English Translation of Financial Statements and a Report Originally Issued in Chinese

Ticker: 3189

KINSUS INTERCONNECT TECHNOLOGY CORP.
PARENT-COMPANY-ONLY FINANCIAL STATEMENTS
WITH AUDIT REPORT OF INDEPENDENT ACCOUNTANTS
AS OF DECEMBER 31, 2015 AND 2014
AND FOR THE YEARS THEN ENDED

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The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

English Translation of Financial Statements and a Report Originally Issued in Chinese

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English Translation of an Audit Report Originally Issued in Chinese

REPORT OF INDEPENDENT AUDITORS

To: the Board of Directors and Shareholders of
Kinsus Interconnect Technology Corp.

We have audited the accompanying parent-company-only balance sheets of Kinsus Interconnect Technology Corp. as of December 31, 2015 and 2014, the related statements of comprehensive incomes, changes in equity, and cash flows for the years then ended. These parent-company-only financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these parent-company-only financial statements based on our audits.

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

In our opinion, based on our audits, the parent-company-only financial statements referred to above present fairly, in all material respects, the financial position of Kinsus Interconnect Technology Corp. as of December 31, 2015 and 2014 and the results of its operations and cash flows for the years then ended in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Ernst & Young

Ernst & Young
February 1, 2016
Taipei, Taiwan,
Republic of China

Notice to Readers

The accompanying parent-company-only financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China on Taiwan and not those of any other jurisdictions. The standards, procedures and practice to audit such financial statements are those generally accepted and applied in the Republic of China on Taiwan.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

PARENT-COMPANY-ONLY BALANCE SHEETS

As of December 31, 2015 and 2014

(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			As of December 31, 2015		As of December 31, 2014	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	$10,998,903	30	$10,082,304	30
1110	Financial assets at fair value through profit or loss	4, 6(2)	3,524,742	10	5,081,578	15
1125	Available-for-sale financial assets	4, 6(3)	-	-	40,369	-
1147	Bond investments with no active market	4, 6(4)	423,057	1	420,000	1
1150	Notes receivable, net	4, 6(5)	1,835	-	4,358	-
1170	Accounts receivable, net	4, 6(6)	2,920,639	8	2,403,669	7
1180	Accounts receivable - related parties, net	4, 6(6), 7	21,759	-	1,008	-
1200	Other receivables		281,480	1	392,702	1
1210	Other receivables - related parties	7	7,489	-	9,197	-
1310	Inventories, net	4, 6(7)	1,317,749	4	1,321,824	4
1410	Prepayments		115,144	-	76,320	-
1470	Other current assets		72,238	-	47,558	-
11XX	Total current assets		19,685,035	54	19,880,887	58
	Non-current assets					
1550	Investment accounted for under equity method	4, 6(8)	3,610,796	10	4,009,504	12
1600	Property, plant and equipment, net	4, 6(9), 8, 9	10,309,220	29	8,914,836	26
1780	Intangible assets, net	4, 6(10)	9,869	-	11,927	-
1840	Deferred tax assets	4, 6(23)	9,593	-	-	-
1915	Prepayment for equipment	4, 6(9), 9	2,452,423	7	1,438,282	4
1995	Other non-current assets	6(11), 8	2,202	-	5,347	-
15XX	Total non-current assets		16,394,103	46	14,379,896	42
1XXX	Total Assets		$36,079,138	100	$34,260,783	100

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

PARENT-COMPANY-ONLY BALANCE SHEETS-(Continued)

As of December 31, 2015 and 2014

(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			As of December 31, 2015		As of December 31, 2014	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(12)	$1,831,266	5	$730,798	2
2150	Notes payable		49,834	-	39,864	-
2170	Accounts payable		1,049,302	3	927,069	3
2180	Accounts payable - related parties	7	428,877	1	247,315	1
2200	Other payables	6(13), 7	3,094,451	9	2,981,520	9
2230	Current income tax liabilities	4, 6(23)	541,841	2	893,791	3
2300	Other current liabilities	6(14)	329,589	1	491,418	1
21XX	Total current liabilities		7,325,160	21	6,311,775	19
	Non-current liabilities					
2540	Long-term loans	6(15), 8	288,860	1	467,335	1
2570	Deferred tax liabilities	4, 6(23)	39,834	-	53,996	-
2600	Other non-current liabilities	4, 6(16), 6(17)	34,148	-	29,668	-
25XX	Total non-current liabilities		362,842	1	550,999	1
2XXX	Total liabilities		7,688,002	22	6,862,774	20
3100	Capital	6(18)				
3110	Common stock		4,460,000	12	4,460,000	13
3200	Capital surplus	6(18)	5,939,819	16	5,939,819	17
3300	Retained earnings	6(18)				
3310	Legal capital reserve		3,049,623	8	2,687,890	8
3350	Unappropriated earnings		14,780,095	41	14,030,597	41
3400	Other components of equity		194,484	1	279,703	1
3500	Treasury Stock	6(18)	(32,885)	-	-	-
3XXX	Total equity		28,391,136	78	27,398,009	80
	Total liabilities and equity		$36,079,138	100	$34,260,783	100

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

PARENT-COMPANY-ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2015 and 2014

(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	2015		2014	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(19), 7	$17,827,251	100	$19,290,237	100
5000	Operating costs	7	(12,513,748)	(70)	(13,017,150)	(68)
5900	Gross profit		5,313,503	30	6,273,087	32
6000	Operating expenses	7				
6100	Selling		(170,374)	(1)	(376,656)	(2)
6200	General and administrative		(620,887)	(3)	(624,714)	(3)
6300	Research and development		(1,012,606)	(6)	(971,583)	(5)
	Operating expenses total		(1,803,867)	(10)	(1,972,953)	(10)
6900	Operating income		3,509,636	20	4,300,134	22
7000	Non-operating income and expenses					
7010	Other income	6(21), 7	118,580	1	113,102	1
7020	Other gains and losses	6(21), 7	66,432	-	75,770	-
7050	Finance costs	6(21)	(21,360)	-	(19,712)	-
7070	Share of profit or loss of subsidiaries, associates and joint ventures		(325,786)	(2)	(319,590)	(2)
	Non-operating income and expense total		(162,134)	(1)	(150,430)	(1)
7900	Income expense from continuing operations before income tax		3,347,502	19	4,149,704	21
7950	Income tax	4, 6(23)	(443,550)	(3)	(532,377)	(2)
8200	Net income		2,903,952	16	3,617,327	19
8300	Other comprehensive income (loss)	6(22)				
8310	Item that may not be reclassified to profit or loss					
8311	Actuarial gain (loss) on defined benefit plains		(8,721)	-	15,710	-
8360	Items that may be reclassified subsequently to profit or loss					
8362	Unrealized gain (loss) on available-for-sale security		(24,694)	-	9,583	-
8370	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures		(72,922)	-	194,267	1
8399	Income tax related to items that may be reclassified subsequently to profit or loss		12,397	-	(33,026)	-
	Total other comprehensive income, net of tax		(93,940)	-	186,534	1
8500	Total comprehensive income		$2,810,012	16	$3,803,861	20
9750	Earnings per share - basic (in NT$)	6(24)	$6.51		$8.11	
9850	Earnings per share - diluted (in NT$)	6(24)	$6.38		$7.98	

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

PARENT-COMPANY-ONLY STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2015 and 2014

(Amounts Expressed in Thousands of New Taiwan Dollars)

					Retained Earnings			Other Components of equity			
	Items	Notes	Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations	Unrealized valuation gain (loss) on available-for-sale financial assets	Treasury Stock	
Code			3100	3200	3310	3320	3350	3410	3425	3500	3XXX
A1	Balance as of January 1, 2014		$4,460,000	$5,863,612	$2,365,481	$74,424	$12,206,545	$93,768	$15,111	$-	$25,078,941
	Appropriation and distribution of 2013 earnings:	6(18)									
B1	Legal reserve				322,409		(322,409)				-
B5	Cash dividends - common shares						(1,561,000)				(1,561,000)
B17	Reversal of special reserve					(74,424)	74,424				-
D1	Net income (loss) for 2014						3,617,327				3,617,327
D3	Other comprehensive income (loss) for 2014	6(22)					15,710	161,241	9,583		186,534
D5	Total comprehensive income		-	-	-	-	3,633,037	161,241	9,583	-	3,803,861
M5	Differences between equity purchase price and carrying amount arising from acquisition or disposal of subsidiaries			50,925							50,925
M7	Changes in equities of subsidiaries			25,282							25,282
A1	Balance as of December 31, 2014		4,460,000	5,939,819	2,687,890	-	14,030,597	255,009	24,694	-	27,398,009
	Appropriation and distribution of 2014 earnings:	6(18)									
B1	Legal reserve				361,733		(361,733)				-
B5	Cash dividends - common shares						(1,784,000)				(1,784,000)
D1	Net income (loss) for 2015						2,903,952				2,903,952
D3	Other comprehensive income (loss) for 2015	6(22)					(8,721)	(60,525)	(24,694)		(93,940)
D5	Total comprehensive income		-	-	-	-	2,895,231	(60,525)	(24,694)	-	2,810,012
L1	Treasury stock repurchase									(32,885)	(32,885)
Z1	Balance as of December 31, 2015		$4,460,000	$5,939,819	$3,049,623	$-	$14,780,095	$194,484	$-	$(32,885)	$28,391,136

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

PARENT-COMPANY-ONLY STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2015 and 2014

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2015	2014
AAAA	Cash flows from operating activities:		
A10000	Net income before tax	$3,347,502	$4,149,704
A20000	Adjustments:		
A20010	Profit or loss not effecting cash flows:		
A20100	Depreciation	1,953,230	1,911,643
A20200	Amortization	26,086	20,712
A20300	Bad debt expense (gain on recovery)	(17,179)	5,418
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(24,447)	(27,787)
A20900	Interest expense	21,360	19,712
A21200	Interest income	(76,970)	(71,135)
A22300	Share of profit or loss of subsidiaries, associates and joint ventures	325,786	319,590
A22500	Gain on disposal of property, plant and equipment	(5)	(602)
A22500	Loss on disposal of property, plant and equipment	725	1,231
A23100	Gain on disposal of investment	(30,845)	(24,691)
A30000	Changes in operating assets and liabilities:		
A31110	Financial Assets at fair value through profit or loss	1,581,283	-
A31130	Notes receivable	2,523	65,025
A31150	Accounts receivable	(499,791)	38,216
A31160	Accounts receivable - related parties	(20,751)	28,369
A31180	Other receivable	110,843	2,968
A31190	Other receivable - related parties	1,708	3,305
A31200	Inventories	4,075	(141,939)
A31230	Prepayment	(38,824)	845
A31240	Other current assets	(24,680)	(8,323)
A32130	Notes payable	9,970	270
A32150	Accounts payable	122,233	156,275
A32160	Accounts payable - related parties	181,562	64,213
A32180	Other payable	(77,360)	284,537
A32210	Advance receipts	(1,126)	(4,638)
A32230	Other current liabilities	254	(52,241)
A32240	Net pension liability under defined benefit plan	(4,241)	(3,973)
A33000	Cash generated from operations	6,872,921	6,736,704
A33100	Interest received	77,349	70,627
A33300	Interest paid	(21,073)	(19,435)
A33500	Income tax paid	(806,858)	(710,843)
AAAA	Net cash provided by (used in) operating activities	6,122,339	6,077,053

Code	Items	2015	2014
BBBB	Cash flows from investing activities:		
B00400	Disposal of available-for-sale financial assets	46,520	51,620
B00600	Acquisition of bond investments for which no active market exists	(3,057)	-
B02700	Acquisition of property, plant and equipment	(4,172,476)	(2,636,178)
B02800	Proceeds from disposal of property, plant and equipment	5	6,635
B03800	Decrease (increase) in refundable deposits	3,145	(845)
B04500	Acquisition of intangible assets	(24,028)	(25,231)
BBBB	Net cash provided by (used in) investing activities	(4,149,891)	(2,603,999)
CCCC	Cash flows from financing activities:		
C00100	Increase in (repayment of) short-term loans	1,100,468	(135,335)
C01600	Increase in long-term loans	-	474,750
C01700	Repayment of long-term loans	(339,432)	(267,000)
C04500	Payment of cash dividends	(1,784,000)	(1,561,000)
C04900	Treasury stock purchased	(32,885)	-
CCCC	Net cash provided by (used in) financing activities	(1,055,849)	(1,488,585)
EEEE	Net Increase (decrease) in cash and cash equivalents	916,599	1,984,469
E00100	Cash and cash equivalents at beginning of period	10,082,304	8,097,835
E00200	Cash and cash equivalents at end of period	$10,998,903	$10,082,304

(The accompanying notes are an integral part of the parent-company-only financial statements.)

1. HISTORY AND ORGANIZATION

Kinsus Interconnect Technology Corp. (referred to "the Company") was established on September 11, 2000. Its main business activities include the manufacture of electronic products, the whole-sale and retail-sale of electronic materials, and the consultation services of business operation and management. The Company's stocks have been governmentally approved on May 20th, 2004 to be listed and traded in Taiwan Stock Exchange starting November 1st, 2004.The registered business premise and main operation address is at 1245, Chung Hua Rd., Hsinwu District, Taoyuan City, Taiwan 32747.

2. DATE AND PROCEDURE OF AUTHORIZATION FOR FINANCIAL STATEMENTS ISSUANCE

The financial statements of the Company were authorized to be issued in accordance with a resolution of the Board of Directors'meeting held on February 1, 2016.

3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after 1 January 2015. The nature and the impact of each new standard and amendment that has a material effect on the Group is described below:

IAS 19 Employee Benefits

The revised IAS 19 brought about the following changes to defined benefit plans which are summarized as below:

(a) The interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a net-interest amount under the revised IAS 19, which is calculated by applying the discount rate to the net defined benefit liability or asset at the start of each annual reporting period.

(b) In the previous version of IAS 19, past service cost is recognized as an expense immediately to the extent that the benefits are already vested, or on a straight-line basis over the average period until the benefits become vested. Under the revised IAS 19, all past service costs are recognized at the earlier of when the amendment/curtailment occurs or when the related restructuring or termination costs are recognized. Therefore unvested past service cost is no longer deferred over future vesting periods.

(c) The revised IAS 19 required more disclosure. Please refer to Note 6.

IFRS 13 Fair Value Measurements

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS. The Group re-assessed its policies for measuring fair values. Application of IFRS 13 has not materially impacted the fair value measurements of the Group.

Additional disclosures where required under IFRS 13, are provided in the individual notes relating to the assets and liabilities whose fair values were determined. Fair value hierarchy is provided in Note 12. According to the transitional provisions of IFRS 13, IFRS 13 is applied prospectively as of 1 January 2015; the disclosure requirements of IFRS 13 need not be applied in comparative information before 1 January 2015.

IAS 1 Presentation of Financial Statements – Presentation of items of other comprehensive income

Beginning 1 January 2014, the Group presented its items of other comprehensive income that will be reclassified to profit or loss separately from items that will not be reclassified in accordance with the amendments to IAS 1. The amendments affect presentation of statement of comprehensive income only and have no impact on the Group's financial position or performance.

IAS 1 Presentation of Financial Statements – Clarification of the requirement for comparative information

Beginning 1 January 2014, according to the amendments to IAS 1, when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in it financial statements, or when it reclassifies items in its financial statements, the opening statement of financial position does not have to be accompanied by comparative information in the related notes. The amendments affect notes accompanying the financial statements only and have no impact on the Group's financial position or performance.

(2) The Company has not applied the following IFRSs issued by the International Accounting Standards Board ("IASB") but not endorsed by the FSC. As of the date that the consolidated financial statements were authorized for issue, the initial adoption to the following standards and interpretations is still subject to the effective date to be published by the FSC.

(a) IAS 36 "Impairment of Assets" (Amendment)

This amendment relates to the amendment issued in May 2011 and requires entities to disclose the recoverable amount of an asset (including goodwill) or a cash-generating unit when an impairment loss has been recognized or reversed during the period. The amendment also requires detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognized or reversed, including valuation techniques used, level of fair value hierarchy of assets and key assumptions used in measurement. The amendment is effective for annual periods beginning on or after 1 January 2014.

