FOXCONN TECHNOLOGY CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
REVIEW REPORT OF INDEPENDENT
ACCOUNTANTS
JUNE 30, 2015 AND 2014

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders
Foxconn Technology Co., Ltd.

We have reviewed the accompanying consolidated balance sheets of Foxconn Technology Co., Ltd. and subsidiaries as of June 30, 2015 and 2014, and the related consolidated statements of comprehensive income for the three months and six months periods ended June 30, 2015 and 2014, of changes in equity and of cash flows for the six months then ended June 30, 2015 and 2014. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Except as explained in the following paragraph, our conducted our reviews in accordance with the Statement of Auditing Standards No. 36, “Review of Financial Statements” in the Republic of China. A review of interim financial information consists principally of obtaining an understanding of the system for the preparation of interim financial information, applying analytical procedures to financial data, and making inquiries of Company personnel responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

As explained in Notes 4(3) and 6(8), we did not review the financial statements of certain insignificant consolidated subsidiaries and investments accounted for under equity method, which statements reflect total assets (including investments accounted for under the equity method) of $27,820,622 thousand and $18,129,007 thousand, constituting 21% and 19% of the consolidated total assets, and total liabilities of $5,515,024 thousand and $3,051,629 thousand, constituting 11% and 13% of the consolidated total liabilities as of June 30, 2015 and 2014, respectively, and total comprehensive income (loss) (including share of profit (loss) and other comprehensive income of associates and joint ventures accounted for under equity method) of $354,604 thousand, $2,473 thousand, $441,883 thousand and ($125,553) thousand, constituting 15%, 0%, 10% and 7% of the consolidated total comprehensive income for the three-months and six-months periods then ended June 30, 2015 and 2014, respectively. These amounts and the information disclosed in Note 13 were based solely on the unreviewed financial statements of these companies as of June 30, 2015 and 2014.

Based on our reviews except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries, investments accounted for under equity method and the information disclosed in Note 13 been audited or reviewed by independent accountants, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with the “Rules Governing the Preparation of Financial Statements by Securities Issuers”, and IAS 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission (FSC).

PricewaterhouseCoopers, Taiwan

August 12, 2015

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the review of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
YEARS ENDED JUNE 30, 2015, DECEMBER 31, 2014 AND JUNE 30, 2014
(EXPRESSED IN THOUSANDS OF NEWTAIWAN DOLLARS)
(THE CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2015 AND 2014 ARE UNAUDITED)

			June 30,2015		December 31,2014		June 30,2014	
	Assets	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 48,012,129	36	$ 35,253,120	27	$ 42,784,116	46
1110	Financial assets at fair value through profit or loss - current	6(2)	180,285	-	416,480	-	1,884,673	2
1170	Accounts receivable, net	6(4)	6,052,263	5	13,519,735	10	5,028,591	5
1180	Accounts receivable - related parties	7	20,444,970	15	20,688,176	16	10,893,414	11
1200	Other receivables	6(5) and 7	1,249,127	1	3,071,110	3	604,226	1
130X	Inventory	6(6)	3,519,668	3	3,917,182	3	1,962,944	2
1470	Other current assets	6(7)	30,705,095	23	31,552,830	24	7,303,743	8
11XX	**Total current assets**		110,163,537	83	108,418,633	83	70,461,707	75
	Non-current assets							
1523	Available-for-sale financial assets - non-current	6(3)	6,178,141	5	4,820,399	4	4,550,533	5
1550	Investments accounted for under equity method	6(8)	930,940	1	620,899	-	743,956	1
1600	Property, plant and equipment	6(9) and 7	12,613,537	9	14,303,803	11	14,929,072	16
1760	Investment property - net	6(10)	141,860	-	136,557	-	137,262	-
1840	Deferred income tax assets		2,104,091	1	1,749,937	1	1,609,060	2
1900	Other non-current assets	6(11)	907,075	1	945,350	1	1,113,225	1
15XX	**Total non-current assets**		22,875,644	17	22,576,945	17	23,083,108	25
1XXX	**Total assets**		$ 133,039,181	100	$ 130,995,578	100	$ 93,544,815	100

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FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
YEARS ENDED JUNE 30, 2015, DECEMBER 31, 2014 AND JUNE 30, 2014
(EXPRESSED IN THOUSANDS OF NEWTAIWAN DOLLARS)
(THE CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2015 AND 2014 ARE UNAUDITED)

			June 30,2015		December 31,2014		June 30,2014	
	Liabilities and Equity	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2100	Short-term loans	6(12)	$ 17,507,786	13	$ 12,376,815	10	$ 6,561,146	7
2120	Financial liabilities at fair value through profit or loss - current	6(2)	118,520	-	107,654	-	-	-
2170	Accounts payable		4,141,624	3	5,124,354	4	3,848,498	4
2180	Accounts payable - related parties	7	8,415,138	7	12,365,478	9	3,786,181	4
2200	Other payables	6(13) and 7	17,117,731	13	16,799,097	13	7,708,278	8
2230	Current income tax liabilities		1,542,049	1	1,446,060	1	516,190	1
2300	Other current liabilities	6(14)	52,125	-	216,555	-	253,806	-
21XX	**Total current liabilities**		48,894,973	37	48,436,013	37	22,674,099	24
	Non-current liabilities							
2570	Deferred income tax liabilities		493,979	-	455,466	-	484,366	1
2600	Other non-current liabilities	6(16)	64,917	-	48,218	-	239,547	-
25XX	**Total non-current liabilities**		558,896	-	503,684	-	723,913	1
2XXX	**Total liabilities**		49,453,869	37	48,939,697	37	23,398,012	25
	Equity attributable to owners of parent							
	Share capital	6(17)						
3110	Share capital - common stock		13,767,258	10	13,767,258	11	13,064,902	14
3150	Stock dividend to be distributed		617,673	1	-	-	979,243	1
	Capital surplus	6(18)						
3200	Capital surplus		7,035,542	5	7,035,542	5	6,758,655	7
	Retained earnings	6(19)						
3310	Legal reserve		7,815,013	6	6,874,777	5	6,874,777	8
3350	Undistributed earnings		48,496,806	36	47,154,631	36	39,457,325	42
	Other equity interest	6(20)						
3400	Other equity interest		5,763,498	5	7,125,234	6	2,914,135	3
31XX	**Equity attributable to owners of the parent**		83,495,790	63	81,957,442	63	70,049,037	75
36XX	**Non-controlling interest**	6(21)	89,522	-	98,439	-	97,766	-
3XXX	**Total equity**		83,585,312	63	82,055,881	63	70,146,803	75
	Commitments and contingent liabilities	9						
3X2X	**Total liabilities and equity**		$ 133,039,181	100	$ 130,995,578	100	$ 93,544,815	100

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 12, 2015.

FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2015 AND 2014
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNTS)
(UNAUDITED)

			Three months ended June 30				Six months ended June 30			
			2015		2014		2015		2014	
	Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	**Operating revenue**	6(22) and 7	$ 24,442,021	100	$ 13,485,355	100	$ 48,868,513	100	$ 24,683,320	100
5000	**Operating costs**	6(6)(25) and 7	(19,833,220)	(81)	(10,903,925)	(81)	(39,917,128)	(82)	(20,479,772)	(83)
5900	**Net operating margin**		4,608,801	19	2,581,430	19	8,951,385	18	4,203,548	17
	Operating expense	6(25) and 7								
6100	Selling expenses		(187,550)	(1)	(132,735)	(1)	(386,718)	(1)	(268,229)	(1)
6200	General and administrative expenses		(592,929)	(2)	(788,424)	(6)	(1,490,257)	(3)	(1,535,731)	(6)
6300	Research and development expenses		(274,025)	(1)	(325,414)	(2)	(542,741)	(1)	(555,291)	(2)
6000	**Total operating expenses**		(1,054,504)	(4)	(1,246,573)	(9)	(2,419,716)	(5)	(2,359,251)	(9)
6900	**Operating profit**		3,554,297	15	1,334,857	10	6,531,669	13	1,844,297	8
	Non-operating income and expenses									
7010	Other income	6(23)	349,716	1	291,790	2	759,567	2	544,724	2
7020	Other gains and losses	6(24)	98,984	-	(56,703)	(1)	133,937	-	(354,409)	(2)
7050	Finance costs	6(27)	(23,780)	-	(20,375)	-	(60,389)	-	(37,041)	-
7060	Share of profit of associates and joint ventures accounted for under equity method	6(8)	(67,675)	-	(54,469)	-	(116,294)	-	(60,549)	-
7000	**Total non-operating income and expenses**		357,245	1	160,243	1	716,821	2	92,725	-
7900	**Profit before income tax**		3,911,542	16	1,495,100	11	7,248,490	15	1,937,022	8
7950	Income tax expense	6(28)	(1,024,844)	(4)	(135,229)	(1)	(1,393,157)	(3)	(246,692)	(1)
8200	**Profit for the year**		$ 2,886,698	12	$ 1,359,871	10	$ 5,855,333	12	$ 1,690,330	7

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FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2015 AND 2014
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNTS)
(UNAUDITED)

			Three months ended June 30				Six months ended June 30			
			2015		2014		2015		2014	
	Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Components of other comprehensive income that will be reclassified to profit or loss									
8361	Financial statements translation differences of foreign operations		($ 1,115,407)	(5)	($ 1,213,625)	(9)	($ 1,977,119)	(4)	($ 570,703)	(2)
8362	Unrealized gain (loss) on valuation of available-for-sale financial assets		536,144	2	750,818	6	613,032	1	781,728	3
8360	**Components of other comprehensive income that will be reclassified to profit or loss**		(579,263)	(3)	(462,807)	(3)	(1,364,087)	(3)	211,025	1
8500	**Total comprehensive income for the year**		$ 2,307,435	9	$ 897,064	7	$ 4,491,246	9	$ 1,901,355	8
	Profit (loss) attributable to:									
8610	Owners of parent		$ 2,892,315	12	$ 1,369,605	10	$ 5,861,899	12	$ 1,705,365	7
8620	Non-controlling interests		(5,617)	-	(9,734)	-	(6,566)	-	(15,035)	-
			$ 2,886,698	12	$ 1,359,871	10	$ 5,855,333	12	$ 1,690,330	7
	Comprehensive income (loss) attributable to:									
8710	Owners of parent		$ 2,314,375	9	$ 908,588	7	$ 4,500,163	9	$ 1,918,700	8
8720	Non-controlling interests		(6,940)	-	(11,524)	-	(8,917)	-	(17,345)	-
			$ 2,307,435	9	$ 897,064	7	$ 4,491,246	9	$ 1,901,355	8
	Earnings per share (in dollars)	6(29)								
9750	**Basic earnings per share**		$ 2.08		$ 0.99		$ 4.22		$ 1.23	
9850	**Diluted earnings per share**		$ 2.07		$ 0.98		$ 4.19		$ 1.22	

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 12, 2015.

FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2015 AND 2014
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

		Equity attributable to owners of the parent									
		Capital			Retained earnings		Other equity interest				
	Notes	Share capital - common stock	Stock ividends to be distributed	Capital reserve	Legal reserve	Undistributed earnings	Financial statements translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Total	Non-controlling interest	Amount
2014											
Balance at January 1, 2014		$ 13,064,902	$ -	$ 6,758,655	$ 6,172,002	$ 40,456,473	$ 1,661,900	$ 1,038,900	$ 69,152,832	$ 115,11	$ 69,267,943
Appropriation of 2013 earnings:	6(19)										
Legal reserve appropriated		-	-	-	702,775	(702,775)	-	-	-	-	-
Cash dividends		-	-	-	-	(1,306,490)	-	-	(1,306,490)	-	(1,306,490)
Stock dividends		-	653,245	-	-	(653,245)	-	-	-	-	-
Employees' stock bonus		-	325,998	-	-	-	-	-	325,998	-	325,998
Consolidated net income		-	-	-	-	1,705,365	-	-	1,705,365	(15,035)	1,690,330
Other comprehensive income, net of income tax	6(20)	-	-	-	-	-	(568,393)	781,728	213,335	(2,310)	211,025
Changes in equity of associates and joint ventures accounted for using equity method		-	-	-	-	(42,003)	-	-	(42,003)	-	(42,003)
Balance at June 30, 2014		$ 13,064,902	$ 979,243	$ 6,758,655	$ 6,874,777	$ 39,457,325	$ 1,093,507	$ 1,820,628	$ 70,049,037	$ 97,766	$ 70,146,803
2015											
Balance at January 1, 2015		$ 13,767,258	$ -	$ 7,035,542	$ 6,874,777	$ 47,154,631	$ 5,269,042	$ 1,856,192	$ 81,957,442	$ 98,439	$ 82,055,881
Appropriation of 2014 earnings:	6(19)										
Legal reserve appropriated		-	-	-	940,236	(940,236)	-	-	-	-	-
Cash dividends		-	-	-	-	(3,441,815)	-	-	(3,441,815)	-	(3,441,815)
Stock dividends		-	137,673	-	-	(137,673)	-	-	-	-	-
Employees' stock bonus		-	480,000	-	-	-	-	-	480,000	-	480,000
Consolidated net income		-	-	-	-	5,861,899	-	-	5,861,899	(6,566)	5,855,333
Other comprehensive income, net of income tax	6(20)	-	-	-	-	-	(1,974,768)	613,032	(1,361,736)	(2,351)	(1,364,087)
Balance at June 30, 2015		$ 13,767,258	$ 617,673	$ 7,035,542	$ 7,815,013	$ 48,496,806	$ 3,294,274	$ 2,469,224	$ 83,495,790	$ 89,522	$ 83,585,312

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 12, 2015.

FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2015 AND 2014
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	Notes	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated profit before tax for the year		$ 7,248,490	$ 1,937,022
Adjustments to reconcile net income to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Depreciation (including investment property)	6(25)	1,620,423	1,935,291
Amortization	6(25)	15,068	16,702
Unrealised loss on financial assets and liabilities at fair value through profit or loss	6(2)	247,061	26,583
Loss on disposal of investments	6(24)	-	242,447
Gain on disposal of property, plant and equipment	6(24)	(147,361)	(29,252)
Interest expense	6(27)	60,389	37,041
Interest income	6(23)	(613,515)	(380,896)
Share of profit of associates and joint ventures accounted for under equity method	6(8)	116,294	60,549
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Accounts receivable net		7,375,291	5,937,494
Accounts receivables due from related parties		(520,583)	(1,307,784)
Other receivables		(316,203)	(305,547)
Inventories		312,137	142,359
Other current assets		306,427	107,170
Other non-current assets		405	(852)
Net changes in liabilities relating to operating activities			
Accounts payable		(870,237)	(705,749)
Accounts payable due from related parties		(3,683,503)	(1,374,064)
Other payables		(201,103)	(480,599)
Other current liabilities		(159,813)	(128,422)
Other non-current liabilities		10,812	(128,740)
Cash generated from operations		10,800,479	5,600,753
Income tax paid		(1,174,674)	(914,840)
Net cash provided by operating activities		9,625,805	4,685,913

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FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2015 AND 2014
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	Notes	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES			
Financial assets at fair value through profit or loss		$ -	($ 1,877,842)
Acquisition of available-for-sale financial asses		(760,414)	-
Acquisition of investments accounted for under equity method		(422,333)	(326,539)
Increase in other financial assets		(151,819)	(267,888)
Acquisition of property, plant and equipment	6(30)	(385,746)	(317,896)
Proceeds from disposal of property, plant and equipment	6(30)	205,932	256,300
Other non-current assets		(834)	-
Deferred expenses		(1,386)	(779)
(Increase) decrease in net receivable/ payable on raw materials purchased on behalf of others		(50,310)	142,628
Interest received		570,925	328,719
Net cash used in investing activities		(995,985)	(2,063,297)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(102,692)	(38,918)
Increase in short-term loans		5,667,614	171,902
Net cash provided by financing activities		5,564,922	132,984
Net effect of changes in foreign currency exchange rates		(1,435,733)	98,957
Increase in cash and cash equivalents		12,759,009	2,854,557
Cash and cash equivalents at beginning of year		35,253,120	39,929,559
Cash and cash equivalents at end of year		$ 48,012,129	$ 42,784,116

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 12, 2015.

FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SIX-MONTHS ENDED JUNE 30, 2015 AND 2014
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)
(UNAUDITED)

1. HISTORY AND ORGANIZATION

The Company was originally known as Q-RUN Technology Co., Ltd. and established on April 26, 1990. On March 1, 2004, the Company merged with Foxconn Precision Components Co., Ltd. Renamed Q-RUN Technology Co., Ltd. after Foxconn Technology Co., Ltd. The Company and subsidiaries (collectively referred herein as the “the Group”) are primarily engaged in manufacturing, processing and sales of case, heat dissipation modules and consumer electronics products.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on August 12, 2015.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

According to Financial-Supervisory-Securities-Auditing No. 1030010325 issued by FSC on April 3, 2014, commencing 2015, companies with shares listed on the TWSE or traded on the Taipei Exchange or Emerging Stock Market shall adopt the 2013 version of IFRS (not including IFRS 9,‘Financial instruments’) as endorsed by the FSC and Regulations Governing the Preparation of Financial Reports by Securities Issuers effective January 1, 2015 (collectively referred herein as “the 2013 version of IFRSs”) in preparing the consolidated financial statements. The impact of adopting the 2013 version of IFRS of the Group is listed below:

A. IAS 19 (revised), ‘Employee benefits’

Additional disclosures are required to present benefit plans.

B. IAS 1, ‘Presentation of financial statements’

The amendment requires entities to separate items presented in comprehensive income (the “OCI”) classified by nature into two groups on the basis of whether they are potentially reclassifiable to profit or loss subsequently when specific conditions are met. As the items are required to be presented as pre-tax items, the tax related to each of the two groups of OCI items (those that might be reclassified and those that will not be reclassified) must be shown separately. Accordingly, the Group will adjust its presentation of the statement of comprehensive income.

C. IFRS 12, ‘Disclosure of interests in other entitles’

The standard integrates the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. And, the Group will disclose additional information about its interests in consolidated entities and unconsolidated entities accordingly.

D. IFRS 13, ‘Fair value measurement’

The standard defines fair value as the price that would be received when selling an asset or paid when transferring a liability in an orderly transaction between market participants at the measurement date. The standard sets out a framework for measuring fair value using the assumptions that market participants would use when pricing the asset or liability; for non-financial assets, fair value is determined based on the highest and best use of the asset. Also, the standard requires disclosures about fair value measurements. Based on the Group's assessment, the adoption of the standard has no significant impact on its consolidated financial statements, and the Group will disclose additional information about fair value measurements accordingly.

The Group has assessed the potential impact of abovementioned new standards, interpretations and amendments and there is no significant impact on the amount in the financial statements.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

None.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the 2013 version of IFRS as endorsed by the FSC:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
IFRS 9, 'Financial instruments'	January 1, 2018
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	January 1, 2016
Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	January 1, 2016
Accounting for acquisition of interests in joint operations (amendments to IFRS 11)	January 1, 2016
IFRS 14, 'Regulatory deferral accounts'	January 1, 2016
IFRS 15, 'Revenue from contracts with customers'	January 1, 2018
Disclosure initiative (amendments to IAS 1)	January 1, 2016
Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38)	January 1, 2016
Agriculture: bearer plants (amendments to IAS 16 and IAS 41)	January 1, 2016
Defined benefit plans: employee contributions (amendments to IAS 19R)	July 1, 2014
Equity method in separate financial statements (amendments to IAS 27)	January 1, 2016
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	January 1, 2014
IFRIC 21, 'Levies'	January 1, 2014
Improvements to IFRSs 2010-2012	July 1, 2014

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Improvements to IFRSs 2011-2013	July 1, 2014
Improvements to IFRSs 2012-2014	January 1, 2016

The Group is assessing the potential impact of the new standards, interpretations and amendments above and has not yet been able to reliably estimate their impact on the consolidated financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standards 34, "Interim Financial Reporting" endorsed by the FSC.

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Available-for-sale financial assets measured at fair value.

(c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries are in consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)			
Investor	Subsidiary	Main Business Activities	June 30, 2015	December 31, 2014	June 30, 2014	Note
Foxconn Technology Co., Ltd.	Foxconn Precision Components Holding Co., Ltd.	Investment holdings in companies in Mainland China, Hong Kong and America primarily engaged in manufacturing, sale, research and development of computer thermal module and computer components	100	100	100	(a)
Foxconn Technology Co., Ltd.	Q-RUN Holdings Ltd.	Investment holdings in companies in Mainland China, Hong Kong, Singapore and America primarily engaged in manufacturing, sale, research and development of aluminum magnesium case and computer components	100	100	100	
Foxconn Technology Co., Ltd.	Huazhun Investment Co., Ltd.	Investment holdings in R.O.C. companies	100	100	100	(a)
Foxconn Precision Components Holding Co., Ltd.	Atkinson Holdings Ltd.	Investment holding and reinvestment	100	100	100	(a)
Q-RUN Holdings Ltd.	Q-RUN Far East Corporation	Investment holding and reinvestment	100	100	100	

Investor	Subsidiary	Main Business Activities	Ownership (%) June 30, 2015	December 31, 2014	June 30, 2014	Note
Q-RUN Holdings Ltd.	World Trade Trading Ltd.	Investment holding and reinvestment	100	100	100	
Q-RUN Holdings Ltd.	High Tempo International Ltd.	Investment holding and reinvestment	100	100	100	(a)
Q-RUN Holdings Ltd.	FTC Technology Inc.	Investment holding and reinvestment	100	100	100	(a)
Q-RUN Holdings Ltd.	Foxconn Technology Pte. Ltd.	Sales, investment holdings and reinvestment	100	100	100	
Atkinson Holdings Ltd.	Kenny International Ltd.	Investment holding and reinvestment	100	100	100	(a)
Atkinson Holdings Ltd.	Double Wealth Profits Ltd.	Investment holding and reinvestment	100	100	100	(a)
Atkinson Holdings Ltd.	Precious Star International Ltd.	Investment holding and reinvestment	100	100	100	(a)
Q-RUN Far East Corporation	Eastern Star Limited	Investment holding and reinvestment	100	100	100	
Q-RUN Far East Corporation	Foreign Technology Ltd.	Investment holding and reinvestment	100	100	100	(a)
Q-RUN Far East Corporation	Topfry Industrial Ltd.	Investment holding and reinvestment	100	100	100	(a)
Q-RUN Far East Corporation	Gold Glory International Ltd.	Investment holding and reinvestment	100	100	100	(a)
Q-RUN Far East Corporation	New Glory Holdings Ltd.	Investment holding and reinvestment	100	100	100	(a)
Foxconn Technology Pte. Ltd.	FTP Technology Inc.	Investment holding and reinvestment	100	100	100	(a)
Kenny International Ltd.	Fu Rui Precision Components (Kunshan) Co., Ltd.	Electrical board components processing; manufacturing and marketing of optoelectronics and computer cables	100	100	100	(a)

