
		Cheng Da Industrial Ltd.	c	Other receivable	65,650	Note	-
			c	Other payable	814	Note	-
			c	Interest income	34	Note	-
2	Dong Guan Chensong Plastic Co., Ltd.	Coxon Industrial Ltd. (Samoa)	b	Account receivable	449,091	Note	4
			b	Payable on equipment	81,375	Note	-
			b	Account payable	45,711	Note	-
			b	Sales revenue	1,982,350	Note	8
			b	Purchases	568,925	Note	2
		Sinxon Plastic (Dong Guan) Ltd.	c	Account receivable	1,129	Note	-
			c	Other receivable	101,993	Note	1
			c	Interest income	900	Note	-
			c	Interest expense	1,801	Note	-
3	Sun Can International Ltd.	Coxon Precise Industrial Co., Ltd.	b	Account receivable	495,259	Note	4
			b	Account payable	11,025	Note	-
			b	Other payable	13,768	Note	-
			b	Sales revenue	266,706	Note	2
			b	Processing revenue	1,259,500	Note	5
			b	Purchases	106,604	Note	1
		Coxon Industrial Ltd. (Samoa)	c	Other receivable	1,188	Note	-
			c	Other payable	40,440	Note	-
			c	Interest expense	631	Note	-
			c	Interest income	83	Note	-
		Sinxon Plastic (Dong Guan) Ltd.	a	Account receivable	87,062	Note	1
			a	Other receivable	72,385	Note	1
			a	Account payable	229,029	Note	2
			a	Sales revenue	85,924	Note	-
			a	Purchases	213,125	Note	-
		Coxon Precise International Limited (BVI)	c	Other receivable	114,888	Note	1
			c	Interest income	1,666	Note	1

(Continued)

No. (Note 1)	Investee Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms (Note 3)	% to Total Sales or Assets (Note 4)
		Coxon Industry (Changshu) Ltd.	c	Interest expense	$ 396	Note	-
		Cheng Da Industrial Ltd.	c	Other receivable	942	Note	-
			c	Account payable	142	Note	-
			c	Manufacturing overhead - outsourced	1,538	Note	-
4	Sinxon Plastic (Dong Guan) Ltd.	Dong Guan Chensong Plastic Co., Ltd.	c	Other payable	103,122	Note	1
			c	Interest income	1,801	Note	-
			c	Interest expense	900	Note	-
		Sun Can International Ltd.	b	Account receivable	229,029	Note	2
			b	Account payable	87,062	Note	-
			b	Payable on equipment	72,385	Note	1
			b	Sales revenue	213,125	Note	1
			b	Purchases	85,924	Note	-
		Dong Guan Cheng Da Metal Product Co., Ltd.	c	Account receivable	38	Note	-
			c	Account payable	845	Note	-
			c	Other payable	(4)	Note	-
			c	Sales revenue	1,356	Note	-
			c	Purchases	728	Note	-
			c	Manufacturing overhead - outsourced	7	Note	-
			c	Interest income	1,940	Note	-
5	Techyork Enterprise Co., Ltd. (Samoa)	Coxon Precise Industrial Co., Ltd.	b	Account payable	687	Note	-
			b	Other payable	814	Note	-
			b	Service cost	6,448	Note	-
		Shanghai Techyork Enterprise Co., Ltd.	a	Account payable	169	Note	-
			a	Manufacturing overhead - outsourced	387	Note	-
6	Shanghai Techyork Enterprise Co., Ltd.	Coxon Precise Industrial Co., Ltd.	b	Purchases	152	Note	-
		Techyork Enterprise Co., Ltd. (Samoa)	b	Account receivable	169	Note	-
			b	Sales revenue	387	Note	-
		Shanghai Sonor Enterprise Co., Ltd.	c	Other receivable	19,140	Note	-
			c	Other payable	37	Note	-
			c	Rent revenue	9,955	Note	-
			c	Other income	12,053	Note	-
			c	Operating expense	16	Note	-
			c	Interest expense	406	Note	-
		Coxon Industry (Changshu) Ltd.	c	Account payable	1,959	Note	-
			c	Purchases	1,504	Note	-
			c	Interest expense	814	Note	-
		Shanghai Coxon Medical Ltd.	c	Other receivable	454	Note	-
			c	Other income	5,402	Note	-

(Continued)