(b) IFRIC 21 "Levies"

This interpretation provides guidance on when to recognize a liability for a levy imposed by a government (both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain). The interpretation is effective for annual periods beginning on or after 1 January 2014.

(c) IAS 39 "Financial Instruments: Recognition and Measurement" (Amendment)

Under the amendment, there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided certain criteria are met. The interpretation is effective for annual periods beginning on or after 1 January 2014.

(d) IAS 19 "Employee Benefits" (Defined benefit plans: employee contributions)

The amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to provide a policy choice for a simplified accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The amendment is effective for annual periods beginning on or after 1 July 2014.

(e) Improvements to International Financial Reporting Standards (2010-2012 cycle):

IFRS 2 “Share-based Payment”

The annual improvements amend the definitions of 'vesting condition' and 'market condition' and add definitions for 'performance condition' and 'service condition' (which were previously part of the definition of 'vesting condition'). The amendment prospectively applies to share-based payment transactions for which the grant date is on or after 1 July 2014.

IFRS 3 “Business Combinations”

The amendments include: (1) deleting the reference to "other applicable IFRSs" in the classification requirements; (2) deleting the reference to "IAS 37 Provisions, Contingent Liabilities and Contingent Assets or other IFRSs as appropriate", other contingent consideration that is not within the scope of IFRS 9 shall be measured at fair value at each reporting date and changes in fair value shall be recognized in profit or loss; (3) amending the classification requirements of IFRS 9 Financial Instruments to clarify that contingent consideration that is a financial asset or financial liability can only be measured at fair value, with changes in fair value being presented in profit or loss depending on the requirements of IFRS 9. The amendments apply prospectively to business combinations for which the acquisition date is on or after 1 July 2014.

IFRS 8 “Operating Segments”

The amendments require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments. The amendments also clarify that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly. The amendment is effective for annual periods beginning on or after 1 July 2014.

IFRS 13 “Fair Value Measurement”

The amendment to the Basis for Conclusions of IFRS 13 clarifies that when deleting paragraph B5.4.12 of IFRS 9 Financial Instruments and paragraph AG79 of IAS 39 Financial Instruments: Recognition and Measurement as consequential amendments from IFRS 13 Fair Value Measurement, the IASB did not intend to change the measurement requirements for short-term receivables and payables.

IAS 16 "Property, Plant and Equipment"

The amendment clarifies that when an item of property, plant and equipment is revalued, the accumulated depreciation at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset. The amendment is effective for annual periods beginning on or after 1 July 2014.

IAS 24 "Related Party Disclosures"

The amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. The amendment is effective for annual periods beginning on or after 1 July 2014.

IAS 38 "Intangible Assets"

The amendment clarifies that when an intangible asset is revalued, the accumulated amortization at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset. The amendment is effective for annual periods beginning on or after 1 July 2014.

(f) Improvements to International Financial Reporting Standards (2011-2013 cycle):

IFRS 1 "First-time Adoption of International Financial Reporting Standards"

The amendment clarifies that an entity, in its first IFRS financial statements, has the choice between applying an existing and currently effective IFRS or applying early a new or revised IFRS that is not yet mandatorily effective, provided that the new or revised IFRS permits early application.

IFRS 3 "Business Combinations"

This amendment clarifies that paragraph 2(a) of IFRS 3 Business Combinations excludes the formation of all types of joint arrangements as defined in IFRS 11 Joint Arrangements from the scope of IFRS 3; and the scope exception only applies to the financial statements of the joint venture or the joint operation itself. The amendment is effective for annual periods beginning on or after 1 July 2014.

IFRS 13 "Fair Value Measurement"

The amendment clarifies that paragraph 52 of IFRS 13 includes a scope exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis. The objective of this amendment is to clarify that this portfolio exception applies to all contracts within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation. The amendment is effective for annual periods beginning on or after 1 July 2014.

IAS 40 "Investment Property"

The amendment clarifies the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property; in determining whether a specific transaction meets the definition of both a business combination as defined in IFRS 3 Business Combinations and investment property as defined in IAS 40 Investment Property, separate application of both standards independently of each other is required. The amendment is effective for annual periods beginning on or after 1 July 2014.

(g) IFRS 14 "Regulatory Deferral Accounts"

IFRS 14 permits first-time adopters to continue to recognize amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognize such amounts, the Standard requires that the effect of rate regulation must be presented separately from other items. IFRS 14 is effective for annual periods beginning on or after 1 January 2016.

(h) IFRS 11 "Joint Arrangements" (Accounting for Acquisitions of Interests in Joint Operations)

The amendments provide new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments require the entity to apply all of the principles on business combinations accounting in IFRS 3 "Business Combinations", and other IFRS (that do not conflict with the guidance in IFRS 11), to the extent of its share in a joint operation acquired. The amendment also requires certain disclosure. The amendment is effective for annual periods beginning on or after 1 January 2016.

(i) IAS 16"Property, Plant and Equipment and IAS 38 "Intangible Assets" — Clarification of Acceptable Methods of Depreciation and Amortization

The amendment clarified that the use of revenue-based methods to calculate depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset, such as selling activities and change in sales volumes or prices. The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. The amendment is effective for annual periods beginning on or after 1 January 2016.

(j) IFRS 15 "Revenue from Contracts with Customers"

The core principle of the new Standard is for companies to recognize revenue to depict the transfer of promised goods or services to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The new Standard includes a cohesive set of disclosure requirements that would result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The Standard is effective for annual periods beginning on or after 1 January 2018.

(k) IAS 16 "Property, Plant and Equipment and IAS 41 "Agriculture" - Bearer Plants

The IASB decided that bearer plants should be accounted for in the same way as property, plant and equipment in IAS 16 Property, Plant and Equipment, because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, and the produce growing on bearer plants will remain within the scope of IAS 41. The amendment is effective for annual period beginning on or after 1 January 2016.

(l) IFRS 9 "Financial Instruments"

The IASB has issued the final version of IFRS 9, which combines classification and measurement, the expected credit loss impairment model and hedge accounting. The standard will replace IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9 Financial Instruments (which include standards issued on classification and measurement of financial assets and liabilities and hedge accounting).

Classification and measurement: Financial assets are measured at amortized cost, fair value through profit or loss, or fair value through other comprehensive income, based on both the entity's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial liabilities are measured at amortized cost or fair value through profit or loss. Furthermore there is requirement that 'own credit risk' adjustments are not recognized in profit or loss.

Impairment: Expected credit loss model is used to evaluate impairment. Entities are required to recognize either 12-month or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition.

Hedge accounting: Hedge accounting is more closely aligned with risk management activities and hedge effectiveness is measured based on the hedge ratio.

The new standard is effective for annual periods beginning on or after 1 January 2018.

(m) IAS 27 "Separate Financial Statements" — Equity Method in Separate Financial Statements

The IASB restored the option to use the equity method under IAS 28 for an entity to account for investments in subsidiaries and associates in the entity's separate financial statements. In 2003, the equity method was removed from the options. This amendment removes the only difference between the separate financial statements prepared in accordance with IFRS and those prepared in accordance with the local regulations in certain jurisdictions.

The amendment is effective for annual periods beginning on or after 1 January 2016.

(n) IFRS 10 "Consolidated Financial Statements" and IAS 28"Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

The amendment is effective for annual periods beginning on or after 1 January 2016.

(o) Improvements to International Financial Reporting Standards (2012-2014 cycle):

IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"

The amendment clarifies that a change of disposal method of assets (or disposal groups) from disposal through sale or through distribution to owners (or vice versa) should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. The amendment also requires identical accounting treatment for an asset (or disposal group) that ceases to be classified as held for sale or as held for distribution to owners. The amendment is effective for annual periods beginning on or after 1 January 2016.

IFRS 7 "Financial Instruments: Disclosures"

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset and therefore the disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety under IFRS 7 Financial Instruments: Disclosures is required. The amendment also clarifies that whether the IFRS 7 disclosure related to the offsetting of financial assets and financial liabilities are required to be included in the condensed interim financial report would depend on the requirements under IAS 34 Interim Financial Reporting. The amendment is effective for annual periods beginning on or after 1 January 2016.

IAS 19 "Employee Benefits"

The amendment clarifies the requirement under IAS 19.83, that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. The amendment is effective for annual periods beginning on or after 1 January 2016.

IAS 34 "Interim Financial Reporting"

The amendment clarifies what is meant by "elsewhere in the interim financial report" under IAS 34; the amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report. The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. The amendment is effective for annual periods beginning on or after 1 January 2016.

(p) IAS 1 "Presentation of Financial Statements" (Amendment):

The amendments contain (1) clarifying that an entity must not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions. The amendments reemphasize that, when a standard requires a specific disclosure, the information must be assessed to determine whether it is material and, consequently, whether presentation or disclosure of that information is warranted, (2) clarifying that specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated, and how an entity shall present additional subtotals, (3) clarifying that entities have flexibility as to the order in which they present the notes to financial statements, but also emphasize that understandability and comparability should be considered by an entity when deciding on that order, (4) removing the examples of the income taxes accounting policy and the foreign currency accounting policy, as these were considered unhelpful in illustrating what significant accounting policies could be, and (5) clarifying that the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, classified between those items that will or will not be subsequently reclassified to profit or loss. The amendment is effective for annual periods beginning on or after January 1, 2016.

(q) IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities", and IAS 28"Investments in Associates and Joint Ventures" — Investment Entities: Applying the Consolidation Exception

The amendments contain (1) clarifying that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity when the investment entity measures all of its subsidiary at fair value, (2) clarifying that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated when all other subsidiaries of an investment entity are measured at fair value, and (3) allowing the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. The amendment is effective for annual periods beginning on or after 1 January 2016.

The abovementioned standards and interpretations issued by IASB have not yet recognized by FSC at the date of issuance of the Group's financial statements, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the standards and interpretations listed under (10) and (12), it is not practicable to estimate their impact on the Group at this point in time. All other standards and interpretations have no material impact on the Group.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1)Statement of compliance

The parent-company-only financial statements of the Company for the years ended December 31, 2015 and 2014 were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations").

(2)Basis of preparation

The Company prepared parent-company-only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent-company-only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent-company-only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

The parent-company-only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

(3)Foreign currency transactions

The Company's parent-company-only financial statements are presented in its functional currency, New Taiwan Dollars (NTD). Items included in the parent-company-only financial statements are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Company at functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

(a)Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

(b)Foreign currency items within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are accounted for based on the accounting policy for financial instruments.

(c)Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4)Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NTD at the closing rate of exchange prevailing at the reporting date and the income and expenses are translated at an average exchange rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following are accounted for as disposals even if an interest in the foreign operation is retained by the Company: the loss of control over a foreign operation, the loss of significant influence over a foreign operation, or the loss of joint control over a foreign operation.

On partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(5)Current and non-current distinction

An asset is classified as current when:

(a) The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
(b) The Company holds the asset primarily for the purpose of trading
(c) The Company expects to realize the asset within twelve months after the reporting period
(d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(a) The Company expects to settle the liability in its normal operating cycle
(b) The Company holds the liability primarily for the purpose of trading
(c) The liability is due to be settled within twelve months after the reporting period
(d) The Company does not have an unconditional right to defer settlement of the liability 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.

All other liabilities are classified as non-current.

(6)Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value (include fixed-term deposits that have matures of 3 months from the date of acquisition).

(7)Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IAS 39 Financial Instruments: Recognition and Measurement are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial assets

The Company accounts for regular way purchase or sales of financial assets on the trade date.

Financial assets of the Company are classified as financial assets at fair value through profit or loss, available-for-sale financial assets and loans and receivables. The Compcny determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. A financial asset is classified as held for trading if:

i. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;

ii. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or

iii. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial asset at fair value through profit or loss; or a financial asset may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

i. it eliminates or significantly reduces a measurement or recognition inconsistency; or

ii. a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Financial assets at fair value through profit or loss are measured at fair value with changes in fair value recognized in profit or loss. Dividends or interests on financial assets at fair value through profit or loss are recognized in profit or loss (including those received during the period of initial investment).

If financial assets do not have quoted prices in an active market and their far value cannot be reliably measured, then they are classified as financial assets measured at cost on balance sheet and carried at cost net of accumulated impairment losses, if any, as at the reporting date.

Available-for-sale financial assets

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

Foreign exchange gains and losses and interest calculated using the effective interest method relating to monetary available-for-sale financial assets, or dividends on an available-for-sale equity instrument, are recognized in profit or loss. Subsequent measurement of available-for-sale financial assets at fair value is recognized in equity until the investment is derecognized, at which time the cumulative gain or loss is reclassified to profit or loss. 。

If equity instrument investments do not have quoted prices in an active market and their far value cannot be reliably measured, then they are classified as financial assets measured at cost on balance sheet and carried at cost net of accumulated impairment losses, if any, as at the reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Group upon initial recognition designates as available for sale, classified as at fair value through profit or loss, or those for which the holder may not recover substantially all of its initial investment.

Loans and receivables are separately presented on the balance sheet as receivables or bond investments for which no active market exists. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or transaction costs. The effective interest method amortization is recognized in profit or loss.

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset other than the financial assets at fair value through profit or loss is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more loss events that has occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset. The carrying amount of the financial asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss.

A significant or prolonged decline in the fair value of an available-for-sale equity instrument below its cost is considered a loss event.

Other loss events include:

(a) significant financial difficulty of the issuer or obligor; or
(b) breach of contract, such as a default or delinquency in interest or principal payments; or
(c) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(d) the disappearance of an active market for that financial asset due to financial difficulties of the issuer.

For held-to-maturity financial assets and loans and receivables measured at amortized cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial asset that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exits for an individually assessed financial asset, whether significant or not, it includes the asset in a Company of financial assets with similar credit risk characteristics and collectively assesses them for impairment. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. Interest income is accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to profit or loss.

In the case of equity investments classified as available-for-sale, where there is evidence of impairment, the amount recorded for impairment is the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss. The impairment amount is reclassified from equity to profit or loss. Impairment losses on equity investments are not reversed through profit or loss. Increases in their fair value after impairment are recognized directly in equity.

In the case of debt instruments classified as available-for-sale, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss. Future interest income is based on the reduced carrying amount of assets and calculated using the effective interest rate which is the discount rate for measuring impairment loss. Interest income is recognized in profit or loss. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through profit or loss.

Derecognition of financial assets

A financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired
(b) The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
(c) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

B. Financial liabilities and equity instruments

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract of the Company that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

A financial liability is classified as held for trading if:

(a) it is acquired principally for the purpose of selling it in short term;
(b) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
(c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated upon initial recognition as at fair value through profit or loss when doing so results in more relevant information, because either:

(a) it eliminates or significantly reduces measurement or recognition inconsistency; or
(b) a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss, including interests, are recognized in profit or loss.

If financial liabilities at fair value through profit or loss do not have quoted prices in an active market and their far value cannot be reliably measured, they are classified as financial liabilities measured at cost on balance sheet and carried at cost as of the reporting date.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include payables and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Relevant gains or losses and amortization amounts are recognized in profit or loss when the liabilities are derecognized and amortized through the effective interest rate method.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(8)Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(9)Inventories

Inventories are valued at lower of cost or net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials - At actual purchase cost, using weighted average method
Finished goods and work in progress - Including cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity, using weighted average method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(10)Investments accounted for using the equity method

The Company accounted for its investments in subsidiaries using equity method and made necessary adjustments in accordance with Article 21 of the Regulations. Such adjustments were made after the Company considered the different accounting treatments to account for its investments in subsidiaries in the consolidated financial statements under IAS 27 "Consolidated and Separate Financial Statements" and the different IFRSs adopted from different reporting entity's perspectives, and the Company recorded such adjustments by crediting or debiting to investments accounted for under the equity method, share of profit or loss of subsidiaries, associates and joint ventures and share of other comprehensive income of subsidiaries, associates and joint ventures.

The Company's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence.

Under the equity method, the investment in the associate or joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company's share of net assets of the associate. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the Company's related interest in the associate.