Investor	Subsidiary	Main Business Activities	Ownership (%) June 30, 2015	December 31, 2014	June 30, 2014	Note
Double Wealth Profits Ltd.	Fuzhun Precision (Shenzhen) Industry Co., Ltd.	Manufacturing and marketing of computer components (computer thermal module)	100	100	100	(a)
Fuzhun Precision (Shenzhen) Industry Co., Ltd.	Fuyu Technology (Nanyang) Co., Ltd.	Production of LED lamps and LED display; engagement in smart light pole and other products in relation to LED	100	100	100	(a)
Eastern Star Limited	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Manufacturing and marketing of computer components and peripherals and computer cases	100	87.63	87.63	
Eastern Star Limited	Fuzhun Precision (Hebi) Electronics Co., Ltd.	New alloy material, precision molds, new electronic components, portable computers and their components	100	100	100	(a)
Precious Star International Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Manufacturing and marketing of computer components and related peripherals, computer cases and metal stamping.	100	12.37	12.37	
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Qingdao Hiyn Materials Co., Ltd.	Research, development, production and sales of aluminum alloy materials, rail vehicle components, car accessories and electronic components; manufacturing and sales of structured metal products and metal container (not including precious metal and electroplating)	100	70	70	(a)
Topfry Industrial Ltd.	Fuhuigang Industral (Shenzhen) Co., Ltd.	Manufacturing and marketing of computer case – electronic and electrical components	100	100	100	(a)
Gold Glory International Ltd.	Fu Yu Precision Components (Kunshan) Co., Ltd.	Manufacturing and marketing of power plug and wall socket, micro ribbon connectors for terminals, etc.	100	100	100	(a)

Investor	Subsidiary	Main Business Activities	Ownership (%) June 30, 2015	Ownership (%) December 31, 2014	Ownership (%) June 30, 2014	Note
New Glory Holdings Limited	YanTai Fuzhun Precision Electronics Co., Ltd.	Manufacturing and marketing of computer case – electronic and electrical components	100	100	100	(a)
New Glory Holdings Limited	Nanning Funing Precision Electronics Co., Ltd.	Manufacturing and marketing of computer components (computer thermal module)	100	100	100	(a)

(a) The financial statements of certain subsidiaries for the six months ended June 30, 2015 and 2014 were not reviewed by independent accountants since the subsidiaries did not meet the definition of significant subsidiaries.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Nature and extent of the restrictions on fund remittance from subsidiaries to the parent company: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

The consolidated financial statements are presented in NTD, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities, associates and jointly controlled entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
iii. All resulting exchange differences are recognized in other comprehensive income.

(b) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, if the Group still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be paid off within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be paid off within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. 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.

(6) Cash equivalents

Cash equivalents refer to 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. Time deposits that meet the above criteria and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

A. Financial assets at fair value through profit or loss are financial assets held for trading. Financial assets are classified in this category of held for trading if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as financial assets held for trading unless they are designated as hedges.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognised using trade date accounting.

C. Financial assets at fair value through profit or loss are initially recognized at fair value. Related transaction costs are expensed in profit or loss. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognized in profit or loss.

(8) Available-for-sale financial assets

A. Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

B. On a regular way purchase or sale basis, available-for-sale financial assets are recognized and derecognised using trade date accounting.

C. Available-for-sale financial assets are initially recognized at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognized in other comprehensive income. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured or derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are presented in 'financial assets measured at cost'.

(9) Accounts Receivables

Accounts receivable are generated by selling goods or providing services to customers in the ordinary course of business. Accounts receivable are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. However, short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

A. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

B. The criteria that the Group uses to determine whether there is an impairment loss is as follows:

(a) Significant financial difficulty of the issuer or debtor;

(b) A breach of contract, such as a default or delinquency in interest or principal payments;

(c) The Group, for economic or legal reasons relating to the borrower's financial difficulty, granted the borrower a concession that a lender would not otherwise consider;

(d) It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;

(e) The disappearance of an active market for that financial asset because of financial difficulties;

(f) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group, including adverse changes in the payment status of borrowers in the group or national or local economic conditions that correlate with defaults on the assets in the group;

(g) Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered; or

(h) A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

C. When the Group assesses that there has been objective evidence of impairment and an impairment loss has occurred, accounting for impairment is made as follows according to the category of financial assets:

(a) Financial assets measured at cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at current market return rate of similar financial asset, and is recognised in profit or loss. Impairment loss recognised for this category shall not be reversed subsequently. Impairment loss is recognised by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(b) Available-for-sale financial assets

The amount of the impairment loss is measured as the difference between the asset's acquisition cost (less any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, and is reclassified from 'other comprehensive income' to 'profit or loss'. Impairment loss of an investment in an equity instrument recognised in profit or loss shall not be reversed through profit or loss. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(11) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Leases (lessor)

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(14) Investments accounted for under equity method / associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 per cent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity that are not recognized in profit or loss or other comprehensive income of the associate and such changes not affecting the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.

G. When the Group disposes its investment in an associate, and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss. If it still retains significant influence over this associate, then the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(15) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each component of property, plant, and equipment is significant in relation to the total cost of the item, it must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are audited, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives for buildings, machinery and equipment and other equipment are 3~55 years, 1~10 years and of 1~10 years, respectively.

(16) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 8 ~ 55 years.

(17) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(18) Borrowings

A. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

(19) Notes and accounts payable

Notes and accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. However, short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Financial liabilities at fair value through profit or loss

A. Financial liabilities at fair value through profit or loss are financial liabilities held for trading. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges.

B. Financial liabilities at fair value through profit or loss are initially recognized at fair value. Related transaction costs are expensed in profit or loss. These financial liabilities are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial liabilities are recognized in profit or loss.

(21) Derecognition of financial liabilities

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

(22) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(23) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized past service costs. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) instead.

ii. Actuarial gains and losses arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise.

iii. Remeasurement arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iv. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. And, the related information is disclosed accordingly.

C. Employees' bonus and directors' and supervisors' remuneration

Employees' bonus and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. However, if the accrued amounts for employees' bonus and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the stockholders at their stockholders' meeting subsequently, the differences should be recognized based on the accounting for changes in estimates. The Group calculates the number of shares of employees' stock bonus based on the fair value per share at the previous day of the stockholders' meeting held in the year following the financial reporting year, and after taking into account the effects of ex-rights and ex-dividends.

(24) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting or taxable profit nor loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

(25) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(26) Revenue recognition

The Group manufactures and sells 3C products. Revenue is measured at the fair value of the consideration received or receivable, taking into account of business tax or value-added tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. Revenue arising from the sales of goods should be recognized when the Group has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

(27) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received.

(28) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquire recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(29) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTION ON UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group’s accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group’s accounting policies

A. Revenue recognition

The determination of whether the Group is acting as principal or agent in a transaction is based on an evaluation of Group’s exposure to the significant risks and rewards associated with the sale of goods or the rendering of service in accordance with the business model and substance of the transaction. Where the Group acts as a principal and the amount received or receivable from customer is recognized as revenue on a gross basis. Where the Group acts as an agent, net revenue is recognized representing commission earned.

The Group provides integrated electronics manufacturing services to meet the following criteria by judgment, and recognises revenue on a gross basis:

a. The Group has primary responsibilities for the goods or services it provides;

b. The Group bears inventory risk;

c. The Group has the latitude in establishing prices for the goods or services, either directly or indirectly.

d. The Group bears credit risk of customers.

B. Financial assets measured at cost

The Group cannot obtain sufficient information for its unquoted equity investments to determine the fair value, so their fair values cannot be reliably measured. Therefore, the investments are classified as "financial assets carried at cost."

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date based on judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.
As of June 30, 2015, the carrying amount of inventories was $3,519,668.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2015	December 31, 2014	June 30, 2014
Cash on hand and revolving funds	$ 5,373	$ 663	$ 4,110
Checking accounts and demand deposits	15,262,021	17,327,480	21,647,913
Time deposits	32,744,735	17,924,977	21,132,093
	$ 48,012,129	$ 35,253,120	$ 42,784,116

A. The Group associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group has no cash and cash equivalents pledged to others. Time deposits with maturity over three months have been listed under 'other current assets'.

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

Assets	June 30, 2015	December 31, 2014	June 30, 2014
Current items:			
Foreign exchange contracts	$ 180,285	$ 416,480	$ -
Forward foreign exchange contracts	-	-	6,806
Principal and income protected financial instruments	-	-	1,877,867
	$ 180,285	$ 416,480	$ 1,884,673

Liabilities	June 30, 2015	December 31, 2014	June 30, 2014
Current items:			
Foreign exchange contracts	$ 118,520	$ 107,654	$ -

A. The Group recognised net gain (loss) of $1,145/($109,492) and $46,302/$110,547 (including unrealised valuation loss of $69,286/$339,415 and $247,061/$26,583) on financial assets/liabilities measured at fair value for the three months ended June 30, 2015 and 2014, and six months ended June 30, 2015 and 2014, respectively.

B. The counterparties of the Group's investments in derivative financial instruments are banks with good credit quality or financial institutions with investment grade or above, and their credit rating levels are all above A category.

C. The non-hedging derivative instruments transaction and contract information are as follows:

Derivative Financial Assets	June 30, 2015 Contract amount (Nominal Principal in thousands)		Contract period
Current items:			
Foreign exchange contracts	TWD (SELL)	2,838,915	2014/10~2015/07
	USD (BUY)	94,000	
	TWD (SELL)	2,397,780	2015/01~2015/09
	USD (BUY)	77,000	
	USD (SELL)	14,984	2015/04~2015/07
	TWD (BUY)	457,000	
	USD (SELL)	183,705	2015/04~2015/09
	TWD (BUY)	5,603,000	
	USD (SELL)	11,438	2015/05~2015/09
	TWD (BUY)	350,000	
	TWD (SELL)	6,044,403	2015/04~2016/04
	USD (BUY)	198,689	
	TWD (SELL)	348,925	2015/05~2015/05
	USD (BUY)	11,438	
	USD (SELL)	6,200	2015/06~2015/09
	RMB (BUY)	38,749	

Derivative Financial Assets	December 31, 2014 Contract amount (Nominal Principal in thousands)		Contract period
Current items:			
Foreign exchange contracts	TWD (SELL)	2,300,760	2014/07~2015/01
	USD (BUY)	77,000	
	TWD (SELL)	2,299,220	2014/07~2015/02
	USD (BUY)	77,000	
	TWD (SELL)	2,838,915	2014/10~2015/07
	USD (BUY)	94,000	
	USD (SELL)	77,000	2014/10~2015/01
	TWD (BUY)	2,339,645	

Derivative Financial Assets	June 30, 2014 Contract amount (Nominal Principal in thousands)		Contract period
Current items:			
Foreign exchange contracts	USD (SELL)	20,000	2014/05~2014/08
	RMB (BUY)	125,672	
	USD (SELL)	5,000	2014/05~2014/08
	RMB (BUY)	1,398	

(a) Exchange rate and interest rate swap contracts

The Company entered into interest rate swap contracts with financial institutions to meet the needs of fund dispatching. For exchange rate swap, principals denominated in two currencies are swapped using the same exchange rate at the beginning and ending of the period, and thus, there is no exchange rate risk. For interest rate swap, the Company swaps fixed interest rate in one currency for fixed interest rate in another currency, and thus, there is no exchange rate risk.