No. (Note 1)	Investee Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms (Note 3)	% to Total Sales or Assets (Note 4)
7	Shanghai Sonor Enterprise Co., Ltd.	Shanghai Techyork Enterprise Co., Ltd.	c	Other receivable	$ 37	Note	-
			c	Other payable	19,140	Note	-
			c	Other income	16	Note	-
			c	Rent expense	9,955	Note	-
			c	Operating expense	12,053	Note	-
		Coxon Industry (Changshu) Ltd.	c	Account receivable	177	Note	-
			c	Account payable	19	Note	-
			c	Sales revenue	9,740	Note	-
			c	Purchases	143	Note	-
			c	Manufacturing overhead - outsourced	11	Note	-
		Shanghai Coxon Medical Limited	c	Account receivable	24	Note	-
			c	Other receivable	524	Note	-
			c	Sales revenue	246	Note	-
			c	Processing revenue	21	Note	-
8	Vastech Plastic (Shanghai) Industrial Co., Ltd.	Shanghai Techyork Enterprise Co., Ltd.	c	Interest income	406	Note	-
9	Changshu Huaxon Industry Co., Ltd.	Coxon Industry (Changshu) Ltd.	c	Other receivable	3,554	Note	-
			c	Other payable	141,540	Note	1
			c	Rent revenue	35,475	Note	-
			c	Interest expense	8,908	Note	-
10	Coxon Precise International Limited	Sun Can International Ltd.	c	Other payable	114,888	Note	1
			c	Interest expense	1,666	Note	-
11	Hang Yuan Enterprise Ltd.	Coxon Precise Industrial Co., Ltd.	b	Other receivable	529	Note	-
			b	Account payable	1,616	Note	-
			b	Other payable	1,342	Note	-
			b	Service revenue	350	Note	-
			b	Service cost	12,294	Note	1
		Techyork Enterprise Co., Ltd.	c	Account receivable	525	Note	-
			c	Service revenue	606	Note	-
		Coxon Industry (Changshu) Ltd.	a	Account receivable	8,600	Note	-
			a	Account payable	27,903	Note	-
			a	Sales revenue	23,174	Note	-
			a	Purchases	36,755	Note	-
12	Coxon Industry (Changshu) Ltd.	Coxon Industrial Ltd.	c	Interest income	3,947	Note	-
		Sun Can International Ltd.	c	Interest income	396	Note	-
		Shanghai Techyork Enterprise Co., Ltd.	c	Account receivable	1,618	Note	-
			c	Sales revenue	1,846	Note	-
			c	Interest income	814	Note	-
		Shanghai Sonor Enterprise Co., Ltd.	c	Account receivable	19	Note	-
			c	Other payable	177	Note	-
			c	Sales revenue	154	Note	-
			c	Purchases	991	Note	-
			c	Manufacturing overhead - outsourced	8,749	Note	-

(Continued)

No. (Note 1)	Investee Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms (Note 3)	% to Total Sales or Assets (Note 4)
		Changshu Huaxon Industry Co., Ltd.	c	Other receivable	$ 141,540	Note	1
			c	Other payable	3,554	Note	-
			c	Rent expense	35,475	Note	-
			c	Interest income	8,908	Note	-
		Hang Yuan Enterprise Ltd.	b	Account receivable	27,903	Note	-
			b	Account payable	8,600	Note	-
			b	Sales revenue	36,755	Note	-
			b	Purchases	23,174	Note	-
13	Coxon Medical Limited	Coxon Precise Industrial Co., Ltd.	b	Other payable	297	Note	-
14	Shanghai Coxon Medical Limited	Shanghai Techyork Enterprise Co., Ltd.	c	Other payable	454	Note	-
			c	Manufacturing overhead	2,111	Note	-
			c	Operating expense	1,855	Note	-
			c	Administrative expenses	1,436	Note	-
		Shanghai Sonor Enterprise Co., Ltd.	c	Other payable	584	Note	-
			c	Manufacturing overhead - outsourced	210	Note	-
			c	Manufacturing overhead	21	Note	-
15	Cheng Da Industrial Ltd.	Coxon Precise Industrial Co., Ltd.	b	Other payable	8,735	Note	-
		Coxon Industrial Ltd.	c	Other receivable	814	Note	-
			c	Other payable - outsourced	65,650	Note	-
			c	Interest expense	34	Note	-
		Sun Can International Ltd.	c	Account receivable	142	Note	-
			c	Payable on equipment	942	Note	-
			c	Sales revenue	1,538	Note	-
16	Dong Guan Cheng Da Metal Product Company Limited	Coxon Precise Industrial Co., Ltd.	b	Account receivable	680	Note	-
			b	Sales revenue	1,736	Note	-
			b	Purchases	1,433	Note	-
		Sinxon Plastic (Dong Guan) Ltd.	c	Account receivable	841	Note	-
			c	Account payable	38	Note	-
			c	Sales revenue	735	Note	-
			c	Purchases	1,356	Note	-
			c	Interest expense	1,940	Note	-
17	Soartek Optoeletronics Technology Co., Ltd.	Coxon Precise Industrial Co., Ltd.	b	Refundable deposits	33	Note	-

(Continued)

Note 1: The numbers above are identified as follows:

a. "0" for the Company.
b. "1" for the subsidiary.

Note 2: The flow of transactions was as follows:

a. From the Company to the subsidiary.
b. From the subsidiary to the Company.
c. Between subsidiaries.

Note 3: The transaction terms with the related party are not significantly different from those to third parties.

Note 4: For assets and liabilities, the amount is shown as a percentage to consolidated total assets as of December 31, 2015, while revenues, costs and expenses are shown as a percentage to consolidated total operating revenues for the year ended December 31, 2015.

(Concluded)