When changes in the net assets of an associate or joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Company's percentage of ownership interests in the associate or joint venture, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate on a prorate basis.

When the associate or joint venture issues new stocks, and the Company's interest in an associate is reduced or increased as the Company fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate is recognized in Additional Paid in Capital and Investment in associate. When the interest in the associate is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes the associate.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or joint venture is impaired in accordance with IAS 39 *Financial Instruments:* Recognition *and Measurement*. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate or joint venture' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Company estimates:

(a) Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows form the operations of the associate or joint venture and the proceeds on the ultimate disposal of the investment; or
(b) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate or jointly controlled entity of joint venture, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or jointly controlled entity and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

(11)Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 "Property, plant and equipment". When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	10 to 25 years
Machinery	1 to 5 years
Transportation	5 years
Office equipment	3 to 5 years
Other equipment	3 to 25 years

An item of property, plant and equipment or any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The property, plant and equipment's residual values, useful lives and methods of depreciation are reviewed at each financial year. If the expected values differ from the estimates, the differences are recorded as a change in accounting estimate.

(12)Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, not meeting the recognition criteria, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit (CGU) level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss.

The Company's accounting policies for intangible assets are as follows:

	Cost of Computer Software
Useful economic life	1 to 5 years
Amortization method	Straight-line method during the contract term
Internally generated or acquired externally	Acquired externally

(13)Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 "Impairment of Assets" may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company would conduct impairment tests at individual or CGU level. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired. An asset's recoverable amount is the higher of an asset's net fair value or its value in use.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the recoverable amount of the asset or CGU. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized for the asset in prior years.

Impairment loss or reversals of continuing operations are recognized in profit or loss.

(14)Treasury Stock

The Company's own equity instruments repurchased (treasury shares) are recognized atrepurchase cost and deducted from equity. Any difference between the carrying amountand the consideration is recognized in equity.

(15)Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Conditions and methods for the recognition of various types of revenue are listed below:

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions have been satisfied: significant risks and rewards of ownership of the goods have passed to the buyer; neither continuing managerial involvement nor effective control over the goods sold have been retained; the amount of revenue can be measured reliably; it is probable that the economic benefits associated with the transaction will flow to the entity; and the costs incurred in respect of the transaction can be measured reliably.

Customer Loyalty Programmes

When the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme is to be taken into account.

Interest income

Interest incomes from financial assets at amortized costs (including loans and receivables and held-to-maturity financial assets) and available-for-sale financial assets are estimated using the effective interest method and recognized in profit or loss.

Dividend income

Dividend incomes are recognized only when the Group has the right to receive the dividends.

(16)Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(17)Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company. Therefore, fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions.Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

(a) the date of the plan amendment or curtailment, and
(b) the date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted and disclosed for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events

(18)Income tax

Income tax expense (benefit) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The 10% income tax for undistributed earnings of the Company is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred income tax

Deferred income tax is a temporary difference between the tax bases of assets and liabilities and their carrying amounts in balance sheet at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

(a) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit (loss);

(b) In respect of taxable temporary differences associated with investments in subsidiaries, and associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, any unused tax losses and carry forward of unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

(a) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

(b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed and recognized at each reporting date.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that would have a significant risk for a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are discussed below.

(1)Post-employment benefits

The cost of post-employment benefit pension plan and the present value of the defined benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions, including the change in the discount rate and expected salary level. The assumptions used for measuring pension cost and defined benefit obligation are disclosed in Note 6.

(2)Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax benefit and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provision is based on various factors, such as past experience in tax audit and different interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies. As of December 31, 2015, the un-recognized portion of the Company's defferred tax assets was disclosed in Note 6.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1)Cash and cash equivalents

	As of December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Cash and petty cash	200	200
Checkings and savings	2,373,292	2,066,693
Time deposit	8,625,411	8,015,411
Total	10,998,903	10,082,304

(2)Financial assets at fair value through profit or loss

	As of December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Held for trading:		
Money market fund	3,442,558	4,980,352
Valuation adjustments	82,184	101,226
Total	3,524,742	5,081,578

No financial asset at fair value through profit or loss was pledged as collateral.

(3)Available-for-sale financial assets

	As of December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Stocks	-	15,675
Valuation adjustments	-	24,694
Total	-	40,369

No available-for-sale financial asset was pledged as collateral.

(4)Bond investments with no active market

	As of December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Time deposits	423,057	420,000
Current	423,057	420,000

There was no bond investments with no active market pledged as collateral.

(5)Notes receivable

	As of December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Notes receivable – from operations	1,835	4,358
Less: allowance for doubtful accounts	-	-
Net	1,835	4,358

No notes receivable was pledged by the Company as collateral.

(6)Accounts receivable and accounts receivable - related parties, net

A. Accounts receivable, net

	As of December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Accounts receivable, gross	2,968,030	2,468,239
Less: allowance for doubtful accounts	(47,391)	(64,570)
Net of allowances	2,920,639	2,403,669
Accounts receivable - related parties, gross	21,759	1,008
Less: allowance for doubtful accounts	-	-
Net of allowances	21,759	1,008
Total accounts receivable, net	2,942,398	2,404,677

B. The Company entered into factoring agreements with banks. Accounts receivables from selected customers are transferred to banks without recourse. Details of the agreed credit limits and accounts receivables transferred as of December 31, 2015 and 2014 were as follows:

	Financial Institution	Accounts receivable de-recognized (NT$'000)	Advance received (NT$'000)	Collateral	Credit Limit
12/31/2015	Mega International Commercial Bank - LanYa Branch	251,600	-	None	Note
12/31/2014	Mega International Commercial Bank - LanYa Branch	509,292	153,968	None	Note

Note: The credit limits were US$ 30,000 thousand as of December 31, 2015 and 2014.

C. The collection term of accounts receivables are generally on 60 to 120 day after monthly closing. The movement schedule of the impairment provision for accounts receivable, including related parties, was presented as below. (Please also refer to Note 12 for credit risk disclosure)

	Impaired Individually (NT$'000)	Impaired Collectively (NT$'000)	Total (NT$'000)
As of January 1, 2015	-	64,570	64,570
Provision (reversal)	-	(17,179)	(17,179)
Effect of exchange rate changes	-	-	-
As of December 31, 2015	-	47,391	47,391
As of January 1, 2014	-	59,152	59,152
Provision (reversal)	-	5,418	5,418
Effect of exchange rate changes	-	-	-
As of December 31, 2014	-	64,570	64,570

Aging analysis for the net accounts receivable, including related parties, were as follows.

		Accounts receivable – past due, but not impaired				
	Neither past due nor impaired (NT$'000)	Less than 61 days (NT$'000)	61 to 90 days (NT$'000)	91 to 120 days (NT$'000)	Longer than 120 days (NT$'000)	Total (NT$'000)
12/31/2015	2,776,357	166,041	-	-	-	2,942,398
12/31/2014	2,337,761	66,916	-	-	-	2,404,677

(7)Inventory

A. Details of inventory:

	As of December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Raw material	349,620	367,966
Supplies	40,460	34,564
Work in process	563,882	502,706
Finished goods	336,273	391,549
Merchandises	27,514	25,039
Total	1,317,749	1,321,824

B. For the years ended December 31, 2015 and 2014, the Company recognized NT$12,513,748 thousand and NT$13,017,150 thousand under the caption of costs of sale, respectively. The following items were also included in cost.

	For the year ended December 31,	
Item	2015 (NT$'000)	2014 (NT$'000)
Loss from (Gains on recovery of) inventory market decline	(136,990)	194,115
Loss (gain) from physical	(1,853)	34,935
Loss in inventory written-off and obselencense	1,191,343	864,542
Total	1,052,500	1,093,592

The Company recognized gains on recovery of inventory market decline because some of the inventories previously provided with market loss or obsolescence were disposed.

C. The inventories were not pledged.

(8)Investments Accounted For Under the Equity Method

	As of December 31,			
	2015		2014	
Investee companies	Amount (NT$'000)	Percentage of Ownership	Amount (NT$'000)	Percentage of Ownership
Investments in subsidiaries:				
KINSUS CORP. (USA)	32,462	100.00%	29,528	100.00%
KINSUS HOLDING (SAMOA) LIMITED	3,011,949	100.00%	3,458,036	100.00%
KINSUS INVESTMENT CO., LTD.	566,385	100.00%	521,940	100.00%
Total	3,610,796		4,009,504	

A. Investments in subsidiaries

Investments in subsidiaries were present in the parent-company-only financial statements under the caption of investments accounted for under equity method. Valuation adjustment is made if deemed necessary.

B. The Company's investments accounted for under the equity method were not pledged.

(9)Property, plant and equipment

	Land (NT$'000)	Buildings (NT$'000)	Machinery (NT$'000)	Office Equipment (NT$'000)	Transportation (NT$'000)	Other Equipment (NT$'000)	Construction in progress and equipment awaiting inspection (including prepaid equipment) (NT$'000)	Total (NT$'000)
Cost:								
As of 1/1/2015	1,366,426	2,472,080	9,676,936	23,626	2,735	2,194,275	2,761,524	18,497,602
Addition	-	-	441	6,121	1,355	58,051	4,296,512	4,362,480
Disposals	-	-	(2,049,861)	-	-	(150,529)	-	(2,200,390)
Effect of EXrate	-	-	-	-	-	-	-	-
Reclassification	191,374	74,655	1,520,319	7,309	-	202,770	(1,996,427)	-
As of 12/31/2015	1,557,800	2,546,735	9,147,835	37,056	4,090	2,304,567	5,061,609	20,659,692
As of 1/1/2014	1,237,179	2,464,872	8,284,351	8,630	1,525	2,098,092	1,243,287	15,337,936
Addition	8,939	-	55,093	6,196	830	44,526	3,135,070	3,250,654
Disposals	-	(2,500)	(78,591)	-	-	(9,897)	-	(90,988)

Effect of EXrate	-	-	-	-	-	-	-	-
Reclassification	120,308	9,708	1,416,083	8,800	380	61,554	(1,616,833)	-
As of 12/31/2014	1,366,426	2,472,080	9,676,936	23,626	2,735	2,194,275	2,761,524	18,497,602
Depreciation and impairment:								
As of 1/1/2015	-	766,015	5,925,647	7,992	723	1,444,107	-	8,144,484
Depreciation	-	125,981	1,557,893	8,611	739	260,006	-	1,953,230
Impairment loss	-	-	-	-	-	-	-	-
Disposal	-	-	(2,049,501)	-	-	(150,164)	-	(2,199,665)
Effect of EXrate	-	-	-	-	-	-	-	-
Reclassification	-	-	8,737	-	-	(8,737)	-	-
As of 12/31/2015	-	891,996	5,442,776	16,603	1,462	1,545,212	-	7,898,049
As of 1/1/2014	-	644,443	4,468,329	3,000	237	1,200,556	-	6,316,565
Depreciation	-	122,841	1,529,876	4,992	486	253,448	-	1,911,643
Impairme loss	-	-	-	-	-	-	-	-
Disposal	-	(1,269)	(72,558)	-	-	(9,897)	-	(83,724)
Effect of EXrate	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-	-
As of 12/31/2014	-	766,015	5,925,647	7,992	723	1,444,107	-	8,144,484
Net carrying amount:								
As of 12/31/2015	1,557,800	1,654,739	3,705,059	20,453	2,628	759,355	5,061,609	12,761,643
As of 12/31/2014	1,366,426	1,706,065	3,751,289	15,634	2,012	750,168	2,761,524	10,353,118

A. “Significant components” of buildings primarily comprised the main buildings and the facilities, which are depreciated based on their respective useful economic life of 20 to 25 years and 10 to 20 years.

B. Details of property, plant & equipment and prepayment for machinery is as follows:

	As of December 31,	
	2015 (NT$’000)	2014 (NT$’000)
Property, plant and equipment	10,309,220	8,914,836
Prepaid equipment	2,452,423	1,438,282
Total	12,761,643	10,353,118

C. Please refer to Note 8 for details on property, plant and equipment pledged as collaterals.

D. The Company purchased 40 parcels of land with a total area of 36,287.15 square meters. Lands are located at the addresses of No. 1113, 1114, 1438 to 1443,1479,1486 to 1487 at ShiLeiZi Sub-section, ShiLeiZi Section, No. 1044, 1047 to 1049 at QingHua Section, and No. 0001, 697 to 700 and 712 to 726 at RongHua Section, XinFeng Village. Due to regulatory restrictions, land cannot be registered under the Company's name while it has been temporarily registered under the general manager's name and, to secure the Company's right to the land, mortgage registration has been set aside with the Company being the obligee.

(10)Intangible assets

	Computer software (NT$'000)
Cost:	
As of January 1, 2015	23,080
Additions – acquired separately	24,028
Derecognized upon retirement	(23,080)
Effect of exchange rate changes	-
As of December 31, 2015	24,028
As of January 1, 2014	26,401
Additions – acquired separately	25,231
Derecognized upon retirement	(28,552)
Effect of exchange rate changes	-
As of December 31, 2014	23,080
Amortization and Impairment:	
As of January 1, 2015	11,153
Amortization	26,086
Derecognized upon retirement	(23,080)
Effect of exchange rate changes	-
As of December 31, 2015	14,159
As of January 1, 2014	18,993
Amortization	20,712
Derecognized upon retirement	(28,552)
Effect of exchange rate changes	-
As of December 31, 201	11,153

Carrying amount, net:	
As of December 31, 2015	9,869
As of December 31, 2014	11,927

Amounts of amortization recognized for intangible assets are as follows:

	For the year ended December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Operating expense	26,086	20,712

(11) Other non-current assets

	As of December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Refundable deposits	2,202	5,347

(12) Short-term loans

		As of December 31,	
	Interest interval (%)	2015 (NT$'000)	2014 (NT$'000)
Unsecured bank loans	0.88~1.15	1,831,266	730,798

As of December 31, 2015 and 2014, the line of unused short-term loan credit for the Company amounted to NT$2,907,734 thousand and NT$2,687,402 thousand, respectively.

(13) Other payable

	As of December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Accrued expense	2,007,409	2,084,769
Equipment payable	1,085,936	895,932
Accrued interest	1,106	819
Total	3,094,451	2,981,520

(14) Other current liabilities

	As of December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Other current liabilities	28,405	28,151
Unearned sales revenue	3,133	4,259
Current portion of long-term loans	298,051	459,008
Total	329,589	491,418

(15) Long-term loans

Debtor	Type of Loan	Maturity	Loan Balance As of 12/31/2015 (NT$'000)	Repayment
Mega International Commercial Bank - LanYa Branch	Secured bank loan	2015.10.27-2016.12.15	48,581	Notes 1
Mega International Commercial Bank - LanYa Branch	Credit loan	2015.10.27-2018.08.12	144,430	Notes 2
Taipei Fubon Commercial Bank - BeiTou Branch	Credit loan	2017.12.15	393,900	Note 5
Total			586,911	
Less: current portion			(298,051)	
Non-current portion			288,860	

Debtor	Type of Loan	Maturity	Loan Balance As of 12/31/2014 (NT$'000)	Repayment
Mega International Commercial Bank - LanYa Branch	Secured bank loan	2015.10.27-2016.12.15	141,159	Notes 1and 2
Mega International Commercial Bank - LanYa Branch	Credit loan	2015.10.27-2018.08.12	279,575	Notes 1and 3
The Shanghai Commercial & Savings Bank -	Secured bank loan	2015.07.15	30,859	Note 4

ZhongLi Branch				
Taipei Fubon Commercial Bank - BeiTou Branch	Credit loan	2017.12.15	474,750	Note 5
Total			926,343	
Less: current portion			(459,008)	
Non-current portion			467,335	

Note 1: A term is defined as every 3 months starting from the initial draw-down date. Grace period is 2 years (8 terms). The rest is repayable in installments of equal amount for 20 terms.

Note 2: Interest shall be paid for the first 12 months from the initial draw-down date. Starting from the 13th month, interest shall be paid monthly with principal repaid every 3 months.

Note 3: A term is defined as every 3 months starting from the initial draw-down date. Grace period is 1 years (4 terms). The rest is repayable in installments of equal amount for 16 terms.