(b) Forward foreign exchange contracts

The Group entered into forward foreign exchange contracts to hedge exchange rate risk of the followings. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

i. Operating activities: Import of raw materials and export sales.

ii. Investing activities: Import of machinery equipment

iii. Financing activities: Long-term and short-term foreign currency assets and liabilities.

(c) Foreign exchange contracts

The Company entered into foreign exchange contracts to meet the needs of fund dispatching. The Company swaps two currencies using the same exchange rate at the beginning and ending of the period, and thus, there is no exchange rate risk.

D. The Group has no financial assets at fair value through profit or loss pledged to others.

(3) Available-for-sale financial assets

Items	June 30, 2015	December 31, 2014	June 30, 2014
Non-current items:			
Listed and emerging stocks	$ 3,400,317	$ 2,647,707	$ 2,431,205
Foreign investment funds	308,600	316,500	298,700
Adjustment of available-for-sale financial assets	2,469,224	1,856,192	1,820,628
	$ 6,178,141	$ 4,820,399	$ 4,550,533

A. For fair value change recognised in other comprehensive income for the three months ended June 30, 2015 and 2014, and six months ended June 30, 2015 and 2014. Please refer to Note 6(20) for details.

B. The Group has no available-for-sale financial assets pledged to others.

(4) Accounts receivable

	June 30, 2015	December 31, 2014	June 30, 2014
Notes receivable	$ 134,566	$ 115,854	$ 67,773
Accounts receivable	5,981,620	13,468,098	5,024,371
Less: Allowance for sales allowances	(63,923)	(64,217)	(63,553)
	$ 6,052,263	$ 13,519,735	$ 5,028,591

The Group does not hold any collateral as security.

(5) Other receivables

	June 30, 2015	December 31, 2014	June 30, 2014
Receivables for purchase made on behalf of others	$ 829,210	$ 2,753,773	$ 78,518
Proceeds from disposal of equipment receivable	233,404	128,600	157,666
Interest receivable	125,314	97,831	63,802
Others	61,199	90,906	304,240
	$ 1,249,127	$ 3,071,110	$ 604,226

(6) Inventories

	June 30, 2015	December 31, 2014	June 30, 2014
Raw materials	$ 1,146,199	$ 1,081,860	$ 504,597
Work in process	1,025,078	1,608,046	659,192
Finished goods	2,023,332	1,513,089	979,285
	4,194,609	4,202,995	2,143,074
Less: Allowance for inventory obsolescence and market price decline	(674,941)	(285,813)	(180,130)
	$ 3,519,668	$ 3,917,182	$ 1,962,944

The cost of inventories recognised as expense for the period:

	For the three-month periods ended June30,	
	2015	2014
Cost of inventories sold	$ 19,486,051	$ 11,094,999
Loss (Gain from price recovery) on inventory obsolescence and market price decline	398,397	(177,334)
Revenue from sales of scraps	(51,228)	(13,740)
	$ 19,833,220	$ 10,903,925

	For the six-month periods ended June 30,	
	2015	2014
Cost of goods sold	$ 39,614,365	$ 20,833,196
Loss (Gain from price recovery) on inventory obsolescence and market price decline	398,582	(289,024)
Revenue from sales of scrap	(95,819)	(64,400)
	$ 39,917,128	$ 20,479,772

As the Group sold some inventory with net realizable value lower than its cost, the allowance for inventory obsolescence and market price decline was reversed for the three and six months ended June 30, 2014.

(7) Other current assets

	June 30, 2015	December 31, 2014	June 30, 2014
Time deposits with maturity over three months	$ 17,972,108	$ 25,297,380	$ 6,430,842
Principal and income protected financial products	12,459,249	5,663,371	-
Overpaid sales tax	192,896	464,477	569,186
Prepaid expenses	80,520	126,061	299,336
Others	322	1,541	4,379
	$ 30,705,095	$ 31,552,830	$ 7,303,743

The Group has signed a contract for principal protected financial products with the bank for the six months ended June 30, 2015 and year ended December 31, 2014, and the rate of return is between 3.8%~5.2% and 4.0%~4.8%, respectively.

(8) Investments accounted for under equity method

Investee companies	June 30, 2015	December 31, 2014	June 30, 2014
Investments accounted for under equity method			
FSK Holdings Limited	$ 417,999	$ -	$ -
Syntrend Creative Park Co., Ltd.	295,352	326,971	353,845
Wheego Electric Cars, Inc.	200,329	211,861	206,320
Foxstar Technology Co., Ltd.	17,260	17,875	17,312
UER Holdings Corporation	(15,332)	64,192	166,479
	915,608	620,899	743,956
Add: reclassified to other non-current liabilities	15,332	-	-
	$ 930,940	$ 620,899	$ 743,956

A. The summarised book value and share amount of operating results of the associates that are immaterial to the Group is as below:

	For the three-month periods ended June 30,	
	2015	2014
Net loss for the period (total comprehensive loss)	($ 284,623)	($ 89,044)
	For the six-month periods ended June 30,	
	2015	2014
Net loss for the period (total comprehensive loss)	($ 487,162)	($ 327,542)

B. The Group invested in FSK Holdings Limited and Wheego Electric Cars, Inc. for cash of $422,333 and $206,320 in April 2015 and June 2014, respectively. The Group has significant impact to the investees.

C. The Group's share of loss on investment accounted for using equity method was $67,675, $54,469, $116,294 and $60,549 for the three months ended June 30, 2015 and 2014, and six months ended June 30, 2015 and 2014, respectively.

(9) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Others	Construction in progress and equipment under acceptance	Total
At January 1, 2015						
Cost	$ 51,850	$ 9,936,829	$ 28,134,322	$ 4,582,788	$ 787,273	$ 43,493,062
Accumulated depreciation	-	(4,999,031)	(20,172,594)	(4,017,634)	-	(29,189,259)
	$ 51,850	$ 4,937,798	$ 7,961,728	$ 565,154	$ 787,273	$ 14,303,803
2015						
Opening net book amount	$ 51,850	$ 4,937,798	$ 7,961,728	$ 565,154	$ 787,273	$ 14,303,803
Additions	-	-	149,530	139,305	140,445	429,280
Reclassifications	-	-	162,690	6,297	(171,030)	(2,043)
Transfer	-	(6,136)	-	-	-	(6,136)
Disposals	-	(7,949)	(145,388)	(10,038)	-	(63,375)
Depreciation charge	-	(208,769)	(1,262,544)	(148,277)	-	(1,619,590)
Net exchange differences	-	(109,152)	(186,607)	(13,680)	(18,963)	(328,402)
Closing net book amount	$ 51,850	$ 4,605,792	$ 6,679,409	$ 538,761	$ 737,725	$ 12,613,537
At June 30, 2015						
Cost	$ 51,850	$ 9,688,209	$ 26,605,620	$ 4,453,409	$ 737,725	$ 41,536,813
Accumulated depreciation	-	(5,082,417)	(19,926,211)	(3,914,648)	-	(28,923,276)
	$ 51,850	$ 4,605,792	$ 6,679,409	$ 538,761	$ 737,725	$ 12,613,537

	Land	Buildings	Machinery and equipment	Others	Construction in progress and equipment under acceptance	Total
At January 1, 2014						
Cost	$ 51,850	$ 9,577,241	$ 28,008,894	$ 4,497,072	$ 537,694	$ 42,672,751
Accumulated depreciation	-	(4,454,170)	(17,744,916)	(3,667,204)	-	(25,866,290)
	$ 51,850	$ 5,123,071	$ 10,263,978	$ 829,868	$ 537,694	$ 16,806,461
2014						
Opening net book amount	$ 51,850	$ 5,123,071	$ 10,263,978	$ 829,868	$ 537,694	$ 16,806,461
Additions	-	-	227,359	992	454,558	682,909
Reclassifications	-	-	44,431	8,436	(91,889)	(39,022)
Transfer	-	2,916	-	-	-	2,916
Disposals	-	-	(102,514)	(9,769)	-	(112,283)
Depreciation charge	-	(232,646)	(1,520,567)	(181,359)	-	(1,934,572)
Net exchange differences	-	(112,582)	(317,896)	(14,748)	(32,111)	(477,337)
Closing net book amount	$ 51,850	$ 4,780,759	$ 8,594,791	$ 633,420	$ 868,252	$ 14,929,072
At June 30, 2014						
Cost	$ 51,850	$ 9,292,974	$ 27,473,283	$ 4,380,632	$ 868,252	$ 42,066,991
Accumulated depreciation	-	(4,512,215)	(18,878,492)	(3,747,212)	-	(27,137,919)
	$ 51,850	$ 4,780,759	$ 8,594,791	$ 633,420	$ 868,252	$ 14,929,072

(10) Investment property

	Land		Buildings		Total
At January 1, 2015					
Cost	$ 95,910	$	73,852	$	169,762
Accumulated depreciation and impairment	-	(	33,205)	(	33,205)
	$ 95,910	$	40,647	$	136,557
2015					
Opening net book amount	$ 95,910	$	40,647	$	136,557
Transfer	-		6,136		6,136
Depreciation charge	-	(	833)	(	833)
Closing net book amount	$ 95,910	$	45,950	$	141,860
At June 30, 2015					
Cost	$ 95,910	$	79,988	$	175,898
Accumulated depreciation and impairment	-	(	34,038)	(	34,038)
	$ 95,910	$	45,950	$	141,860

	Land		Buildings		Total
At January 1, 2014					
Cost	$ 95,910	$	76,745	$	172,655
Accumulated depreciation and impairment	-	(	31,758)	(	31,758)
	$ 95,910	$	44,987	$	140,897
2014					
Opening net book amount	$ 95,910	$	44,987	$	140,897
Transfer	-	(	2,916)	(	2,916)
Depreciation charge	-	(	719)	(	719)
Closing net book amount	$ 95,910	$	41,352	$	137,262
At June 30, 2014					
Cost	$ 95,910	$	80,446	$	176,356
Accumulated depreciation and impairment	-	(	39,094)	(	39,094)
	$ 95,910	$	41,352	$	137,262

A. Rental income from the lease of the investment property and direct operating expenses arising from the investment property are shown below:

	For the three-month periods ended June 30	
	2015	2014
Rental income from the lease of the investment property	$ 5,248	$ 3,606

	For the three-month periods ended June 30	
	2015	2014
Direct operating expenses arising from the investment property that generated rental income during the period	$ 440	$ 359

	For the six-month periods ended June 30	
	2015	2014
Rental income from the lease of the investment property	$ 9,965	$ 7,951
Direct operating expenses arising from the investment property that generated rental income during the period	$ 833	$ 719

B. The fair value of the investment property held by the Group as at June 30, 2015, December 31, 2014 and June 30, 2014 was $462,306, $410,907 and $391,742, respectively, which was valued using transactions traded in markets and the comparative method. The investment property is categorised within Level 3 in the fair value hierarchy.