Note 4: A term is defined as every 3 months starting from the initial draw-down date. The loan is repayable in installments of equal amount for 20 terms.

Note 5: One year after the initial draw-down date is considered term one and the following terms are defined as every 6 months since then. The principal and interest are repayable in installments of equal amount for 5 terms.

A portion of property, plant and equipment were pledged to Mega International Commercial Bank and Shanghai Commercial & Savings Bank (the first-priority mortgagors) as collaterals for secured bank loans. Please refer to Note 8 for more details.

As of December 31, 2015 and 2014, the interest rate intervals for long-term loans were 1.02%~1.3214% and 0.72%~1.597%, respectively.

(16) Other non-current liabilities

	As of December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Accrued pension costs	34,148	29,668

(17) Post-employment benefits

Defined contribution plan

The Company adopted a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company has made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Expenses under the defined contribution plan for the years ended December 31, 2015 and 2014 are NT$93,793 thousand and NT$88,653 thousand, respectively.

Defined benefits plan

The Company adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contributes an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee.

The fund is operated in a potofolio basis by Goernance Committee on Labor Retirement Fund in accordance with the Rule for Custody and Operating the Labor Retirement Fund. The investment of the Fund may be executed either by the Committee itself or by outsourced other profession institutions with its investment stategy, including both active and passive management, targeting in a medium or longer term. In considering the risks of market, credit and liquidity, the Committee establishes the ceiling of fund investment and control plan, in one hand, to reduce investment risk to an affordable extent and, in the other hand, to achieve the targeted return flexibly. As of December 31, 2015, the Company plans to contribute NT$5,061 thousand to the funds under its defined benefit scheme during the following fiscal year.

As of December 31, 2015 and 2014, the maturities of the Company's defined benefit plan were expected in 2036 and 2037 and the detail information is listed as below.

	As of December 31,	
Matured in	2015 (NT$'000)	2014 (NT$'000)
Less than one year	14,162	8,440
More than one year but less than five years	3,038	8,142
More than five years	22,213	16,321
Total	39,413	32,903

Pension costs recognized in profit or loss are as follows:

	For the year ended December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Current service costs	152	232
Net interest of defined benefit liability (asset)	668	987
Past service cost	-	-
Settlement	-	-
Total	820	1,219

Reconciliation of liability (asset) of the defined benefit plan is as follows:

	As of		
	Dec. 31, 2015 (NT$'000)	Dec. 31, 2014 (NT$'000)	Jan. 1, 2014 (NT$'000)
Defined benefit obligation	127,707	116,697	132,275
Plan assets at fair value	(93,559)	(87,029)	(82,924)
Other non-current liabilities – net defined benefit liability	34,148	29,668	49,351

Reconciliation of liability (asset) of the defined benefit liability is as follows:

	Present value of defined benefit obligation (NT$'000)	Fair value of plan assets (NT$'000)	Net defined benefit liability(asset) (NT$'000)
2014.01.01	132,275	(82,924)	49,351
Current service cost	232	-	232
Interest cost	2,645	(1,658)	987
Past service cost and settlement	-	-	-
Total	2,877	(1,658)	1,219
Re-measurment on defined benefit liability/assets:			
Actuarial gain/loss due to change in population statistic assumptions	519	-	519
Actuarial gian/loss due to change in financial assumptions	(6,277)	-	(6,277)
Experience gian/loss	(9,704)	(248)	(9,952)

Re-measurement on defined benefit assets	-	-	-
Total	(15,462)	(248)	(15,710)
Benefits paid	(2,993)	2,993	-
Contributions by employer	-	(5,192)	(5,192)
Effect of exchange rate	-	-	-
2014.12.31	116,697	(87,029)	29,668
Current service cost	152	-	152
Interest cost	2,626	(1,958)	668
Pasts service cost and settlement	-	-	-
Total	2,778	(1,958)	820
Re-measurment on defined benefit liability/assets:			
Actuarial gain/loss due to change in population statistic assumptions	2,453	-	2,453
Actuarial gian/loss due to change in financial assumptions	6,154	-	6,154
Experience gian/loss	474	(360)	114
Re-measurement on defined benefit assets	-	-	-
Total	9,081	(360)	8,721
Benefits paid	(849)	849	-
Contributions by employer	-	(5,061)	(5,061)
Effect of exchange rate	-	-	-
2015.12.31	127,707	(93,559)	34,148

The % of major categories of total plan assets at fair value was as follows:

	Pension plan (%) as of December 31,	
	2015	2014
Cash	100.00%	100.00%

The actuarial assumptions used for the Company's defined benefit plan are shown below:

	As of December 31,	
	2015	2014
Discount rate	2.00%	2.25%
Expected rate of salary increases	3.00%	3.00%

Sensitivity analysis:

	For the year ended December 31,			
	2015 (NT$'000)		2014 (NT$'000)	
	Increase in defined benefit obligation	Decrease in defined benefit obligation	Increase in defined benefit obligation	Decrease in defined benefit obligation
Discount rate increased by 0.5%	-	(12,150)	-	(11,487)
Discount rate decreased by 0.5%	13,746	-	13,023	-
Expected salary level increased by 0.5%	13,534	-	12,855	-
Expected salary level decreased by 0.5%	-	(12,095)	-	(11,461)

For the purpose of sensitivity analysis above, the Company calculated the impact on defined benefit obligation due to a reasonable and feasible change of one singal assumption (i.e. discount rate or expected salary level) with other assumptions remaining equal. Please note that the sensitivity analysis has its limitation due to the co-relation between different actuarial assumptions and the rarity that only one assumption changes at a time. The method used in the analysis is consistent for both current and prior years.

(18) Equity

A. Common shares

As of December 31, 2015 and 2014, the Company's authorized capital and paid-in capital were NT$5,500,000 thousand and NT$4,460,000 thousand, respectively, each share at par value of NT$10, divided into 446,000 thousand shares. Each share represents a voting right and a right to receive dividends.

Treasury stocks brought back by the Company for the purpose of transfer to employee during the period from August 18, 2015 to September 25, 2015 totaled to 550 thousand shares. Please refer to Note 6(18)-C to the financial statements for more details.

B. Capital surplus

	As of December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Additional paid-in capital	5,850,000	5,850,000
Differences between equity purchase price and carrying amount arising from actual acquisition or disposal of subsidiaries	50,925	50,925
All changes in interests in subsidiaries	38,894	38,894
Total	5,939,819	5,939,819

According to the Taiwan Company Act, the capital surplus shall not be used except for making good the deficit of the Company. When a company incurs no loss, it may distribute the capital surplus related to the income derived from the issuance of new shares at a premium or income from endowments received by the company up to a certain percentage of paid-in capital. The said capital surplus could be distributed in cash to its shareholders in proportion to the number of shares being held by each of them. Capital surplus related to long-term equity investments cannot be used for any purpose.

C. Treasury stock

As of December 31, 2014, no treasury stock was held by the Group while treasury stock amounted to NT$32,885 thousand, divided into 550 thousand shares, as of December 31, 2015.

As of December 31, 2014, no treasury stock moved.The movement schedule of treasury stock for December 31, 2015 was as below (in thousand shares).

Purpose of repurchase	Beginning balance	Addition	Decrease	Endingbalance
To be transfered to employees	-	550	-	550

According to the Securities and Exchange Law of the R.O.C., the total shares of treasury stock shall not exceed 10% of the Company's issued stock, and the total purchase amount shall not exceed the sum of the retained earnings, additional paid-in capital-premiums and realized additional paid-in capital. As such, the ceiling number of shares of treasury stock that the Company could hold as of December 31, 2015 were 44,600 thousand shares, with the maximum payments of NT$23,679,718 thousand.

In compliance with Securities and Exchange Law of the R.O.C., treasury stock should not be pledged, nor should it be entitled to voting rights or receiving dividends.

D. Appropriation of earnings and dividend policies

(a) Earning distribution

The rule enacted in the Company's original Article of Incorporation before an amendment was proposed by the borad of directors on December 28, 2015 is as follows.

The Company's earnings in current year, if any, shall firstly be made to pay all taxes and dues and then to offset prior year's operation losses. 10% of the remaining amount shall be set aside as legal reserve and special reserve shall be provided pursuant to Article 41 of the Securities and Exchange Act. Any remaining earnings after the said deductions shall be appropriated as follows:

a. 1% as remuneration to directors
b. Bonues to employees cannot be less than 1% of the total bonus to employees and shareholders. Bonus to employees can be distributed in cash or stocks. The parties receiving the stock dividends shall include employees in affiliated companies who met certain conditions stipulated by the Board of Directors.
c. The Board of Directors would propose an earning distribution plan based on the remaining balance combined with the undistributed earnings accumulated during previous years to be resolved at the shareholders' meeting.

The Company's borad of directors proposed to amend the Article of Incporation in a meeting held on December 28, 2015. The articles to be amended regarding employee and directors' compension as well as eraning distribution are as follows.

The Company, if making profits in current year, shall provide employee and directors' compensation in accordance with the following rules, provided that all accumulated deficits, if any, are fully offset:

1. Employee Compensation:

The ratio of employee compensation to "income before tax and the employee and directors' compensation to be provided" shall not be less than 10% and the amount of employee compensation can be paid by cash or shares. Qualified employee may include the employee from the Company's subsidiaries who meets certain qualifications set forth by the Company's Board of Directors.

2. Directors' compensation:

   The ratio of directors' compensation to "income before tax and the employee and directors' compensation to be provided" shall not be more than 1%.

Based on Article 235-1 of Company Act amended on May 20, 2015, the Company shall incur a portion of current year's profit as employees' compensation after offsetting the cumulative losses, if any. The aforementioned employees' compensation distributed in the form of shares or in cash shall be approved by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors and reported at annual stockholders' meeting. Qualification requirements of employees, including the employees of the Company's subsidiaries, entitled to receive the employees' compensation may be specified in the Articles of Incorporation.

The Company plans to revise the Company's Article in responding to the amendment to the Company Act as mentioned in above paragraph at annual shareholders' meeting to be held on 2016. As to the details of estimation regarding employee's and directors' compensation, please refer to Note 6(20) to the financial statements.

(b)Dividend policies

The Company is in an industry with versatile environment. For long-term finance planning requirements and to meet the shareholders' demand for cash, dividend policy aims for a steady balance. Cash dividends distributed each year cannot be less than 10% of the total dividends paid.

(c)Legal reserve

According to the Company Act, legal reserve shall be set aside until such amount equal total authorized capital. Legal reserve can be used to offset deficits. If the Company does not incur any loss, the portion of legal reserve exceeding 25% of the paid-in capital may be distributed to shareholders by issuing new shares or by cash in proportion to the number of shares held by each shareholder.

(d)Special reserve

Following the adoption of Taiwan IFRS, the Company complies with Order No. Jin-Guan-Zheng-Fa 1010012865 issued by FSC on April 6, 2012. On the Company's first-time adoption of the Taiwan IFRS, for any unrealized revaluation gains and cumulative translation adjustments recorded under shareholders' equity that the Company elects to transfer to retained earnings by application of the exemption under

IFRS 1, an equal amount of special capital reserve shall be set aside. After the adoption of Taiwan IFRS for the preparation of financial statements, the Company shall set aside supplemental special reserve based on the difference between the amount already set aside according to the requirements in the preceding point and other net deductions from shareholders' equity when appropriating distributable earnings. For any subsequent reversal of other net deductions from shareholders' equity, the amount reserved may be distributed as earnings.

The Company did not incur any special reserve upon the first-time adoption of Taiwan IFRS.

(e) The appropriations of earnings for 2015 were proposed through the Board of Directors' meetings held on February 1, 2016, while 2014's approved in shareholders' meetings on June 11, 2015. The details of the distributions are as follows:

	Appropriation of earnings		Dividend per share (in NT$)	
	2015 (NT$'000)	2014 (NT$'000)	2015	2014
Legal reserve	290,395	361,733		
Cash dividends - common stock	1,559,075	1,784,000	3.50	4.00
Remuneration to directors and supervisors	(Note)	32,556		
Employee bonus - cash	(Note)	545,679		
Total	1,849,470	2,723,968		

The information about employees' bonuses and remuneration to directors and supervisors which were resolved by the Board of Directors' meeting and shareholders' meeting is available at the Market Observation Post System website.

The actual payment of 2013 earning distribution comprised the employees' bonuses of NT$492,104 thousand and the remuneration to directors and supervisors of NT$29,761 thousand. The difference of NT$814 thousand between the actual payment and the accrual of NT$429,104 thousand for employees' bonuses and NT$28,947 thousand for remuneration to directors and supervisors for the year ended December 31, 2013 was recorded in the profit or loss for the year ended December 31, 2014.

The actual payment of 2014 earning distribution comprised the employees' bonuses of

NT$545,679 thousand and the remuneration to directors and supervisors of NT$32,556 thousand. The difference of NT$457 thousand between the actual payment and the accrual of NT$545,679 thousand for employees' bonuses and NT$32,099 thousand for remuneration to directors and supervisors for the year ended December 31, 2014 was recorded in the profit or loss for the year ended December 31, 2015.

For 2015 employee and directors' compensation under the new Article to be amended, please refer to Note 6(20) for more details.

(19) Sale

	For the year ended December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Sale of goods	17,812,750	19,141,507
Less: sales returns and allowances	(344,226)	(318,035)
Services rendered	190,589	186,656
Other operating revenue	168,138	280,109
Total	17,827,251	19,290,237

(20) Summary statement of employee benefits, depreciation and amortization by function is as follows:

Function / Nature	2015 (NT$'000)			2014 (NT$'000)		
	Cost of goods sold	Operating expense	Total	Cost of goods sold	Operating expense	Total
Employee benefit						
Salaries & wages	2,173,729	589,420	2,763,149	2,286,727	533,035	2,819,762
Labor and health insurance	171,635	44,402	216,037	156,840	40,937	197,777
Pension	73,253	21,360	94,613	70,324	19,548	89,872
Other employee benefit	93,204	22,096	115,300	89,993	16,548	106,541
Depreciation	1,851,526	101,704	1,953,230	1,804,313	107,330	1,911,643
Amortization	-	26,086	26,086	-	20,712	20,712

Note: The headcounts of the Company amounted to 3,801 and 3,661 respectively on December 31, 2015 and 2014.

The Company estimated the amounts of the employee and directors' compensation based on the profit on December 31, 2015 in accordance to the new Article to be amended. If the board subsequently modifies the estimates significantly, the Company will recognize the variance as an adjustment in the profit or loss retroactively. On December 31, 2015, the provided amounts of employee and directors' compensation were NT$442,444 thousand and NT$26,026 thousand, respectively.

On December 31, 2014, the Company estimated the amounts of the employee bonuses and the remuneration to directors based on the net income for the period and the percentage stated in the Article of Incorporation, after taking into account factors such as legal reserves. The estimated employee bonuses and remuneration to directors were recognized as operating costs or operating expense for the period. If the board modified the estimates significantly in the subsequent periods, the Company will recognize the variance as an adjustment to current income retroactively. The difference between the estimates and the resolution of shareholders' meeting will be recognized in profit or loss of the subsequent year. If the shareholders' meeting resolves to pay the employee bonus in the form of stocks, the number of shares distributed is determined by dividing the amount of bonuses by the closing price (after considering the effect of dividends) of shares on the day preceding the shareholders' meeting. On December 31, 2014, the amounts of the employee bonus and remuneration to directors were NT$545,679 thousand and NT$32,099 thousand, respectively.