(11) Other non-current assets

	June 30, 2015	December 31, 2014	June 30, 2014
Long-term prepaid rents	$ 643,802	$ 667,615	$ 635,682
Prepayments for equipment	205,924	214,455	420,252
Other assets - others	57,349	63,280	57,291
	$ 907,075	$ 945,350	$ 1,113,225

The long-term prepaid rents are for a land use right contract that the Group signed for the use of the land in China. All rentals had been paid on the contract date. The Group recognised rental expenses of $3,772, $3,775, $7,603 and $7,537 for the three months ended June 30, 2015 and 2014, and six months ended June 30, 2015 and 2014, respectively.

(12) Short-term loans

Type of loans	June 30, 2015	Interest rate range	Collateral
Bank loans			
Credit loans	$ 17,298,723	0.71%~3.5%	None
Other short-term loans	209,063	5.35%~6.00%	"
	$ 17,507,786		

Type of loans	December 31, 2014	Interest rate range	Collateral
Bank loans			
Credit loans	$ 12,162,531	0.64%～0.84%	None
Other short-term loans	214,284	5.60%～6.00%	"
	$ 12,376,815		

Type of loans	June 30, 2014	Interest rate range	Collateral
Bank loans			
Credit loans	$ 6,358,916	0.55%~0.89%	None
Other short-term loans	202,230	6.00%	"
	$ 6,561,146		

The Group has signed an agreement to offset financial assets and liabilities with financial institutions. Details of the offset as of June 30, 2015, December 31, 2014 and June 30, 2014, are as follows:

June 30, 2015

Gross amount of recognized financial liabilities	Cross amount of recognized financial assets in the balance sheet	Net amount of financial liabilities presented in the balance sheet
$ 1,972,003	$ 1,972,003	$ -

December 31, 2014

Gross amount of recognized financial liabilities	Cross amount of recognized financial assets in the balance sheet	Net amount of financial liabilities presented in the balance sheet
$ 3,237,289	$ 3,237,289	$ -

June 30, 2014

Gross amount of recognized financial liabilities	Cross amount of recognized financial assets in the balance sheet	Net amount of financial liabilities presented in the balance sheet
$ 265,464	$ 265,464	$ -

(13) Other payables

	June 30, 2015	December 31, 2014	June 30, 2014
Dividends payable	$ 3,441,815	$ -	$ 1,306,490
Awards and salaries payable	3,346,515	3,423,443	2,909,116
Processing fees payable	2,907,703	3,883,051	194,542
Consumption goods expense payable	1,787,557	874,720	614,889
Payable on module expense	909,888	556,849	9,317
Employees' bonus payable	781,427	897,879	343,695
Payable to purchases made on behalf of others	829,210	2,804,083	78,518
Payables for equipment	245,291	201,757	638,595
Freight payable	208,240	147,243	120,224
Receipts under custody payable	138,463	186,414	10,899
Others	2,521,622	3,823,658	1,481,993
	$ 17,117,731	$ 16,799,097	$ 7,708,278

(14) Other current liabilities

	June 30, 2015	December 31, 2014	June 30, 2014
Advance sales receipts	$ 30,947	$ 204,335	$ 70,111
Unearned revenue - current	-	7,793	152,795
Others	21,178	4,427	30,900
	$ 52,125	$ 216,555	$ 253,806

Nature of unearned revenue is provided in Note 6(16).

(15) Pensions

A. Defined benefit plan

(a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.

(b) For the aforementioned pension plan, the Group recognised pension costs of $557, $634, $1,152 and $1,310 for the three months ended June 30, 2015 and 2014, and six months ended June 30, 2015 and 2014, respectively.

(c) Expected contributions to the defined benefit pension plans of the Group for the year ended December 31, 2016 are $2,413.

B. Defined contribution plan

(a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 2% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The subsidiaries in mainland China have defined contribution pension plans and contribute an amount monthly based on 13% ~ 20% of employees' monthly salaries and wages to an independent fund administered by a government agency. The plan is administered by the government of mainland China. Other than the monthly contributions, the Group has no further obligations.

(c) The pension costs under defined contribution pension plans of the Group for the three months ended June 30, 2015 and 2014, and six months ended June 30, 2015 and 2014 were $256,941, $293,263, $537,662 and $522,766, respectively.

(16) Other non-current liabilities

	June 30, 2015	December 31, 2014	June 30, 2014
Guarantee deposits received	$ 36,426	$ 35,410	$ 35,964
Accrued pension liabilities	9,675	9,688	12,276
Unearned revenue	-	-	184,583
Others	18,816	3,120	6,724
	$ 64,917	$ 48,218	$ 239,547

The Group receives cash for acquiring fixed assets from customers based on commodity contracts. The equipment is used for continuing providing goods to customers and meets the definition of assets. Thus, the fixed assets are recognised at fair value, and unearned revenue is recognised (shown as 'other current liabilities' and 'other non-current liabilities') and transferred to revenue during the useful lives.

(17) Capital stock

A. As of June 30, 2015, the Company's authorized capital was $14,100,000 (including subscription warrant or 50,000 thousand shares reserved for convertible bonds issued by the Company), outstanding ordinary shares were 1,376,726 thousand shares with a par value of $10 (in NT dollars) per share, and the paid-in capital was $13,767,258.

B. The stockholders at their annual stockholders' meeting in June 2015 and 2014 adopted a resolution to issue new shares of 18,298 thousand and 70,236 thousand shares (including new shares of 4,531 thousand and 4,911 thousand shares for employees' bonus) through capitalisation of unappropriated earnings of $137,673 and $653,245 and employees' bonus of $480,000 and $325,998, respectively.

(18) Capital surplus

Pursuant to the R.O.C. Company Act, capital reserve arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital reserve to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital reserve should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(19) Retained earnings

A. In accordance with the Company's Articles of Incorporation, current year's earnings must be distributed in the following order:

(a) Covering accumulated deficits;

(b) Setting aside as legal reserve equal to 10% of current year's net income after tax and distribution pursuant to clause (A);

(c) Setting aside a special reserve in accordance with applicable legal and regulatory requirements;

(d) The remainder is distributable earnings of which 8% is appropriated as employees' bonus; qualified employees include employees of affiliates per criteria set by Board of Directors.

The remaining earnings along with the unappropriated earnings at the beginning of the period are considered as accumulated distributable earnings. In accordance with dividend policy, the proposal of earnings appropriation is prepared by the Board of Directors and resolved by the shareholders.

The Company is at the growing stage. The Company's stock dividend policy shall consider the Company's current and future investment environment, capital needs, local and foreign competition situation and capital budget, along with shareholders' profit and the Company's long-term financial plans. The shareholders' dividends are appropriated based on accumulated distributable earnings, which shall not be lower than 15% of the distributable earnings for the period and the cash dividend shall not be less than 10% of the shareholders' dividends.

B. According to related regulations, 10% of the balances of earnings after tax less the accumulated loss of prior years should be set aside as legal reserve, until such legal reserve amounts reach the total authorized capital. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

D. The appropriation of earnings for 2014 and 2013 had been resolved at the stockholders' meeting on June 25, 2015 and June 26, 2014, respectively. Details are summarized below:

	2014		2013	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve	$ 940,236	$ -	$ 702,775	$ -
Stock dividends	137,673	0.1	653,245	0.5
Cash dividends	3,441,815	2.5	1,306,490	1.0
	$ 4,519,724	$ 2.6	$ 2,662,510	$ 1.5

The appropriation of 2014 and 2013 earnings is in agreement with the Board of Directors' proposals on May 14, 2015 and May 14, 2014. The information on distribution of earnings will be posted in the "Market Observation Post System" of the TSEC.

E. The information relating to employee's remuneration (bonuses) and directors' and supervisors' remuneration please refer to note 6(26).

(20) Other equity

	Available-for-sale Investment	Currency translation Adjustments	Total
At January 1, 2015	$ 1,856,192	$ 5,269,042	$ 7,125,234
Gain on valuation of fair value	613,032	-	613,032
Currency translation differences:			
–Group	-	(1,974,768)	(1,974,768)
At June 30, 2015	$ 2,469,224	$ 3,294,274	$ 5,763,498

	Available-for-sale Investment	Currency translation Adjustments	Total
At January 1, 2014	$ 1,038,900	$ 1,661,900	$ 2,700,800
Gain on valuation of fair value	781,728	-	781,728
Currency translation difference			
–Group	-	(568,393)	(568,393)
At June 30, 2014	$ 1,820,628	$ 1,093,507	$ 2,914,135

(21) Non-controlling interest

	For the six-month periods ended June 30,	
	2015	2014
At January 1	$ 98,439	$ 115,111
Share attributable to non-controlling interests:		
Loss for the year	(6,566)	(15,035)
Currency translation differences	(2,351)	(2,310)
At June30	$ 89,522	$ 97,766

(22) Operating revenue

	For the three-month periods ended June 30,	
	2015	2014
3C products (Contain components and related electronic products)	$ 24,442,021	$ 13,485,355

	For the six-month periods ended June 30,	
	2015	2014
3C products (Contain components and related electronic products)	$ 48,868,513	$ 24,683,320

(23) Other income

	For the three-month periods ended June 30,	
	2015	2014
Interest income:		
Interest income from bank deposits	$ 224,918	$ 221,224
Interest income from guaranteed income financial products	102,455	-
Rental income	17,634	15,111
Dividend income	1,101	-
Others	3,608	55,455
	$ 349,716	$ 291,790

	For the six-month periods ended June 30,	
	2015	2014
Interest income:		
Interest income from bank deposits	$ 443,319	$ 380,896
Interest income from guaranteed income financial products	170,196	-
Rental income	52,540	27,280
Dividend income	1,101	-
Others	92,411	136,548
	$ 759,567	$ 544,724

(24) Other gains and losses

	For the three-month periods ended June 30,	
	2015	2014
Net gains (losses) on financial assets at fair value through profit or loss	$ 122,567	($ 123,599)
Net (losses) gains on financial liabilities at fair value through profit or loss	(121,422)	14,127
Net currency exchange gains	24,933	44,049
Gain on disposal of property, plant and equipment	82,746	9,599
Loss on disposal of investment	-	(4,430)
Others	(9,840)	3,551
	$ 98,984	($ 56,703)

	For the six-month periods ended June 30,	
	2015	2014
Net gains on financial assets at fair value through profit or loss	$ 188,332	$ 208,265
Net losses on financial liabilities at fair value through profit or loss	(142,030)	(97,718)
Net currency exchange losses	(55,598)	(244,211)
Gain on disposal of property, plant and equipment	147,361	29,252
Loss on disposal of investments	-	(242,447)
Others	(4,128)	(7,550)
	$ 133,937	($ 354,409)

Information related to gains (losses) on financial assets at fair value through profit or loss is provided in Note 6(2).