(21) Non-operating incomes and expenses

A. Other incomes

	For the year ended December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Interest income	76,970	71,135
Dividend income	-	1,531
Gain on reversal of bad debts	17,179	-
Other income－others	24,431	40,436
Total	118,580	113,102

B. Other gains and losses

	For the year ended December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Gain (loss) from disposal of property, plant and equipment	(720)	(629)
Foreign exchange gains, net	14,237	23,921
Financial assets at fair value through profit	24,447	27,787

Gain from disposal of investment	30,845	24,691
Other expenses	(2,377)	-
Total	66,432	75,770

C. Finance costs

	For the year ended December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Interests due to bank loans	$21,360	$19,712

(22) Components of other comprehensive income (OCI)

For the year ended December 31, 2015

	Arising during the period (NT$'000)	Reclassification during the period (NT$'000)	Subtotal (NT$'000)	Income tax benefit (expense) (NT$'000)	OCI, Net of tax (NT$'000)
Not reclassified to profit or loss:					
Actuarial gains or losses on defined benefits plan	(8,721)	-	(8,721)	-	(8,721)
To be reclassified to profit or loss in subsequent period:					
Exchange differences arising on translation of foreign operations	(72,922)	-	(72,922)	12,397	(60,525)
Unrealized valuation gain (loss) on available-for-sale financial assets	6,151	(30,845)	(24,694)	-	(24,694)
Total OCI	(75,492)	(30,845)	(106,337)	12,397	(93,940)

For the year ended December 31, 2014

	Arising during the period (NT$'000)	Reclassification during the period (NT$'000)	Subtotal (NT$'000)	Income tax benefit (expense) (NT$'000)	OCI, Net of tax (NT$'000)
Not reclassified to profit or loss:					
Actuarial gains or losses on defined benefits plan	15,710	-	15,710	-	15,710
To be reclassified to profit or loss in subsequent period:					
Exchange differences arising on translation of foreign operations	194,267	-	194,267	(33,026)	161,241
Unrealized valuation gain (loss) on available-for-sale financial assets	34,474	(24,891)	9,583	-	9,583
Total OCI	244,451	(24,891)	219,560	(33,026)	186,534

(23) Income tax

A. The major components of income tax expense (income) are as follows:

Income tax expense (benefit) recognized in profit or loss

	For the year ended December 31, 2015 (NT$'000)	2014 (NT$'000)
Current income tax expense (benefit):		
Current income tax expense	658,713	756,413
Reversal of uncertain tax position upon finalization	(213,398)	(218,624)
Deferred tax expense (benefit):		
Deferred tax expense (benefit) relating to origination and reversal of temporary differences	(1,765)	(5,412)
Total income tax expense	443,550	532,377

B. Income tax recognized in other comprehensive income

	For the year ended December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Deferred tax expense (benefit):		
Exchange differences arising on translation of foreign operations	(12,397)	33,026

C. A reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the year ended December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Accounting profit (loss) before tax from continuing operations	3,347,502	4,149,704
Tax payable at the enacted tax rates	569,075	705,450
10% surtax on Undistributed earnings	148,730	141,511
Tax effect of income tax-exempted	(101,893)	(112,215)
Reversal of uncertain tax position upon finalization	(213,398)	(218,624)
Tax effect of expenses not deductible for tax purposes	404	13,486
Tax effect of deferred tax assets/liabilities	40,632	2,769
Total income tax recognized in profit or loss	443,550	532,377

D. Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2015

	Beginning balance as of January 1, 2015 (NT$'000)	Deferred tax income (expense) recognized in profit or loss (NT$'000)	Deferred tax income (expense) recognized in other comprehensive income (NT$'000)	Deferred tax income (expense) recognized in equity (NT$'000)	Increase from business acquisition (NT$'000)	Exchange adjustments (NT$'000)	Ending balance as of December 31, 2015 (NT$'000)
Temporary differences							
Prepaid appreciation tax on agricultural land	-	9,593	-	-	-	-	9,593
Unrealized exchange loss (gain)	(1,765)	1,765	-	-	-	-	-
Cumulative translation adjustment	(52,231)	-	12,397	-	-	-	(39,834)
Deferred tax income/ (expense)		11,358	12,397	-	-	-	
Net deferred tax assets/(liabilities)	(53,996)						(30,241)
Reflected in balance sheet as follows:							
Deferred tax assets	-						9,593
Deferred tax liabilities	(53,996)						(39,834)

For the year ended December 31, 2014

	Beginning balance as of January 1, 2014 (NT$'000)	Deferred tax income (expense) recognized in profit or loss (NT$'000)	Deferred tax income (expense) recognized in other comprehensive income (NT$'000)	Deferred tax income (expense) recognized in equity (NT$'000)	Increase from business acquisition (NT$'000)	Exchange adjustments (NT$'000)	Ending balance as of December 31, 2014 (NT$'000)
Temporary differences							
Unrealized exchange loss (gain)	(7,177)	5,412	-	-	-	-	(1,765)
Cumulative translation adjustment	(19,205)	-	(33,026)	-	-	-	(52,231)
Deferred tax income/ (expense)		5,412	(33,026)	-	-	-	
Net deferred tax assets/(liabilities)	(26,382)						(53,996)
Reflected in balance sheet as follows:							
Deferred tax assets	-						-
Deferred tax liabilities	(26,382)						(53,996)

E. Unrecognized deferred tax assets

As of December 31, 2015 and 2014, deferred tax assets that have not been recognized as they may not be used to offset future taxable income amounted to NT$447,381 thousand and NT$436,749 thousand, respectively.

F. The Company's investments and capital additions are qualified as the investment on manufacture or technology service industry during the period from July 1, 2008 to December 31, 2009 and, therefore, entitled to a 5-year tax-exmpted holiday. The details of tax holiday enjoyed by the Company are listed as below.

Item	Approval authority	Approval document	Exemption period
1	Ministry of Economic Affairs	No. 10005112010 issued at Aug. 25, 2011	2013.01.01~2017.12.31

G. Imputation credit information

	As of December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Balances of imputation credit	1,942,384	1,431,359

The Company's expected/actual creditable ratio for 2015 and 2014 were 15.18% and 13.34%. However, effective January 1, 2015, the creditable ratio for the individual shareholders residing in the Republic of China will be half of the original creditable ratio according to the revised Article 66-6 of the Income Tax Law.

As of December 31, 2015, the Company did not have unappropriated earnings resulted in the years of 1997 and before.

I. The status of assessment of income tax return

	The assessment of income tax returns
The Company	Assessed and approved up to 2013

(24) Earnings per share

Basic earnings per share is calculated by dividing net profit for the year attributable to the common shareholders of the parent entity by the weighted average number of common shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting any influences) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

A. Basic earnings per share

	For the year ended December 31,	
	2015	2014
Net income available to common shareholders of the parent (NT$'000)	2,903,952	3,617,327
Weighted average number of common shares outstanding (in thousand shares)	445,822	446,000
Basic earnings per share (in NT$)	6.51	8.11

B. Diluted earnings per share

	For the year ended December 31	
	2015	2014
Net income available to common shareholders of the parent (NT$'000)	2,903,952	3,617,327
Net income available to common shareholders of the parent after dilution (NT$'000)	2,903,952	3,617,327
Weighted average number of common shares outstanding (in thousand shares)	445,822	446,000
Effect of dilution:		
Employee bonus (compensation) – stock (in thousand shares)	9,611	7,305
Weighted average number of common shares outstanding after dilution (in thousand shares)	455,433	453,305
Diluted earnings per share (in NT$)	6.38	7.98

No other transactions that would significantly change the outstanding common shares or potential common shares incurred during the period subsequent to reporting date and up to the approval date of financial statements.

7. RELATED PARTY TRANSACTIONS

(1)Significant transactions with related parties

A. Sales to

	For the year ended December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Parent company	6,822	4,903
Other related parties	62,426	58,775
Total	69,248	63,678

Selling prices and collection terms to related parties are similar to those to third party customers for the years ended December 31, 2015 and 2014. The collection terms are 30 to 60 days from the end of delivery month by telegraphic transfer

B. Purchases

	For the year ended December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Subsidiaries	1,845,144	1,526,521

The product specification of goods purchased from related parties in the year ended December 31, 2015 and 2014, differed from those purchased from other vendors. Thus, transaction prices are not comparable. Payment term for related parties is 60 days from the end of delivery month. The payment terms for non-related parties are 30 days from the end of delivery month by telegraphic transfer.

C. Accounts receivable - related parties

	As of December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Other related parties	21,759	1,008
Less: allowance for doubtful accounts	-	-
Net	21,759	1,008

D. Account payable

	As of December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Subsidiaries	428,877	247,315

E. The Company recognized commission expenses amounting NT$40,798 thousand and NT$36,895 thousand, respectively, for the years ended December 31, 2015 and 2014 due to delegating its subsidiaries for marketing.

F. For the years ended December 31, 2015 and 2014, the Company recognized travelling of NT$64 thousand and NT$47 thousand, respectively, for commissioning subsidiaries to handle travelling logistics.

For the years ended December 31, 2015 and 2014, the Company recognized travelling of NT$185 thousand and NT$341 thousand, respectively, for commissioning other related parties to handle travelling logistics.

G. The Company's subcontracting fees to its subsidiaries amounted to NT$15,350 thousand and NT$51,319 thousand, respectively, for the years ended December 31, 2015 and 2014.

H. The Company charged its subsidiaries for providing technology support in amount of NT$3,253 thousand and NT$3,845 thousand, recorded under the caption of other non-operating incomes, for the years ended December 31, 2015 and 2014, respectively.

I. For the years ended December 31, 2015 and 2014, the Company recognized operating expenses of NT$2,968 thousand and NT$693 thousand, respectively, for services provided by other related parties.

Moreover, the years ended December 31, 2015 and 2014,, the Company recognized operating expenses of NT$188 thousand and NT$27 thousand, respectively, for services provided by the Parent.

J. The Company recognized other incomes in amount of NT$16,096 thousand and NT$2,145 thousand for the years ended December 31, 2015 and 2014, respectively, due to selling tools and spare parts to its subsidiaries.

L. The Company provided bank loan garranty in total of NT$4,122,820 thousand for its subsidiaries as of December 31, 2015. The garranty amount is of contingency and not recognized at the balance sheets and the statements of comprehensive incomes yet.

M. Salaries and rewards to key management of the Company

	For the year ended December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Short-term employee benefits	86,728	82,908
Post-employee benefits	819	838
Total	87,547	83,746

N. Other receivables

	As of December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Subsidiaries	7,489	9,197

O. Accrued expenses

	As of December 31,	
	2015 (NT$'000)	2014 (NT$'000)
Parent company	69	-
Subsidiaries	4,431	12,704
Other related parties	42	14
Total	4,542	12,718

P. Transaction of asset

The Company did not conduct any transactions related to property, plant and equipment with related parties during the year ended December 31, 2015. For 2014, it is shown at the following table.

Type of Assets	Related Parties	Book Value (NT$'000)	Selling price (NT$'000)	Gain (NT$'000)	Price reference
2014					
Machinery	Subsidiary	6,032	6,511	479	Negotiated

8. PLEDGED ASSETS

The following assets of the Company are pledged as collaterals:

Item	Carrying Amount As of December 31, 2015 (NT$'000)	Carrying Amount As of December 31, 2014 (NT$'000)	Purpose
Property, plant and equipment - machinery (carrying amount)	-	112,720	Long-term secured loans
Refundable deposits	-	3,057	Bonded factory
Total	-	115,777	

9. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) The Group's unused letters of credit (LC) as of December 31, 2015 were as follows:

Currency	LC Amount (in thousand)		Security (in thousand)
JPY	JPY	3,138,776	-
USD	USD	7,148	-
EURO	EUR	41	-

(2) Detail of significant constructions in progress and outstanding contracts of property, plant and equipment as of December 31, 2015 was as follow:

Nature of Contract	Contract Amount (NT$'000)	Amount Paid (NT$'000)	Outstanding Balance (NT$'000)
Machinery and contruction contracts	4,780,400	3,270,081	1,510,319

(3) The Company provided bank loan garranty in total of NT$4,122,820 thousand for its subsidiariesas as of December 31, 2015. The garranty amount is of contingency and not recognized at the balance sheets and the statements of comprehensive incomes yet.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENT

None.

12. OTHERS

(1) Categories of financial instruments

Financial assets

	As of December 31, 2015 (NT$'000)	As of December 31, 2014 (NT$'000)
Financial assets at fair value through profit or loss:		
Held for trading	3,524,742	5,081,578
Available-for-sale financial assets	-	40,369
Loans and receivable		
Cash and cash equivalents (excluding cash on hand)	10,998,703	10,082,104
Bond investments with no active market	423,057	420,000
Notes receivable	1,835	4,358
Accounts receivable	2,920,639	2,403,669
Accounts receivable - related parties	21,759	1,008
Other receivable	281,480	392,702
Other receivable - related parties	7,489	9,197
Total	18,179,704	18,434,985

Financial liabilities

	As of December 31, 2015 (NT$'000)	As of December 31, 2014 (NT$'000)
Financial liabilities measured at amortized cost:		
Short-term loans	1,831,266	730,798
Payables	4,622,464	4,195,768

Long-term loans (including current portion)	586,911	926,343
Total	7,040,641	5,852,909

(2) Objectives and policies of financial risk management

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Company identifies, measures, and manages the aforementioned risks based on its policy and risk preferences.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market risk comprises currency risk, interest rate risk and other price risk (e.g. equity instruments).

In practice, it is rarely the case that a single risk variable will change independently from other risk variables. There are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Company's exposure to foreign currency risk relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign operations.

The Company has certain foreign currency receivables denominated in the same foreign currency as certain foreign currency payables, therefore natural hedge is achieved. Thus, hedge accounting is not adopted.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit (loss) and equity is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates of US dollars. The sensitivity analysis is as follows:

If NT dollars appreciates/depreciates against US dollars by 1%, the net income (loss) for the years ended December 31, 2015 and 2014 would increase/decrease by NT$37 thousand and NT$1,926 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates primarily to the Company's investments with variable interest rates and loans with fixed and variable interest rates, which are all categorized as loans and receivables.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period and presumed to be held for one accounting year, including investments and loans with variable interest rates. If interest rate increases/decreases by 0.1%, the net income (loss) for the years ended December 31, 2015 and 2014 would decrease/increase by NT$45 thousand and decrease/increase by NT$410 thousand, respectively.

Equity price risk

The Company's domestic listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The listed equity securities held by the Company is classified as available-for-sale. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

For available-for-sale listed equity securities, 1% decrease in their prices would impact on the Company's equity by NT$0 thousand and NT$404 thousand for the years ended December 31, 2015 and 2014, respectively; and 1% increase in their prices would merely impact on the Company's equity.

(4) Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a contract and result in a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts and notes receivable) and financing activities (primarily for bank deposits and other financial instruments).

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit risk of all customers are assessed based on a comprehensive review of the customers' financial status, credit ratings from credit institutions, past transactions, current economic conditions and the Company's internal credit ratings. The Company also employs some credit enhancement instruments (e.g. prepayment or insurance) to reduce certain customers' credit risk.

As of December 31, 2015 and 2014, receivables from the top ten customers were accounted for 52.06% and 47.90% of the Company's total accounts receivable, respectively. The concentration of credit risk is relatively not significant for the remaining receivables.

Credit risk from balances with banks, fixed-income securities and other financial instruments is managed by the Company's finance division in accordance with the Company's policy. The counterparties that the Company transacts with are determined by internal control procedures. They are banks with fine credit ratings and financial institutions, corporate and government agencies with investment-grade credit ratings. Thus, there is no significant default risk. Conclusively, no significant credit risk is expected by the Company.

(5) Liquidity risk management

The Company maintains financial flexibility through the use of cash and cash equivalents, highly-liquid marketable securities, bank loans, etc. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted interest payment relating to borrowings with variable interest rates is extrapolated based on the estimated yield curve as of the end of the reporting period.

Non-derivative financial instruments

	Less than 1 year (NT$'000)	2 to 3 years (NT$'000)	3 to 4 years (NT$'000)	4 to 5 years (NT$'000)	Total (NT$'000)
As of December 31, 2015					
Loans	2,152,079	253,258	39,898	-	2,445,235
Payables	4,622,464	-	-	-	4,622,464
As of December 31, 2014					
Loans	1,203,240	303,647	151,499	30,471	1,688,857

Payables	4,195,768	-	-	-	4,195,768

(6) Fair values of financial instruments

A. The evaluation methods and assumptions applied in determining the fair value

Fair value is the price that would be received to sell a financial asset or paid to transfer a financial liability in an orderly transaction between willing market participants (not under coercion or liquidation). The following methods and assumptions are used by the Group in estimating the fair values of financial assets and liabilities:

(a) The carrying amount of cash and cash equivalents, receivables, payables and other current liabilities approximate their fair value due to their short maturity terms.

(b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (e.g. listed stocks and bonds).

(c) Fair value of equity instruments without active markets (including listed companies' shares from private placement, stocks of public companies not traded in an active market and unlisted stocks) are estimated using the market approach. Under the approach, factors, such as the trading prices of comparable equity instruments in an active market, and other relevant informations (i.e. discount due to lack of liquidity, stock price-to-earning ratio (PER) and price-to-book ratio (PBR) of similar companies) are input into the pricing model for its fair value..

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Company's financial assets and liabilities measure at amortized cost approximates their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(7) for fair value measurement hierarchy for financial instruments of the Group.

(7) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As of December 31, 2015

	Level 1 (NT$'000)	Level 2 (NT$'000)	Level 3 (NT$'000)	Total (NT$'000)
Financial assets:				
Financial assets at fair value through profit or loss				
Funds	3,524,742	-	-	3,524,742
Financial liabilities:				
None				

As of December 31, 2014

	Level 1 (NT$'000)	Level 2 (NT$'000)	Level 3 (NT$'000)	Total (NT$'000)
Financial assets:				
Financial assets at fair value through profit or loss				
Funds	5,081,578	-	-	5,081,578

	Level 1 (NT$'000)	Level 2 (NT$'000)	Level 3 (NT$'000)	Total (NT$'000)
Available-for-sale financial assets				
Stocks	40,369	-	-	40,369
Financial liabilities:				
None				

Transfers between Level 1 and Level 2 during the period

For December 31, 2015 and 2014, there were no transfers between Level 1 and Level 2 fair value hierarchy.

(8) Significant financial assets and liabilities denominated in foreign currencies

Information regarding the Company's significant financial assets and liabilities denominated in foreign currencies was listed below: (In Thousands)

	As of December 31,					
	2015			2014		
	Foreign Currencies ($'000)	Exchange Rate	NTD (NT$'000)	Foreign Currencies ($'000)	Exchange Rate	NTD (NT$'000)
Financial assets						
Monetary items:						
USD	85,167	32.825	2,795,604	74,866	31.65	2,369,519
Non-monetary item:						
USD	92,747	32.825	3,044,411	110,192	31.65	3,487,564
Financial liabilities						
Monetary items:						
USD	85,281	32.825	2,799,338	81,011	31.65	2,564,008

The above information is disclosed based on the carrying amount of foreign currency (after being converted to functional currency).

Foreign exchange gains or losses on monetary financial assets and financial liabilities are shown as below.

Foreign currency resulting in exchange gain or loss	For the year ended December 31, 2015 (NT$'000)	2014 (NT$'000)
USD	9,393	8,636
Other	4,845	15,284

(9) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages and adjusts its capital structure in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. ADDITIONAL DISCLOSURES

(1) Information on significant transactions

A. Financing provided to others: None.

B. Endorsement/Guarantee provided to others: Please refer to attachment 1.

C. Marketable securities held as of December 31, 2015 (excluding investments in subsidiaries, associates and joint ventures): Please refer to attachment 2.

D. Individual securities acquired or disposed of with accumulated amount of at least NT$300 million or 20 percent of the paid-in capital for the year ended December 31, 2015: None.

E. Acquisition of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital for the year ended December 31, 2015: Please refer to attachment 3.

F. Disposal of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital for the year ended December 31, 2015: None.

G. Related party transactions with purchase or sales amount of at least NT$100 million or 20 percent of the paid-in capital for the year ended December 31, 2015: Please refer to attachment 4.

H. Receivables from related parties of at least NT$100 million or 20 percent of the paid-in capital as of Decemer 31, 2015: None.

I. Derivative instrument transactions: None.

(2) Information on investees

A. Investees over whom the Company exercises significant influence or control (excluding investees in Mainland China): Please refer to attachment 5.

B. Investees over which the Company exercises control shall be disclosed of information under Note 13(1):

(a) Financing provided to others: None.

(b) Endorsement/Guarantee provided to others: None.

(c) Marketable securities held as of December 31, 2015 (excluding investments in subsidiaries, associates and joint ventures): Please refer to attachment 6

(d) Individual securities acquired or disposed of with accumulated amount of at least NT$300 million or 20 percent of the paid-in capital for the year ended December 31, 2015: None.

(e) Acquisition of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital for the year ended December 31, 2015: None.

(f) Disposal of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital for the year ended December 31, 2015: None.

(g) Related party transactions with purchase or sales amount of at least NT$100 million or 20 percent of the paid-in capital for the year ended December 31, 2015: Please refer to attachment 7.

(h) Receivables from related parties of at least NT$100 million or 20 percent of the paid-in capital as of December 31, 2015: Please refer to attachment 8.

(i) Derivative instrument transactions: None.

(3) Information on investments in Mainland China:

A. Name of investee in China, main business, paid-in capital, method of investment, investment flows, percentage of ownership, investment gain or loss, carrying amount at the end of reporting period, inward remittance of earning or loss and the upper limit on investment in China:

(In Thousands of New Taiwan Dollars)

Name of Investee in China	Main Business (NT$'000)	Paid-in Capital (NT$'000)	Method of Investment (NT$'000)	Accumulated Outflow of Investment from Taiwan as of January 1, 2015 (NT$'000)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2015 (NT$'000)	Profit/ Loss of Investee (NT$'000)	Percentage of Ownership (Direct or Indirect Investment) (NT$'000)	Share of Profit/Loss (NT$'000)	Carrying Amount as of December 31, 2015 (NT$'000)	Accumulated Inward Remittance of Earnings as of December 31, 2015 (NT$'000)	Accumulated Outflow of Investment from Taiwan to Mainland China as of December 31, 2015 (NT$'000)	Investment Amounts Authorized by Investment Commission, MOEA (NT$'000)	Upper Limit on Investment in China by Investment Commission, MOEA (NT$'000)
					Outflow (NT$'000)	Inflow (NT$'000)									
Kinsus Interconnect Technology Suzhou Corp.	Manufacturing and selling PCB (not high-density fine-line)	2,297,750 (Note 2)	(Note 1)	2,297,750 (Note 2)	-	-	2,297,750 (Note 2)	(113,792) (Note 2 and Note 4)	100%	(113,792) (Note 2 and Note 4)	1,092,219 (Note 2 and Note 4)	-	2,297,750 (Note 2)	2,297,750 (Note 2)	No upper limit (Note 5)

Piotek Computer (Suzhou) Co., Ltd.	Researching, developing, producing and selling electronic components, PCBs and related products and providing after-sale services	5,471,928 (Note 2)	(Note 1)	3,093,888 (Note 2)	-	-	3,093,888 (Note 2)	(544,556) (Note 2 and Note 4)	51%	(277,724) (Note 2 and Note 4)	1,820,119 (Note 2 and Note 4)	-	3,093,888 (Note 2)	3,093,888 (Note 2)	No upper limit (Note 5)
Xiang-Shuo (Suzhou) Trading Limited	Trading of PCB (not high-density fine-line) and material for related products	65,650 (Note 2)	(Note 1)	65,650 (Note 2)	-	-	65,650 (Note 2)	3,219 (Note 2 and Note 4)	100%	3,219 (Note 2 and Note 4)	69,621 (Note 2 and Note 4)	-	65,650 (Note 2)	65,650 (Note 2)	No upper limit (Note 5)
Pegavision Contact Lenses (Shanghai) Corporation	Selling medical equipment	65,062 (Note 2)	(Note 1)	10,598	54,464	-	65,062	(16,263) (Note 2 and Note 4)	100%	(16,263) (Note 2 and Note 4)	44,250 (Note 2 and Note 4)	-	65,062	65,062	625,574 (Note 6)

Note 1: Investment in Mainland China through companies in the third area.

Note 2: Amounts in foreign currencies are translated into New Taiwan dollars using the exchange rates on the balance sheet date.

Note 3: The paid-in capital is USD2,100 thousand, equivalent to NT$65,062thousand.

Note 4: Gain/loss on investment is recognized based on the audited financial statements of the parent company in Taiwan.

Note 5: The Company meets the conditions of corporate operation headquarter in the Principle of Evaluation for Investment and Technical Cooperation in Mainland China. Thus, there is no upper limit on investment amount.

Note 6: The upper limit on investment for Pegavision Contact Lenses (Shanghai) Corporation is calculated as 60% of Pegavision Corporation's net equity.

B. Significant transactions with investees in China:

(a) Purchase and balances of related accounts payable as of December 31, 2015:

	Purchases		Accounts Payable	
	Amount (NT$'000)	% to Net Purchase	Amount (NT$'000)	% to Account Balance
The Company's purchase from Kinsus Interconnect Technology Suzhou	1,795,044	27.06%	413,130	27.95%
The Company's purchase from Piotek Computer (Suzhou) Co., Ltd.	50,100	0.76%	15,747	1.07%

The product specification of goods purchased by the Company from Kinsus Interconnect Technology Suzhou Corp. and Piotek Computer (Suzhou) Co., Ltd. in the year ended December 31, 2015 differed from goods purchased from other vendors. Thus, transaction prices are not comparable. Payment term for related parties is 60 days from the end of delivery month. The payment terms for non-related parties are 60 to 90 days from the end of delivery month by telegraphic transfer.

(b) Sales, the ending balance of related accounts receivable and their weightings:

	Sales		Accounts receivable	
	Amount	% to Net Sales	Amount	% to Account Balance
Sale of Piotek Computer (Suzhou) to Piotek (H.K.) Trading ($'000)	USD22,666	18.26%	USD4,277	17.09%
Sale of Piotek Computer (Suzhou) to Xiang-Shuo (Suzhou) Trading ($'000)	USD13,064	10.53%	USD1,176	4.70%
Sale of Xiang-Shuo (Suzhou) Trading to Piotek Computer (Suzhou) Trading ($'000)	RMB27,693	24.66%	RMB5,407	37.83%

Sale of Xiang-Shuo (Suzhou) Trading to Kinsus Interconnect Technology Suzhou ($'000)	RMB3,076	2.74%	RMB675	4.72%
Sale of the Company to Xiang-Shuo (Suzhou) Trading(NT$'000)	827	-%	-	-%
Sale of the Company to Kinsus Interconnect Technology Suzhou(NT$'000)	5,995	0.03%	-	-%

The product specification of goods sold between subsidiaries in the year ended December 31, 2015 differed from goods sold to other customers. Thus, transaction prices cannot be reasonably compared. Sales of the Company to Kinsus Interconnect Technology Suzhou Corp. and Xiang-Shuo (Suzhou) Trading Limited have the same product prices as sales to non-related parties. Collection terms are also equivalent to the ones for non-related parties, which is 30 to 60 days from delivery by telegraphic transfer.

(c) Property transaction amounts and resulting gain or loss:

a. Details of property transaction between Piotek Computer (Suzhou) Co., Ltd. and related partiesas follow:

Type of Assets	Related Parties	Book value	Selling price	Gain	Price reference
Other Equipment	Kinsus Interconnect Technology Suzhou	RMB 318	RMB 329	RMB 11	Negotiated

(d) Ending balance of endorsements/guarantees or collateral provided and the purposes: Please refer to attachment 1.

(e) Maximum balance, ending balance, interest rate range and total interest for current period from financing provided to others: None.

(f) Transactions that have significant impact on profit or loss of current period or the financial position, such as services provided or rendered:

a. The Company commissioned Kinsus Interconnect Technology (Suzhou) Corp. for processing of NT$15,350 thousand, for the year ended December 31, 2015. Payable amounted to NT$1,034 thousand as of December 31, 2015.

b. The Company sold fixtures and spare parts to Piotek Computer (Suzhou) Co., Ltd., Kinsus Interconnect Technology Suzhou Corp. Trading Limited and Xiang-Shuo (Suzhou) Trading and recognized other income of NT$16,096 thousand for the year ended December 31, 2015.

c. As of December 31, 2015, the balance of other receivables amounted to NT$2,191 thousand,NT$4,481 thousand and NT$817 thousand, respectively.The other receivable were resulted from the Company's sale of fixtures to Piotek Computer (Suzhou) Co., Ltd. ,Kinsus Interconnect Technology Suzhou Corp and Xiang-Shuo (Suzhou) Trading Limited.

d. As of December 31, 2015, other receivables of Xiang-Shuo (Suzhou) Trading Limited due to payment and collection on behalf of Piotek Computer (Suzhou) Co., Ltd. amounted to RMB56 thousand.

14. OPERATING SEGMENT INFORMATION

The Company has provided the operating segment disclosure in the consolidated financial statements.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

Endorsement/Guarantee Provided to Others

For the Year Ended December 31, 2015

Attachment 1

(In Thousands of Foreign Currency / New Taiwan Dollars)

Endorsement/ Guarantee Provider		Guaranteed Party												
No. (Note 1)	Name	Name	Nature of Relationship	Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee secured by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Worth per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowed	Endorsement provided by parent company to subsidiaries	Endorsement provided by subsidiaries to parent company	Endorsement provided to entities in China
0	Kinsus Interconnect Technology Corp.	Kinsus Interconnect Technology Suzhou Corp.	Investee accounted for using equity method indirectly	The overall amount of guarantees/ endorsements provided to a subsidiary in which the Company holds directly over 50% (inclusive) of common equity interest shall not exceed 20% of the net worth in the current financial statements. $5,678,227	$4,595,500 (USD 140,000) (Note 2)	$3,118,375 (USD 95,000) (Note 2)	$1,359,586	$-	10.98%	Shall not exceed 50% of the net worth in the current financial statements. $14,195,568	Y	N	Y
0	Kinsus Interconnect Technology Corp.	Piotek Computer (Suzhou) Co., Ltd.	Investee accounted for using equity method indirectly	The overall amount of guarantees/ endorsements provided to a subsidiary in which the Company holds directly over 50% (inclusive) of common equity interest shall not exceed 20% of the net worth in the current financial statements. $5,678,227	$2,762,224 (USD 84,150) (Note 2)	$1,004,445 (USD 30,600) (Note 2)	$502,223	$-	3.54%	Shall not exceed 50% of the net worth in the current financial statements. $14,195,568	Y	N	Y

Note 1: Kinsus Interconnect Technology Corp. is coded "0".