(25) Expenses by nature

	For the three-month periods ended June 30,	
	2015	2014
Employee benefit expenses	$ 3,229,502	$ 2,618,801
Depreciation	749,261	879,574
Amortization (including long-term prepaid rent mortization)	8,286	8,083
	$ 3,987,049	$ 3,506,458

	For the six-month periods ended June 30,	
	2015	2014
Employee benefit expenses	$ 6,574,154	$ 5,048,104
Depreciation	1,620,423	1,935,291
Amortization (including long-term prepaid rent amortization)	15,068	16,702
	$ 8,209,645	$ 7,000,097

(26) Employee benefit expense

	For the three-month periods ended June 30,	
	2015	2014
Wages and salaries	$ 2,672,620	$ 2,064,786
Labor and health insurance fees	129,315	107,767
Pension costs	257,498	293,897
Other personnel expenses	170,069	152,351
	$ 3,229,502	$ 2,618,801

	For the six-month periods ended June 30,	
	2015	2014
Wages and salaries	$ 5,372,391	$ 4,000,760
Labor and health insurance fees	259,060	233,888
Pension costs	538,814	524,076
Other personnel expenses	403,889	289,380
	$ 6,574,154	$ 5,048,104

A. According to the Articles of Incorporation of the Company, when distributing earnings, the Company shall distribute bonus to the employees and pay remuneration to the directors and supervisors that account for 8% of the total distributed amount.

However, in accordance with the Company Act amended in May 20, 2015, a company shall distribute employee remuneration, based on the current year's profit condition, in a fixed amount or a proportion of profits. If a company has accumulated deficit, earnings should be channelled to cover losses. Aforementioned employee remuneration could be paid by cash or stocks. Specifics of the compensation are to be determined in a board meeting that registers two-thirds of directors in attendance, and the resolution must receive support from half of participating members. The resolution should be reported to the shareholders' meeting. Qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive aforementioned stock or cash may be specified in the Articles of Incorporation.

B. For the three-month and six-month periods ended June 30, 2015 and 2014 employees' remuneration (bonus) was accrued at $208,463, $98,414, $421,057 and $122,786, respectively. The aforementioned amounts were recognised in salary expenses. The expenses recognised for the year of 2015 were accrued based on the earnings of current year; the expenses recognised for the year of 2014 were accrued based on the net income of 2014 and the percentage specified in the Articles of Incorporation of the Company (8% for employees), taking into account other factors such as legal reserve.

Employees' bonus and directors' and supervisors' remuneration of 2014 as resolved by the stockholders were in agreement with those amounts recognised in the 2014 financial statements. Employees' bonus of $676,970 for 2014 is divided into cash bonus of $196,970 and share bonus of $480,000. Share bonus is calculated based on the closing price of the Company's share of $109.50 (in dollars) on June 24, 2015 (one day prior to shareholders' resolution) and consideration of effect from ex-right and ex-dividend of $105.94 per share. The number of employee bonus distributed is 4,531 thousand shares. Employees' bonus at

$55 which is less than 1 share is distributed using cash of $196,970.

Information about the appropriation of employees' bonus and directors' and supervisors' remuneration by the Company as proposed by the Board of Directors and resolved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(27) Finance costs

	For the three-month periods ended June 30,	
	2015	2014
Interest expense:		
Bank borrowings	$ 23,780	$ 20,375

	For the six-month periods ended June 30,	
	2015	2014
Interest expense:		
Bank borrowings	$ 60,389	$ 37,041

(28) Income tax

A. Components of income tax expense:

	For the three-month periods ended June 30,	
	2015	2014
Current tax:		
Income tax generated from current income	$ 1,225,929	$ 442,893
Adjustments in respect of prior years	(124,493)	(255,222)
Total current tax	1,101,436	187,671
Deferred tax:		
Origination and reversal of temporary differences	(76,592)	(52,442)
Income tax expense	$ 1,024,844	$ 135,229

	For the six-month periods ended June 30,	
	2015	2014
Current tax:		
Income tax generated from current income	$ 1,879,919	$ 537,715
Adjustments in respect of prior years	(124,493)	(255,222)
Total current tax	1,755,426	282,493
Deferred tax:		
Origination and reversal of temporary differences	(362,269)	(35,801)
Income tax expense	$ 1,393,157	$ 246,692

B. The Company's income tax returns through 2012 have been assessed and approved by the Tax Authority.

C. Unappropriated retained earnings:

	June 30, 2015	December 31, 2014	June 30, 2014
Earnings generated in and before 1997	$ -	$ 2,826	$ 2,826
Earnings generated in and after 1998	48,496,806	47,151,805	39,454,499
	$ 48,496,806	$ 47,154,631	$ 39,457,325

D. As of June 30, 2015, December 31, 2014 and June 30, 2014, the balance of the imputation tax credit account was $5,804,743, $5,368,335 and $5,603,808, respectively. The creditable tax rate was 13.87% for 2013 and the estimated creditable tax rate is 12.31% for 2014.

(29) Earnings per share

	For the three-month period ended June 30, 2015		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 2,892,315	1,390,792	$ 2.08
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 2,892,315		
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	9,838	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 2,892,315	1,400,630	$ 2.07

	For the three–month period ended June 30, 2014		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,369,605	1,385,860	$ 0.99
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,369,605		
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	8,390	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,369,605	1,394,250	$ 0.98

	For the six–month period ended June 30, 2015		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 5,861,899	1,390,643	$ 4.22
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 5,861,899		
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	10,047	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 5,861,899	1,400,690	$ 4.19

	For the six-month period ended June 30, 2014		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,705,365	1,385,697	$ 1.23
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,705,365		
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	9,054	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,705,365	1,394,751	$ 1.22

The abovementioned shares were retrospectively adjusted to the weighted average number of outstanding shares through capitalisation of earnings as of June 30, 2015.

(30) Supplementary information on cash flow

Investing activities with partial cash payments

	For the six-month periods ended June 30,	
	2015	2014
Purchase of property, plant and equipment	$ 429,280	$ 682,909
Add: opening balance of payable on equipment	201,757	273,582
Less: ending balance of payable on equipment	(245,291)	(638,595)
Cash paid during the period	$ 385,746	$ 317,896

	For the six-month periods ended June 30,	
	2015	2014
Disposal of property, plant and equipment	$ 310,736	$ 141,535
Add: opening balance of receivable on equipment	128,600	272,431
Less: ending balance of receivable on equipment	(233,404)	(157,666)
Cash received during the period	$ 205,932	$ 256,300

7. RELATED-PARTY TRANSACTIONS

(1) Significant transactions and balance with related party

A. Sales:

	For the three-month periods ended June 30,	
	2015	2014
Sales of goods and services:		
－Group with significant influence to the Group	$ 17,849,473	$ 9,032,735
－Other related parties	1,102	102,637
	$ 17,850,575	$ 9,135,372

	For the six-month periods ended June 30,	
	2015	2014
Sales of goods and services:		
－Group with significant influence to the Group	$ 35,455,216	$ 14,988,807
－Other related parties	1,586	106,766
	$ 35,456,802	$ 15,095,573

Goods are sold based on the price lists in force and terms that would be available to third parties.

B. Purchases:

	For the three-month periods ended June 30,	
	2015	2014
Purchases of goods and services:		
－Group with significant influence to the Group	$ 10,191,083	$ 4,649,430
－Other related parties	15,335	22,345
	$ 10,206,418	$ 4,671,775

	For the six-month periods ended June 30,	
	2015	2014
Purchases of goods and services:		
－Group with significant influence to the Group	$ 21,570,017	$ 7,930,019
－Other related parties	33,809	26,233
	$ 21,603,826	$ 7,956,252

Purchases from related enterprises are based on normal commercial terms and conditions.

C. Receivables from related parties:

	June 30, 2015	December 31, 2014	June 30, 2014
Accounts receivable:			
－Group with significant influence to the Group	$ 20,439,812	$ 20,682,061	$ 10,821,761
－Other related parties	5,158	6,115	71,653
	$ 20,444,970	$ 20,688,176	$ 10,893,414

The receivables from related parties arise mainly from sale transactions. The amount is due three months after the invoice date. The receivables are unsecured and non-interest bearing. There are no allowances for doubtful debts held against receivables from related parties.

D. Payables to related parties:

	June 30, 2015	December 31, 2014	June 30, 2014
Accounts payable:			
－Group with significant influence to the Group	$ 8,408,177	$ 12,360,790	$ 3,775,319
－Other related parties	6,961	4,688	10,862
	$ 8,415,138	$ 12,365,478	$ 3,786,181
Processing fees payable:			
－Group with significant influence to the Group	$ 2,294,706	$ 3,684,181	$ 10,504

The payables to related parties arise mainly from purchase transactions and are at arm's-length, which are payments within 30~90 days. The payables are non-interest bearing.

E. Management service fees and management service fees payable

	For the three-month periods ended June 30,	
	2015	2014
Management service fees		
－Group with significant influence to the Group	$ 251,980	$ -

	For the six-month periods ended June 30,	
	2015	2014
Management service fees		
－Group with significant influence to the Group	$ 376,412	$ 12,828

	June 30, 2015	December 31, 2014	June 30, 2014
Management service fees payable			
－Group with significant influence to the Group	$ -	$ -	$ 2,373
－Other related parties	25,166	25,811	-
	$ 25,166	$ 25,811	$ 2,373

F. Transaction of raw materials purchased on behalf of others

	For the three-month periods ended June 30,	
	2015	2014
Transaction of raw materials purchased on behalf of others －Group with significant influence to the Group	$ 2,025,276	$ 433,264

	For the six-month periods ended June 30,	
	2015	2014
Transaction of raw materials purchased on behalf of others －Group with significant influence to the Group	$ 3,871,440	$ 1,435,844

	June 30, 2015	December 31, 2014	June 30, 2014
Receivable from purchases made on behalf of others (shown as ‘other receivables’) －Group with significant influence to the Group	$ 829,210	$ 2,753,773	$ 78,518

G. Property transactions

(a) Acquisition of property transaction:

	For the three-month periods ended June 30,	
	2015	2014
Acquisition of property, plant and equipment: －Group with significant influence to the Group	$ 126,477	$ 445,278

	For the six-month periods ended June 30,	
	2015	2014
Acquisition of property, plant and equipment: －Group with significant influence to the Group	$ 161,300	$ 448,269

(b) Acquisition of outstanding balance of property transaction:

(Shown as ‘other payables’)	June 30, 2015	December 31, 2014	June 30, 2014
Acquisition of property, plant and equipment: －Group with significant influence to the Group	$ 214,579	$ 125,591	$ 638,260

(c) Proceeds from sale of property, plant and equipment

	For the three-month periods ended June 30,			
	2015		2014	
Sale of property transaction:	Proceeds from sale of property, plant and equipment	Gain	Proceeds from sale of property, plant and equipment	Gain
－Group with significant influence to the Group	$ 176,613	$ 88,351	$ 19,814	$ 2,578

	For the six-month periods ended June 30,			
	2015		2014	
Sale of property transaction:	Proceeds from sale of property, plant and equipment	Gain	Proceeds from sale of property, plant and equipment	Gain
－Group with significant influence to the Group	$ 300,051	$ 164,484	$ 72,354	$ 17,495

(d) Proceeds from sale of outstanding balance of property transaction:

(Shown as 'other receivables')	June 30, 2015	December 31, 2014	June 30, 2014
Sale of property, plant and equipment:			
－Group with significant influence to the Group	$ 233,404	$ 128,600	$ 157,666

(2) Key management compensation

	For the three-month periods ended June 30,	
	2015	2014
Salaries and other short-term employee benefits	$ 1,322	$ 1,132
Service execution fees	66	67
	$ 1,388	$ 1,199

	For the six-month periods ended June 30,	
	2015	2014
Salaries and other short-term employee benefits	$ 3,307	$ 2,880
Service execution fees	133	134
	$ 3,440	$ 3,014

8. PLEDGED ASSETS

None.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	June 30, 2015	December 31, 2014	June 30, 2014
Property, plant and equipment	$ 54,477	$ 58,769	$ 51,583

B. Operating lease commitments:

The future aggregate minimum lease payments for operating leases commitments of leasing dormitory of factory are as follows:

	June 30, 2015	December 31, 2014	June 30, 2014
Not later than one year	$ 429,560	$ 622,737	$ 473,770
Later than one year but not later than five years	1,671,626	2,746,646	2,626,137
	$ 2,101,186	$ 3,369,383	$ 3,099,907

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. Others

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to operate with the goal to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total is calculated as 'equity' as shown in the consolidated balance sheet less total intangible assets capital.

During 2015, the Group's strategy, which was unchanged from 2014, was to maintain the gearing ratio below 70%.

(2) Financial instruments

A. Fair value information of financial instruments

The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, financial assets at fair value through profit or loss, available-for-sale financial assets, receivable, other receivables, time deposits with maturity more than three months, short-term loans, financial liabilities at fair value through profit or loss, payables and other payables) approximate to their fair values. The fair value information of financial instruments measured at fair value is provided in Note 12(3).

B. Financial risk management policies

(a) Risk categories:

The Group employs a comprehensive financial risk management and control system to clearly identify, measure and control the various kinds of financial risk it faces, including market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Management objectives:

i. Except for market risk, which is controlled by outside factors, the remainder of the foregoing types of risks can be controlled internally or removed from business processes. Therefore, the goal in managing each of these risks is to reduce them to zero.

ii. As for market risk, the goal is to optimize its overall position through strict analysis, suggestion, execution and audit processes, and proper consideration of a) long-term trends in the external economic/financial environment, b) internal operating conditions, and c) the actual effects of market fluctuations.

iii. The Group's overall risk management policy focuses on the unpredictable items in financial markets and seeks to reduce the risk that potentially pose adverse effects on the Group's financial position and financial performance.

iv. For the information of the derivative financial instruments that the Group enters into, please refer to Note 6(2).

(c) Management system:

i. Risk management is executed by the Group’s finance department by following policies approved by the Board. Through cooperation with the Group's operating units, finance department is responsible for identifying, evaluating and hedging financial risks.

ii. The Board has a written policy covering overall risk management. It also has written policies covering specific issues, such as exchange rate risk, interest rate risk, credit risk, derivative and non-derivative financial instruments used, and the investment of excess working capital.

C. Significant financial risks and degrees of financial risks

(a) Market risk

<u>Foreign exchange risk</u>

i. Nature:

The Group is a multinational group in the Electronic manufacturing services industry. Most of the exchange rate risk from operating activities comes from:

(i) Foreign exchange risk arises from different exchange rates to functional currency as the invoice dates of accounts receivable and payable denominated in non-functional foreign currency are different. Because the amount after the assets and liabilities are offset is insignificant, income/loss is insignificant as well. (Note: The Group has several sites in various countries and thus is exposed to various foreign exchange risks. The main risk arises from USD and RMB.)

(ii) Changes in exchange rates of functional currencies to presentation currency at different timing will cause another foreign exchange risk.

(iii) Except for the above transactions (operating activities) recognized in the income statement, assets and liabilities recognized in the balance sheet and the net investment in foreign operations also result in the exchange rate risk.

ii. Management:

(i) For such risks, the Group has set up policies requiring companies in the Group to manage its exchange rate risks.

(ii) As to the exchange rate risk arising from the difference between various functional currencies and the reporting currency in the consolidated financial statements, it is managed by the Group's finance department.

iii. The sources:

a. U.S. dollars and NT dollars:

Sources of risk:

Foreign exchange risk arises primarily from U.S. dollar-denominated cash, cash equivalents, accounts receivable and other receivables, other assets, loans, accounts payable and other payables and other liabilities, which results in exchange loss or gain when they are translated into New Taiwan dollars.

b. U.S. dollars and RMB:

Sources of risk:

Foreign exchange risk arises primarily from U.S. dollar-denominated cash, cash equivalents, accounts receivable and other receivables, other assets, loans, accounts payable and other payables and other liabilities, which results in exchange loss or gain when they are translated into RMB.

iv. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	June 30, 2015		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: Functional currency)			
Financial assets			
Monetary items			
USD：NTD	$ 117,185	30.86	$ 3,616,329
USD：RMB	461,646	6.1136	14,246,396
Non-monetary items			
Foreign operations			
USD：NTD	2,659,842	30.86	82,082,733
Financial liabilities			
Monetary items			
USD：NTD	290,718	30.86	8,971,557
USD：RMB	587,932	6.1136	18,143,582

	December 31, 2014		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: Functional currency)			
Financial assets			
Monetary items			
USD：NTD	$ 406,482	31.65	$ 12,865,155
USD：RMB	575,338	6.1190	3,520,493
Non-monetary items			
Foreign operations			
USD：NTD	2,427,509	31.65	76,830,665
Financial liabilities			
Monetary items			
USD：NTD	518,910	31.65	16,423,502
USD：RMB	583,711	6.1190	3,571,728

	June 30, 2014		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: Functional currency)			
Financial assets			
Monetary items			
USD：NTD	$ 76,122	29.87	$ 2,273,764
USD：RMB	265,923	6.2035	7,943,120
Non-monetary items			
Foreign operations			
USD：NTD	2,177,095	29.87	65,029,733
Financial liabilities			
Monetary items			
USD：NTD	117,396	29.87	3,506,619
USD：RMB	449,049	6.2035	13,413,094

v. Total exchange gain (loss), including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the three-month and six-month periods ended June 30, 2015 and 2014 amounted to gain $24,933, gain $44,049, loss $55,598 and loss $244,211, respectively.

	June 30, 2015	
	Sensitivity analysis	
	Extent of variation	Effect on profit or loss
(Foreign currency: Functional currency)		
Financial assets		
Monetary items		
USD：NTD	1%	$ 36,163
USD：RMB	1%	142,464
Financial liabilities		
Monetary items		
USD：NTD	1%	89,716
USD：RMB	1%	181,436

	June 30, 2014	
	Sensitivity analysis	
	Extent of variation	Effect on profit or loss
(Foreign currency: Functional currency)		
Financial assets		
Monetary items		
USD：NTD	1%	$ 22,738
USD：RMB	1%	79,431
Financial liabilities		
Monetary items		
USD：NTD	1%	35,066
USD：RMB	1%	134,131

Price risk

i. Nature Nature

The Group primarily invests in domestic and foreign publicly traded and unlisted equity instruments, which are accounted for as available-for-sale financial assets and financial assets carried at cost. The price of those equity instruments will be affected by the uncertainty of the future value of the investment

ii. Extent

If such equity instruments' price rise or fall by 1%, with all other factors held constant, the impact on equity due to available-for-sale equity instruments are $61,781 and $45,505 for the six-month periods ended June 30, 2015 and 2014, respectively.

Interest rate risk

The Group's interest rate risk arises from long-term and short-term loans. Long-term and short-term loans with floating rates expose the Group to cash flow interest rate risk, but most of the risks are offset by cash and cash equivalents with variable interest rates.

If short-term loans interest rates rise or fall by 1%, with all other factors held constant, the impact on profit after tax are have increased/decreased by $72,657 and $27,229 for the six-month periods ended June 30, 2015 and 2014, respectively.

(b) Credit risk

Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments.

i. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. The Group assesses the credit quality of the customers by taking into account their financial position, past experience and other factors to conduct its internal risk management.

ii. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board of directors. The utilisation of credit limits is regularly monitored. Major credit risk arises from cash and cash equivalents, derivative financial instruments and other financial instruments. The counterparties are banks with good credit quality and financial institutions with investment grade or above and government agencies, so there is no significant compliance concerns and credit risk.

iii. The credit quality information of accounts receivable (including related parties) that are neither past due nor impaired is in the following categories based on the Group's Credit Quality Control Policy:

	June 30, 2015	December 31, 2014	June 30, 2014
Group 1	$ 22,610,220	$ 30,207,966	$ 12,311,092
Group 2	970,985	1,284,286	1,399,048
Group 3	987,844	1,427,117	969,263
Group 4	801,375	689,123	471,237
	$ 25,370,424	$ 33,608,492	$ 15,150,640

Group 1： Standard Poor's, Fitch's, or Moody's rating of A-level, or rated as A-level in accordance with the Group's credit policies for those that have no external credit ratings.

Group 2： Standard Poor's or Fitch's rating of BBB, Moody's rating of Baa, or rated as B or C in accordance with the Group's credit policies for those that have no external credit ratings.

Group 3： Standard Poor's or Fitch's rating of BB + and below, or Moody's rating of Ba1 and below.

Group 4： Rated as other than A, B, or C in accordance with the Group's credit policies for those that have no external credit ratings.

iv. The aging analysis of accounts receivable (including related parties) that were past due but not impaired is as follows:

	June 30, 2015	December 31, 2014	June 30, 2014
Up to 30 days	$ 323,083	$ 386,702	$ 623,270
31 to 90 days	633,871	145,131	28,646
91 to 180 days	65,720	8,417	4,501
181 to 360 days	15,212	1,603	110,728
Over 361 days	18,280	5,929	-
	$ 1,056,166	$ 547,782	$ 767,145

(c) Liquidity risk

i. Cash flow forecasting is performed by each the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements, for example, currency restrictions.

ii. The table below analysis the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities

June 30, 2015	Less than 3 months	Between 3 to 6 months	Between 6 months to 1 year	Total
Short-term loans	$ 16,715,090	$ 334,748	$ 457,948	$ 17,507,786
Accounts payable	12,358,133	160,513	38,116	12,556,762
Other payables	16,797,994	188,944	130,793	17,117,731
	$ 45,871,217	$ 684,205	$ 626,857	$ 47,182,279

Non-derivative financial liabilities

December 31, 2014	Less than 3 months	Between 3 to 6 months	Between 6 months to 1 year	Total
Short-term loans	$ 12,162,531	$ -	$ 214,284	$ 12,376,815
Accounts payable	16,801,529	172,326	515,977	17,489,832
Other payables	14,951,874	533,960	1,313,263	16,799,097
	$ 43,915,934	$ 706,286	$ 2,043,524	$ 46,665,744

Non-derivative financial liabilities

June 30, 2014	Less than 3 months	Between 3 to 6 months	Between 6 months to 1 year	Total
Short-term loans	$ 6,062,659	$ 57,780	$ 440,707	$ 6,561,146
Accounts payable	7,440,622	171,639	22,418	7,634,679
Other payables	7,337,333	278,503	92,442	7,708,278
	$ 20,840,614	$ 507,922	$ 555,567	$ 21,904,103

Derivative financial liabilities

	Less than 3 months	Between 3 to 6 months	Between 6 months to 1 year	Total
June 30, 2015				
Foreign exchange contracts	$ 118,520	$ -	$ -	$ 118,520

Derivative financial liabilities

	Less than 3 months	Between 3 to 6 months	Between 6 months to 1 year	Total
December 31, 2014				
Foreign exchange contracts	$ 107,654	$ -	$ -	$ 107,654

As of June 30, 2014, the Group has no derivative financial liabilities.