Note 2: Amounts in foreign currencies are converted to New Taiwan Dollars using the exchange rates as of the balance sheet date.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

Marketable Securities

As of December 31, 2015

Attachment 2

(In Thousands of New Taiwan Dollars)

Name of Held Company	Type and Name of Marketable Securities	Relationship with the Issuer	Financial Statement Account	As of December 31, 2015				Note
				Shares / Units	Carrying Amount	Shareholding %	Fair Value (Note)	
Kinsus Interconnect Technology Corp.	Money market funds:							
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss	32,783,435	$510,667	-%	$522,365	
	Yuanta De-Bao Money Market Fund	-	Financial assets at fair value through profit or loss	13,551,601	157,637	-%	160,894	
	Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss	31,765,626	458,515	-%	475,420	
	Fuh Hwa Money Market Fund	-	Financial assets at fair value through profit or loss	4,066,994	56,495	-%	58,088	
	Taishin Ta Chong Money Market Fund	-	Financial assets at fair value through profit or loss	18,812,748	255,796	-%	263,858	
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss	30,522,218	400,000	-%	407,673	
	FSITC Money Market Fund	-	Financial assets at fair value through profit or loss	1,168,258	200,000	-%	205,771	
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss	41,465,474	500,000	-%	513,214	
	Jih Sun Money Market	-	Financial assets at fair value through profit or loss	31,315,952	450,000	-%	457,886	
	Union Money Market Fund	-	Financial assets at fair value through profit or loss	15,838,553	203,448	-%	206,617	
	UPAMC James Bond Fund	-	Financial assets at fair value through profit or loss	15,322,946	250,000	-%	252,956	
	Subtotal				3,442,558		$3,524,742	
	Add: Valuation adjustments of financial assets held for trading				82,184			
	Total				$3,524,742			

Note: Companies without quotes in the open markets are valued at net equities.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

Acquisition of Individual Real Estate with Amount of at Least NT$300 million or 20% of the Paid-in Capital

For the Year Ended December 31, 2015

Attachment 3

(In Thousands of New Taiwan Dollars)

Acquiring Company	Name of Property	Transaction Date	Transaction Amount	Payment Status	Counter-party	Relationship	Prior Transaction of Related Counter-party				Price Reference	Purpose and Use of Acquisition	Other Terms
							Owner	Relationship with the Company	Transfer Date	Amount			
Kinsus Interconnect Technology Corp.	Houses and buildings Construction of XinFeng Plant	2015.03.24	$486,186	NT$ 405,860 thousand was paid as of December 31, 2015	Guo-Gong Construction Co., Ltd.	None	None	None	None	None	Bidding	Production expansion and operation planning	None

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

Related Party Transactions with Purchase or Sales Amount of At least NT$100 Million or 20% of the Paid-in Capital

For the Year Ended December 31, 2015

Attachment 4

(In Thousands of New Taiwan Dollars)

			Transaction Details				Abnormal Transaction		Notes/ Accounts Payable or Receivable		
Company Name	Related Party	Nature of Relationship	Purchase/ Sale	Amount	% to Total	Payment/ Collection Term	Unit Price	Payment/ Collection Term	Ending Balance	% to Total	Note
Kinsus Interconnect Technology Corp.	Kinsus Interconnect Technology Suzhou Corp.	Investee accounted for using equity method indirectly	Purchase	$1,795,044	27.06%	Payment within 60 days from the end of delivery month	Specs of goods purchased are different from others. Cannot be reasonablely compared.	Other vendors also enjoy payment within 60 days from the end of delivery month	Accounts payable $(413,130)	(27.95)%	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

Investees over Which the Company Exercise Significant Influence or Control Directly or Indirectly (Excluding Investees in Mainland China)

As of December 31, 2015

Attachment 5

(In Thousands of Foreign Currency / New Taiwan Dollars)

Investor	Investee	Business Location	Main Business and Product	Original Investment Amount		Balance as of December 31, 2015			Net Income (Loss) of the Investee	Share of Income (Loss) of the Investee	Note
				As of December 31, 2014	As of December 31, 2015	Shares	%	Carrying Value			
Kinsus Interconnect Technology Corp.	KINSUS CORP. (USA)	CA. U.S.A.	Designing substrates, formulating marketing strategy analysis, developing new customers, researching and development new product technology	USD500	USD500	500,000 shares	100.00%	$32,462	$1,776	$1,776	
Kinsus Interconnect Technology Corp.	KINSUS HOLDING (SAMOA) LIMITED	Samoa	Investing activities	USD166,309	USD166,309	166,308,720 shares	100.00%	$3,011,949	$(371,975)	$(371,975)	
Kinsus Interconnect Technology Corp.	Kinsus Investment Co., Ltd.	Taoyuan City	Investing activities	$398,000 (Note1)	$398,000 (Note1)	39,800,000 shares	100.00%	$566,385	$44,413	$44,413	
Kinsus Investment Co., Ltd.	Pegavision Corporation	Taoyuan City	Manufacturing medical equipment	$286,418	$286,418	22,088,736 shares	36.81%	$383,837	$127,110	$46,795	
KINSUS HOLDING (SAMOA) LIMITED	KINSUS HOLDING (CAYMAN) LIMITED	Cayman Islands	Investing activities	USD72,000	USD72,000	72,000,000 shares	100.00%	USD 35,385	USD (3,369)	USD (3,369)	
KINSUS HOLDING (SAMOA) LIMITED	PIOTEK HOLDINGS LTD. (CAYMAN)	Cayman Islands	Investing activities	USD94,309	USD94,309	95,755,000 shares	51.00%	USD 56,373	USD (16,392)	USD (8,360)	
PIOTEK HOLDINGS LTD. (CAYMAN)	PIOTEK HOLDING LIMITED	British Virgin Islands	Investing activities	USD139,841	USD139,841	139,840,790 shares	100.00%	USD 110,535	USD (16,401)	USD (16,401)	
PIOTEK HOLDING LIMITED	PIOTEK (H.K.) TRADING LIMITED	Hong Kong	Trading activities	USD26	USD26	200,000 shares	100.00%	USD 1,777	USD 196	USD 196	
Pegavision Corporation	PEGAVISION HOLDINGS CORPORATION	Samoa	Investing activities	USD380	USD2,130	2,130,000 shares	100.00%	$37,229	$(16,293)	$(16,293)	
Pegavision Corporation	PEGAVISION JAPAN INC.	JAPAN	Selling medical equipment	JPY-	JPY 9,900	198 shares	100.00%	$2,744	$42	$42	

Note1 : The Company's original investment in Kinsus Investment Co., Ltd. was NT$ 500,000 thousand. Kinsus Investment Co., Ltd. reduced capital by NT$ 102,000 thousand to offset deficits in 2013.
After the reduction, investment amount reduced to NT$398,000 thousand.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

Marketable Securities (Excluding Investments in Subsidiaries, Associates and Jointly Controlled Entities)

As of December 31, 2015

Attachment 6

(In Thousands of New Taiwan Dollars)

Name of Held Company	Type and Name of Marketable Securities	Relationship with the Issuer	Financial Statement Account	As of December 31, 2015				Guarantee, Pledge or Other Restricted Conditions		
				Shares (Unit)	Carrying Amount	%	Fair Value (Net Equity)	Shares	Carrying Amount	Note
Kinsus Investment Co., Ltd.	Money market funds:									
	Taishin Ta Chong Money Market Fund	-	Financial assets at fair value through profit or loss	829,070	$11,315	-%	$11,628	-	$-	
	Valuation adjustments of financial assets held for trading				313					
	Total				$11,628					
Kinsus Investment Co., Ltd.	Stocks:									
	Yi-Shuo Creative Co., Ltd.	-	Financial assets carried at cost	5,000,000	$50,000	7.49%	$- (Note)	-	$-	

Note: No quotes in active markets and fair values cannot be measured reliably.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

Related Party Transactions with Purchase or Sales Amount of At least NT$100 Million or 20% of the Paid-in Capital

For the Year Ended December 31, 2015

Attachment 7

(In Thousands of US Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details: Purchase/ Sale	Transaction Details: Amount	Transaction Details: % to Total	Transaction Details: Payment/ Collection Term	Abnormal Transaction: Unit Price	Abnormal Transaction: Payment/ Collection Term	Notes/Accounts Payable or Receivable: Ending Balance	Notes/Accounts Payable or Receivable: % to Total	Note
Piotek Computer (Suzhou) Co., Ltd.	Pegatron Corporation	Parent company	Sales	USD 45,802	36.90%	Payment within 60 days from the end of delivery month	Specs of goods sold are different from others. Cannot be reasonably	No non-related parties to be compared with.	Accounts receivable USD 6,920	27.65%	
Piotek Computer (Suzhou) Co., Ltd.	Xiang-Shuo (Suzhou) Trading Limited	Also a subsidiary under the Company's control	Sales	USD 13,064	10.53%	Payment within 60 days from the end of delivery month	Specs of goods sold are different from others. Cannot be reasonably compared.	No non-related parties to be compared with.	Accounts receivable USD 1,176	4.70%	
Xiang-Shuo (Suzhou) Trading Limited	Piotek Computer (Suzhou) Co., Ltd.	Also a subsidiary under the Company's control	Purchase	USD 13,064	73.26%	Payment within 60 days from the end of delivery month	Specs of goods sold are different from others. Cannot be reasonably compared.	No non-related parties to be compared with.	Accounts payable USD (1,176)	(36.80)%	
Piotek Computer (Suzhou) Co., Ltd.	Piotek (H.K.) Trading Limited	Also a subsidiary under the Company's control	Sales	USD 22,666	18.26%	Payment within 60 days from the end of delivery month	Specs of goods sold are different from others. Cannot be reasonably compared.	No non-related parties to be compared with.	Accounts receivable USD 4,277	17.09%	
Piotek (H.K.) Trading Limited	Piotek Computer (Suzhou) Co., Ltd.	Also a subsidiary under the Company's control	Purchase	USD 22,666	100.00%	Payment within 60 days from the end of delivery month	Specs of goods sold are different from others. Cannot be reasonably compared.	No non-related parties to be compared with.	Accounts payable USD (4,277)	(100.00)%	
Xiang-Shuo (Suzhou) Trading Limited	Piotek Computer (Suzhou) Co., Ltd.	Also a subsidiary under the Company's control	Sales	RMB 27,693	24.66%	Payment within 60 days from the end of delivery month	Specs of goods sold are different from others. Cannot be reasonably compared.	No non-related parties to be compared with.	Accounts receivable RMB 5,407	37.83%	
Piotek Computer (Suzhou) Co., Ltd.	Xiang-Shuo (Suzhou) Trading Limited	Also a subsidiary under the Company's control	Purchase	RMB 27,693	5.73%	Payment within 60 days from the end of delivery month	Specs of goods sold are different from others. Cannot be reasonably compared.	No non-related parties to be compared with.	Accounts payable RMB (5,407)	(3.81)%	
Kinsus Interconnect Technology Suzhou Corp.	Kinsus Interconnect Technology Corp.	Parent company	Sales	USD 57,138	100.00%	Payment within 60 days from the end of delivery month	Specs of goods sold are different from others. Cannot be reasonably	No non-related parties to be compared with.	Accounts receivable USD 12,695	100.00%	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

Receivables from Related Parties of at Least NT$ 100 Million or 20% of the Paid-in Capital

As of December 31, 2015

Attachment 8

(In Thousands of US Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Ratio	Overdue		Amount Received in Subsequent Periods	Allowance for Doubtful Debts
					Amount	Action Taken		
Piotek Computer (Suzhou) Co., Ltd.	Pegatron Corporation	Parent company	USD 6,920 (Note)	4.43	$-	-	$-	$-
Piotek Computer (Suzhou) Co., Ltd.	Piotek (H.K.) Trading Limited	Also a subsidiary under the Company's control	USD 4,277 (Note)	4.10	$-	-	$-	$-
Kinsus Interconnect Technology Suzhou Corp.	Kinsus Interconnect Technology Corp.	Parent company	USD 12,695 (Note)	5.49	$-	-	$-	$-

Note: Accounts receivable

Kinsus Interconnect Technology Corp.

1. Statement of Cash and Cash Equivalents

As of December 31, 2015

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Petty cash:		$200	1.Exchange Rate
			USD:NTD=32.825:1
			JPY:NTD=0.2727:1
			GBP:NTD=48.67:1
Savings:			EUR:NTD=35.88:1
Mega International Commercial Bank－LanYa Branch	#00938-6	1,033,215	2.Cash and Cash equivalents
Standard Chartered International Commercial Bank－Tunpei Branch	#00985-8	173,610	were not pledged.
Taishin International Bank－Jianbei Branch	#03812-1	151,702	
Shanghai Commercial & Saving Bank－ZhongLi Branch	#01581-8	141,681	
Land Bank of Taiwan－ZhongLi Branch	#34180-5	103,337	
Bank Of Taiwan－BeiTou Branch	#110093-5	89,533	
KGI Bank－Sungjiang Branch	#81681-0-2	61,149	
Taipei Fubon Commercial Bank－ZhongLi Branch	#01822-9	16,000	
Taipei Fubon Commercial Bank－BeiTou Branch	#00136-8	12,093	
Taipei Fubon Commercial Bank－BeiTou Branch	#07578-8	135	
Foreign currency bank accounts:			
Mega International Commercial Bank－LanYa Branch	#01566-9	579,429	
Shanghai Commercial & Saving Bank－ZhongLi Branch	#00918-6	6,522	
Taipei Fubon Commercial Bank－BeiTou Branch	#01182-8	3,021	
Bank of Taiwan－BeiTou Branch	#7070888	641	
Standard Chartered International Commercial Bank－Tunpei Branch	#00928-5	509	
HSBC－Taipei Branch	#8997061	344	
Taishin International Bank－Jianbei Branch	#01007-8	207	
Land Bank of Taiwan－ZhongLi Branch	#03355-5	164	
Subtotal		2,373,292	
Fixed-term deposits:			
Mega International Commercial Bank－LanYa Branch		4,980,411	
Shanghai Commercial & Saving Bank－ZhongLi Branch		3,035,000	
Bank of Taiwan－BeiTou Branch		210,000	
Land Bank of Taiwan－ZhongLi Branch		200,000	
KGI Bank－Sungjiang Branch		200,000	
Subtotal		8,625,411	
Total		$10,998,903	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

2. Statement of Financial Assets at Fair Value through Profit or Loss

As of December 31, 2015

(In Thousands of New Taiwan Dollars)

Financial Instruments	Shares	Par value(NTD)	Amount	Interest Rates	Acquisition costs	Fair Value		Note
						Unit price(NTD)	Amount	
Money market funds:								
Capital Money Market Fund	32,783,435	-	$510,667	-	$510,667	15.9338	$522,365	
Yuanta De-Bao Money Market Fund	13,551,601	-	157,637	-	157,637	11.8727	160,894	
Yuanta Wan Tai Money Market Fund	31,765,626	-	458,515	-	458,515	14.9665	475,420	
Fuh Hwa Money Market Fund	4,066,994	-	56,495	-	56,495	14.2827	58,088	
Taishin Ta Chong Money Market Fund	18,812,748	-	255,796	-	255,796	14.0255	263,858	
Taishin 1699 Money Market Fund	30,522,218	-	400,000	-	400,000	13.3566	407,673	
FSITC Money Market Fund	1,168,258	-	200,000	-	200,000	176.1350	205,771	
Mega Diamond Money Market Fund	41,465,474	-	500,000	-	500,000	12.3769	513,214	
Jih Sun Money Market	31,315,952	-	450,000	-	450,000	14.6215	457,886	
Union Money Market Fund	15,838,553	-	203,448	-	203,448	13.0452	206,617	
UPAMC James Bond Fund	15,322,946	-	250,000	-	250,000	16.5083	252,956	
Subtotal			$3,442,558		3,442,558		$3,524,742	
Add: Valuation adjustments of financial assets held for trading					82,184			
Total					$3,524,742			

Kinsus Interconnect Technology Corp.

3. Statement of Bond Investment with no Active Market—Current

As of December 31, 2015

(In Thousands of New Taiwan Dollars)

Item	Description	Shares	Par value	Total amount	Interest Rates	Carrying amount	Note
Mega International Commercial Bank—LanYa Branch	Fixed-term deposits	-	-	-	-	$423,057	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

4. Statement of Notes Receivable, net

As of December 31, 2015

(In Thousands of New Taiwan Dollars)

Client Name	Amount	Note
Client A	$1,272	1.Non related parties.
Client B	343	
Client C	220	
Subtotal	1,835	
Less: allowance for doubtful accounts	-	
Net	$1,835	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

5. Steatment of Accounts Receivable, net

As of December 31, 2015

(In Thousands of New Taiwan Dollars)

Client Name	Amount	Note
Client A	$380,959	1.The amount of individual client included
Client B	295,766	in others does not exceed 5% of the account balance.
Client C	274,107	2.Non related parties.
Client D	204,041	
Client E	179,293	
Others	1,633,864	
Subtotal	2,968,030	
Less：allowance for doubtful debts	(47,391)	
Net	$2,920,639	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

6. Statement of Receivable from Related Parties

As of December 31, 2015

(In Thousands of New Taiwan Dollars)

Related Parties	Amount	Note
AzureWave Technologies (Shanghai) Inc.	$21,759	Sale of goods.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

7. Statement of Other Receivables

As of December 31, 2015

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Receivale from sale of accounts receivable	$251,600	
Compensation receivable	17,324	
Receivable from sale of scraps	10,217	
Interest receivable	2,339	
Total	$281,480	

Kinsus Interconnect Technology Corp.

8. Statement of Other Receivables from Related Parties

As of December 31, 2015

(In Thousands of New Taiwan Dollars)

	Amount	Note
Kinsus Interconnect Technology Suzhou Corp.	$4,481	The other receivable incurred mainly from disposal of fixed assets, tools and spare parts.
Piotek Computer (Suzhou) Co., Ltd.	2,191	
Xiang-Shuo (Suzhou) Trading Limited	817	
Total	$7,489	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

9. Statement of Inventories

As of December 31, 2015

(In Thousands of New Taiwan Dollars)

Item	Amount: Cost	Amount: Net Realizable Value	Note
Raw materials	$385,955	$373,739	1.Inventories are valued at
Supplies & parts	43,677	43,805	lower of cost or net
Work in progress	571,324	930,616	realizable value item by item.
Finished goods	517,991	705,530	2.The insurance coverage for
Merchandises	28,693	28,678	inventories was $1,960,000
Subtotal	1,547,640	$2,082,368	thousand as of December 31, 2015.
Less: allowance for inventory valuation losses	(229,891)		3.Inventories were not pledged.
Net	$1,317,749		

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

10. Statement of Prepayments

As of December 31, 2015

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Supplies Inventory	$31,890	
Prepayment for purchases	733	
Prepaid rents	17,778	
Prepaid insurance	8,436	
Others	56,307	
Total	$115,144	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

11. Statement of Other Current Assets

As of December 31, 2015

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Overpaid VAT	$72,238	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

12. Statement of Changes in Long-term Investment Accounted for Under the Equity Method

For the Year ended December 31, 2015

(In Thousands of New Taiwan Dollars)

Investee companies	As of January 1, 2015		Additions		Decrease		As of December 31, 2015			Fair Value/Net assets value		Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	%	Amount	Unit price (NTD)	Total amount		
KINSUS CORP. (USA)	500,000	$29,528	-	$2,934 (Note1)	-	$-	500,000	100.00%	$32,462	$64.92	$32,462	None	
KINSUS HOLDING (SAMOA) LIMITED	166,308,720	3,458,036	-	-	-	446,087 (Note2)	166,308,720	100.00%	3,011,949	18.11	3,011,949	None	
KINSUS INVESTMENT CO., LTD.	39,800,000	521,940	-	44,445 (Note3)	-	-	39,800,000	100.00%	566,385	14.23	566,385	None	
Total		$4,009,504		$47,379		$446,087			$3,610,796		$3,610,796		

Note1: Including investment gain recognized under equity method amounted to NT$1,776 thousand and foreign currency statements translation adjustments amounted to NT$1,158 thousand.

Note2: Including investment loss recognized under equity method amounted to NT$371,975 thousand and foreign currency statements translation adjustments amounted to NT$74,112 thousand.

Note3: Including investment gain recognized under equity method amounted to NT$44,413 thousand and foreign currency statements translation adjustments amounted to NT$32 thousand.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

13. Statement Of Changes In Property, Plant and Equipment

For the Year ended December 31, 2015

(In Thousands of New Taiwan Dollars)

Item	As of January 1, 2015	Additions	Disposals	Transfer	As of December 31, 2015	Note
Cost						1.Please refer to Note 8 for
Land	$1,366,426	$-	$-	$191,374	$1,557,800	more details on property, plant
Buildings	2,472,080	-	-	74,655	2,546,735	and equipment under pledge.
Machinery	9,676,936	441	(2,049,861)	1,520,319	9,147,835	2.The insurance coverage for property,
Transportation	2,735	1,355	-	-	4,090	plant and equipment was NT$19,604,000
Office equipment	23,626	6,121	-	7,309	37,056	thousand as of December 31, 2015.
Other equipment	2,194,275	58,051	(150,529)	202,770	2,304,567	
Prepaid equipment	1,438,282	2,745,238	-	(1,731,097)	2,452,423	
Construction in progress	1,323,242	1,551,274	-	(265,330)	2,609,186	
Total	18,497,602	4,362,480	(2,200,390)	-	20,659,692	
Accumulated depreciation						
Buildings	766,015	125,981	-	-	891,996	
Machinery	5,925,647	1,557,893	(2,049,501)	8,737	5,442,776	
Transportation	723	739	-	-	1,462	
Office equipment	7,992	8,611	-	-	16,603	
Other equipment	1,444,107	260,006	(150,164)	(8,737)	1,545,212	
Total	8,144,484	$1,953,230	$(2,199,665)	$-	7,898,049	
Subtotal	10,353,118				12,761,643	
Less: Prepaid equipment	1,438,282				2,452,423	
Net	$8,914,836				$10,309,220	

Kinsus Interconnect Technology Corp.

14. Statement of Changes in Intanbiagle Assets－Cost of Computer Software

For the Year ended December 31, 2015

(In Thousands of New Taiwan Dollars)

Item	As of January 1, 2015	Additions	Decrease	As of December 31, 2015	Note
Cost of computer software	$11,927	$24,028	$(26,086)	$9,869	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

15. Statement of Deferred Tax Assets

As of December 31, 2015

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Prepaid appreciation tax on agricultural land	$9,593	

Kinsus Interconnect Technology Corp.

16. Statement of Refundable Deposits

As of December 31, 2015

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Land and house leasing deposit	$2,099	
Others	103	
Total	$2,202	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

17. Statement of Short-term Loan

As of December 31, 2015

(In Thousands of New Taiwan Dollars)

Description	Type	Blance, End of Year	Contract Period	Interest Rates	Collateral	Note
Mega International Commercial Bank－LanYa Branch	Unsecured loans	$581,003	2015.11.29-2016.11.28	Note	None	
Bank Of Taiwan－BeiTou Branch	Unsecured loans	729,775	2015.04.07-2016.04.07	Note	None	
HSBC－Taipei Branch	Unsecured loans	420,488	2015.01.20-2016.01.20	Note	None	
Shanghai Commercial & Saving Bank－ZhongLi Branch	Unsecured loans	100,000	2015.09.04-2016.09.04	Note	None	
		$1,831,266				

Note: As of December 31, 2015, the interest rate intervals for short-term loans were 0.88% ~1.15%.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

18. Statement of Notes Payable

As of December 31, 2015

(In Thousands of New Taiwan Dollars)

Vendor Name	Amount	Note
Chang Chun Petrochemical Co., Ltd.	$8,609	The amount of individual vendor included in others does not exceed 5% of the account balance and not related parties.
Mec Taiwan Company Ltd.	8,026	
Hsin House International Co., Ltd.	7,081	
Hotai Car-Leasing Corporation	5,352	
U-Shine Corporation	3,366	
Joint Fair Enterprise Co., Ltd.	3,319	
Nan Ya Plastics Corporation	3,130	
Others	10,951	
Total	$49,834	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

19. Statement of Accounts Payable

As of December 31, 2015

(In Thousands of New Taiwan Dollars)

Vendor Name	Amount	Note
Mitsubishi Corporation	$143,672	The amount of individual vendor included
Taiwan Uyemura Co., Ltd.	99,101	in others does not exceed 5% of the
Hitachi Chemical Co. (Hong Kong) Ltd.	62,816	account balance and not related parties.
Others	743,713	
Total	$1,049,302	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

20. Statement of Payables to Related Parties

As of December 31, 2015

(In Thousands of New Taiwan Dollars)

Related Parties	Amount	Note
Kinsus Interconnect Technology Suzhou Corp.	$413,130	Purchase of goods.
Piotek Computer (Suzhou) Co., Ltd.	15,747	
Total	$428,877	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

21. Statement of Other Payables

As of December 31, 2015

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Employee Bonus	$700,331	The amount of individual vendor included
Accrued Payroll	594,211	in others does not exceed 5% of the
Accrued Manufacturing Overhead－outsourced	149,798	account balance.
Accrued Insurance	42,341	
Accrued Repair And Maintenance Expense	206,254	
Compensation Payable To Directors And Supervisors	26,026	
Accrued Pension Expenses	16,128	
Accrued Commission Expenses	79,999	
Accrued Testing Disposable Expense	55,739	
Accrued Miscellaneous Purchase	20,208	
Accrued Professional Service Fees	8,313	
Accrued Interest Payable	1,106	
Payables On Equipment	1,085,936	
Accrued Service Charge－related parties	69	
Accrued Manufacturing Overhead-outsourced－related parties	1,034	
Accrued Commission Expense－related parties	3,397	
Accrued Travelling Expense－related parties	42	
Others	103,519	
Total	$3,094,451	
Payables On Equipment		
Shin Wu Machinery Trading Co., Ltd.	$368,963	
Xuan-Tong Technology Enterprise Co., Ltd	107,768	
Delta Hydropower Engineering Co., Ltd.	93,583	
Orc Manufacturing Co., Ltd.	65,534	
Others	450,088	
Total	$1,085,936	

Kinsus Interconnect Technology Corp.

22. Statement of Changes in Current Tax Liablities

For the Year ended December 31, 2015

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Balance as of January 1, 2015	$893,791	
Add: Income tax accrual for 2015	509,983	
10% surtax on 2014 undistributed earnings	148,730	
Less：Income tax payment for 2014	(436,056)	
Prior years' accrued uncertain tax position reversed upon finalization	(213,398)	
Additional tax payment for 2012 due to tax assessment	(4,080)	
Interest withheld	(7,735)	
Interim temporary tax payment	(349,394)	
Balance as of December 31, 2015	$541,841	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

23. Statement of Other Current Liabilities

As of December 31, 2015

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Receipts in advance		The amount of individual vendor included
IMI SOLUTION CO.	$2,150	in others does not exceed 5% of the
SIGNETICS KOREA CO., LTD.	319	account total.
MEMS SOLUTION INC.	309	
Others	355	
Total	3,133	
Other current liabilities		
Temporary receipts	13,111	
Receipts under custody	15,223	
Others	71	
Total	28,405	
Current portion of long-term loans	298,051	
Total other current liabilities	$329,589	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

24. Statement of Long-Term Loans

As of December 31, 2015

(In Thousands of New Taiwan Dollars)

Lenders	Description	Year maturity	Interest Rates	Amount	Reimbursement	Collateral
Mega International Commercial Bank－LanYa Branch	Secured bank loans	2016.12.15	Note	$48,581	A term is defined as every 3 months starting from the initial draw-down date. Grace period is 2 years (8 terms). The rest is repayable in installments of equal amount for 20 terms.	Please refer to Note 8
Mega International Commercial Bank－LanYa Branch	Unsecured bank loans	2018.08.12	Note	144,430	The first year is the grace period from the initial draw-down date. Starting from the 13th month, interest shall be paid monthly with principal repaid every 3 months.	None
Taipei Fubon Commercial Bank－BeiTou Branch	Unsecured bank loans	2017.12.15	Note	393,900	One year after the initial draw-down date is considered term one and the following terms are defined as every 6 months since then. The principal and interest are repayable in installments of equal amount for 5 terms.	None
Total				586,911		
Less: Current portion of long-term loans				(298,051)		
Non-current portion of long-term loans				$288,860		

Note：As of December 31, 2015, the interest rate intervals for long-term loans were 1.02%~1.3214%.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

25. Statement of Deferend Tax Liabilities—Non-Current

As of December 31, 2015

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Exchange differences from unrealized cumulative translation adjustment	$39,834	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

26. Statement of Changes in Accrued Pension Liabilities

For the Year ended December 31, 2015

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
As of January 1, 2015	$29,668	
Add: Pension costs	820	
Actuarial gains and losses for the period	8,721	
Less: Benefits paid to Taiwan bank trust account	(5,061)	
As of December 31, 2015	$34,148	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

27. Statement of Operating Revenues

For the Year ended December 31, 2015

(In Thousands of New Taiwan Dollars)

Item	Quanity	Amount	Note
BGA Substrate	4,472,191 thousand PCS	$15,380,549	
Service revenue		190,589	
Others		2,256,113	
Total Net Operating revenues		$17,827,251	

Kinsus Interconnect Technology Corp.

28. Statement of Operating Costs

For the Year ended December 31, 2015

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Direct Materials		
Beginning of year	$396,384	
Add: Raw materials purchased	3,074,136	
Gain from inventory physical taking	1,911	
Less: Ending balance	(385,955)	
Cost of raw materials sold directly	(154,911)	
Transferred to supplies and parts	(5,890)	
Scrapped	(42,902)	
Transferred to other accounts	(1,528)	
Direct materials used	2,881,245	
Supplies and parts		
Beginning balance	36,841	
Add: supplies and parts purchased	1,772,057	
Transferred from direct materials	5,890	
Less: Ending balance	(43,677)	
Supplies and parts sold directly	(15,830)	
Scrapped	(93)	
Transferred to other accounts	(67,662)	
Supplies and parts used	1,687,526	
Direct labor	1,239,680	
Manufacturing overhead (Detailed list 29)	5,334,456	
Manufacturing cost	11,142,907	
Add: work in process, beginning balance	521,032	
Transferred from finished goods	806,967	
Transferred from merchandise	16,294	
Transferred from other accounts	1,195	
Less: work in process, ending balance	(571,324)	
Scrapped	(1,498)	
Cost of finished goods	11,915,573	
Add: finished goods, beginning balance	706,718	
Less: finished goods, ending balance	(517,991)	
Transferred to work in process	(806,967)	
Transferred to merchandise	(16,115)	
Loss from inventory physical taking	(58)	
Scrapped	(1,141,931)	
Transferred to other accounts	(405,298)	
Cost of goods sold at normal production level	9,733,931	
Merchandise cost		
Beginning balance	27,730	
Add: Merchandise purchased	1,787,553	
Transferred from finished goods	16,115	
Less: Ending balance	(28,693)	
Transferred to work in process	(16,294)	
Scrapped	(4,919)	
Transferred to other accounts	(118)	
Cost of merchandise sold	1,781,374	
Cost of raw materials sold directly	154,911	
Cost of supplies and parts sold directly	15,830	
Loss from inventory valuation	(136,990)	
Loss from inventory scrapped	1,191,343	
Loss from inventory physical taking	(1,853)	
Revenue from sale of scraps	(224,798)	
Total	$12,513,748	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

29. Statement of Manufacting Overhead

For the Year ended December 31, 2015

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Indirect labor	$660,561	
Employee compensation	346,740	
Repair and maintenance	736,844	
Utilities	763,386	
Insurance	197,457	
Manufacturing overhead — outsourced	522,515	
Depreciation	1,851,526	
Meals	93,204	
Employee benefits	35,541	
Import fee	29,010	
Miscellaneous purchase	25,303	
Others	72,369	
Total	$5,334,456	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

30. Statement of Selling

For the Year ended December 31, 2015

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Salaries and wages	$59,064	
Employee compensation	10,639	
Travelling	26,085	
Shipping	22,698	
Depreciation	16	
Meal	2,705	
Sample fee	19,078	
Import fee	15,573	
Others	14,516	
Total	$170,374	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

31. Statement of General and Administrative

For the Year ended December 31, 2015

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
salaries and wages	$224,649	
Employee compensation	42,457	
Remuneration of directors and supervisors	26,483	
Utilities	26,762	
Insurance	17,730	
Taxes and duties	14,884	
Depreciation	73,324	
Amortization	26,086	
Meal	6,263	
Cleaning	34,313	
Repair and maintenance	11,062	
Security	21,197	
Professional fee	22,218	
Miscellaneous purchase	46,502	
Others	26,957	
Total	$620,887	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

32. Statement of Research and Development

For the Year ended December 31, 2015

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Salaries and wages	$231,363	
Employee compensation	42,608	
Insurance	22,977	
Depreciation	28,364	
Meal	10,783	
Materials utilized for testing	$495,845	
Testing	167,611	
Others	13,055	
Total	$1,012,606	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

33. Statement of Non-Operaring Incomes and Expenses

For the Year ended December 31, 2015

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Other incomes			
	Interest income	$76,970	
	Gain on reversal of bad debts	17,179	
	Other income—others	24,431	
Total		$118,580	
Other gains and losses			
	Loss on disposal of property, plant and equipment	$(720)	
	Foreign exchange gains, net	14,237	
	Gain on financial assets at fair value through profit	24,447	
	Gain on disposal of investments	30,845	
	Other expenses	(2,377)	
Total		$66,432	
Finance costs			
	Interest on borrowings from banks	$21,360	
Share of profit or loss of subsidiaries, associates and joint ventures	Share of profit or loss of subsidiaries, associates and joint ventures	$325,786	