(3) Fair value information

A. Details of the fair value of the Group's financial assets and financial liabilities not measured at fair value are provided in Note 12(2)A. Details of the fair value of the Group's investment property measured at cost are provided in Note 6(10).

B. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in derivative instruments is included in Level 2.

Level 3 : Unobservable inputs for the asset or liability. The fair value of the Group's investment in investment property is included in Level 3.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at June 30, 2015, December 31, 2014 and June 30, 2014 is as follows:

June 30, 2015	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Foreign exchange contracts	$ -	$ 180,285	$ -	$ 180,285
Available-for-sale financial assets				
Equity securities	$ 5,895,471	$ -	$ -	$ 5,895,471
Foreign investment fund	-	282,670	-	282,670
	$ 5,895,471	$ 282,670	$ -	$ 6,178,141

December 31, 2014	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Foreign exchange contracts	$ -	$ 416,480	$ -	$ 416,480
Available-for-sale financial assets				
Equity securities	$ 4,528,413	$ -	$ -	$ 4,528,413
Foreign investment fund	-	291,986	-	291,986
	$ 4,528,413	$ 291,986	$ -	$ 4,820,399
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Foreign exchange contracts	$ -	$ 107,654	$ -	$ 107,654

June 30, 2014	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Principal and income protected financial products	$ -	$ 1,877,867	$ -	$ 1,877,867
Forward exchange contracts	-	6,806	-	6,806
	$ -	$ 1,884,673	$ -	$ 1,884,673
Available-for-sale financial assets				
Equity securities	$ 4,251,937	$ -	$ -	$ 4,251,937
Foreign investment fund	-	298,596	-	298,596
	$ 4,251,937	$ 298,596	$ -	$ 4,550,533

D. The methods and assumptions the Group used to measure fair value are as follows:

(a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares
Market quoted price	Closing price

(b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques method can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

(c) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

(d) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.

(e) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

(f) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

E. For the six-month periods ended June 30, 2015 and 2014, there was no transfer between Level 1 and Level 2.

F. For the six-month periods ended June 30, 2015 and 2014, there was no transfer into or out from Level 3.

13. ADDITIONAL DISCLOSURES REQUIRED BY THE SECURITIES AND FUTURES COMMISSION

(1) Related information of significant transactions

For the investees' information, except for statements of Foxconn Technology Pte. Ltd, Q-Run Holdings Ltd., Q-Run Far East Corporation., Eastern Star Limited., Hon Fujin Precision Industry (Taiyuan) Co., Ltd and World Trade Trading Ltd. which were reviewed by accountants, others were based solely on the unreviewed financial statements of these companies.

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table2.

D. Acquisition or sale of the same security with the accumulated cost reaching NT $300 million or 20% of paid-in capital or more: Please refer to table3.

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

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

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 4.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table5.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2), 6(24) and 12(3).

J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 7.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 6.

14. SEGMENT INFORMATION

(1) General information

The Group is primarily engaged in assembling and sales of cases, heat dissipation modules and consumer electronics products. The chief operating decision-maker managed abovementioned items by business activities. Currently, business activities can be categorized into trading services of electronic products and manufacturing and sales of mechanism and components.

Revenue and operating income of operating segments are used by the Group's chief operating decision-maker for adjust imputation of internal costs and allocation of expenses to segment profit (loss) and are used as an indication for assessment of performance and allocation of resources.

(2) Measurement of segment information

The financial information of reportable segments provided to the chief operating decision maker is as follows:

	Three-month period ended June 30, 2015		
	Electronic products trading services	Production and sales of mechanical components	Total
External revenue	$ 4,563,167	$ 19,804,755	$ 24,367,922
Revenue from internal customers	131,821	501,096	632,917
Segment revenue	$ 4,694,988	$ 20,305,851	$ 25,000,839
Measurement of segment profit or loss	$ 17,640	$ 2,903,970	$ 2,921,610
Depreciation and amortization	$ 572	$ 755,201	$ 755,773
Interest income	$ 13,262	$ 313,910	$ 327,172
Interest expense	$ 7,528	$ 16,113	$ 23,641
Total segment assets (Note)	$ -	$ -	$ -

	Three-month period ended June 30, 2014		
	Electronic products trading services	Production and sales of mechanical components	Total
External revenue	$ 2,454,224	$ 11,004,789	$ 13,459,013
Revenue from internal customers	173,986	778,512	952,498
Segment revenue	$ 2,628,210	$ 11,783,301	$ 14,411,511
Measurement of segment profit or loss	$ 126,367	$ 1,154,506	$ 1,280,873
Depreciation and amortization	$ 1,887	$ 883,806	$ 885,693
Interest income	$ 22,569	$ 198,229	$ 220,798
Interest expense	$ 12,885	$ 76,779	$ 89,664
Total segment assets (Note)	$ -	$ -	$ -

	Six-month period ended June 30, 2015		
	Electronic products trading services	Production and sales of mechanical components	Total
External revenue	$ 9,209,604	$ 39,439,173	$ 48,648,777
Revenue from internal customers	223,070	1,020,270	1,243,340
Segment revenue	$ 9,432,674	$ 40,459,443	$ 49,892,117
Measurement of segment profit or loss	$ 178,963	$ 5,805,926	$ 5,984,889
Depreciation and amortization	$ 1,522	$ 1,630,381	$ 1,631,903
Interest income	$ 27,825	$ 585,385	$ 613,210
Interest expense	$ 22,400	$ 37,744	$ 60,144
Total segment assets (Note)	$ -	$ -	$ -

	Six–month period ended June 30, 2014		
	Electronic products trading services	Production and sales of mechanical components	Total
External revenue	$ 5,394,575	$ 18,844,183	$ 24,238,758
Revenue from internal customers	316,994	1,472,862	1,789,856
Segment revenue	$ 5,711,569	$ 20,317,045	$ 26,028,614
Measurement of segment profit or loss	$ 327,279	$ 1,256,047	$ 1,583,326
Depreciation and amortization	$ 3,832	$ 1,944,267	$ 1,948,099
Interest income	$ 42,458	$ 337,747	$ 380,205
Interest expense	$ 17,996	$ 88,266	$ 106,262
Total segment assets (Note)	$ -	$ -	$ -

Note: The measurement of operating segment assets is not provided to the operating decision-maker; thus, the measurement that shall be disclosed is zero.

(3) Reconciliation for segment income (loss)

Sales between segments are carried out at arm’s length. The revenue from external parties reported to the chief operating decision-maker is measured in a manner consistent with that in the income statement.

A reconciliation of reportable segment profit or loss to the profit /(loss) before tax from continuing operations for the three–month and six-month periods ended June 30, 2015 and 2014is provided as follows:

Operating revenue	For the three-month periods ended June 30, 2015	2014
Total reportable segments revenue	$ 25,000,839	$ 14,411,511
Other segments revenue	74,099	26,342
Elimination of inter-segment revenue	(632,917)	(952,498)
Total corporate revenue	$ 24,442,021	$ 13,485,355

Operating revenue	For the six-month periods ended June 30, 2015	2014
Total reportable segments revenue	$ 49,892,117	$ 26,028,614
Other segments revenue	219,736	444,562
Elimination of inter-segment revenue	(1,243,340)	(1,789,856)
Total corporate revenue	$ 48,868,513	$ 24,683,320

Profit and loss	For the three-month periods ended June 30, 2015	2014
Profit of reported segment	$ 2,921,610	$ 1,280,873
(Loss) profit of other operating segments	(34,912)	78,998
Income after tax from continuing operations	$ 2,886,698	$ 1,359,871

Profit and loss	For the six-month periods ended June 30, 2015	2015
Profit of reported segment	$ 5,984,889	$ 1,583,326
(Loss) profit of other operating segments	(129,556)	107,004
Income after tax from continuing operations	$ 5,855,333	$ 1,690,330

Foxconn Technology Co., Ltd and subsidiaries

Loans to others

For the six-month period ended June 30, 2015

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six-month period ended June 30, 2015	Balance at June 30, 2015	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party	Ceiling on total loans granted	Note
1	Foxconn Technology Pte. Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd	Other receivables	Related parties	$ 3,141,000	$ 3,098,000	$ 3,098,000	0.53150%	Short-term financing	$ -	Business operation	$ -	None	$ -	$ 25,048,737	$ 50,097,474	Note
1	Foxconn Technology Pte. Ltd.	Fu Rui Precision Components (Kunshan) Co., Ltd	Other receivables	Related parties	345,510	340,780	340,780	0.53660%	Short-term financing	-	Business operation	-	None	-	25,048,737	50,097,474	Note
1	Foxconn Technology Pte. Ltd.	Nanning Funing Precision Electronics Co., Ltd.	Other receivables	Related parties	439,740	-	-	0	Short-term financing	-	Business operation	-	None	-	25,048,737	50,097,474	Note
1	Foxconn Technology Pte. Ltd.	Fu Yu Precision Components (Kunshan) Co., Ltd	Other receivables	Related parties	910,890	898,420	898,420	0.53660%	Short-term financing	-	Business operation	-	None	-	25,048,737	50,097,474	Note
1	Foxconn Technology Pte. Ltd.	Fuzhun Precision (Hebi) Electronics Co., Ltd.	Other receivables	Related parties	794,673	-	-	0	Short-term financing	-	Business operation	-	None	-	25,048,737	50,097,474	Note
2	Foxconn Precision Components Holding Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd	Other receivables	Related parties	3,141,000	3,098,000	3,098,000	0.53485%	Short-term financing	-	Business operation	-	None	-	25,048,737	50,097,474	Note
3	New Glory Holdings Ltd.	YanTai Fuzhun Precision Electronics Co., Ltd.	Other receivables	Related parties	628,200	619,600	619,600	0.52975%	Short-term financing	-	Business operation	-	None	-	25,048,737	50,097,474	Note
4	Fuzhun Precision (Shenzhen) Industry Co., Ltd	YanTai Fuzhun Precision Electronics Co., Ltd.	Other receivables	Related parties	255,970	253,235	253,235	3.00000%	Short-term financing	-	Business operation	-	None	-	25,048,737	50,097,474	Note
4	Fuzhun Precision (Shenzhen) Industry Co., Ltd	Hon Fujin Precision Industry (Taiyuan) Co., Ltd	Other receivables	Related parties	2,559,700	2,532,350	2,532,350	3.00000%	Short-term financing	-	Business operation	-	None	-	25,048,737	50,097,474	Note
5	Fu Rui Precision Components (Kunshan) Co., Ltd	Fu Yu Precision Components (Kunshan) Co., Ltd	Other receivables	Related parties	611,592	607,764	607,764	1.35000%	Short-term financing	-	Business operation	-	None	-	25,048,737	50,097,474	Note
5	Fu Rui Precision Components (Kunshan) Co., Ltd	Hon Fujin Precision Industry (Taiyuan) Co., Ltd	Other receivables	Related parties	1,228,656	1,215,528	709,058	2.60000%	Short-term financing	-	Business operation	-	None	-	25,048,737	50,097,474	Note
6	Hon Fujin Precision Industry (Taiyuan) Co., Ltd	Qingdao Hiyn Materials Co., Ltd	Other receivables	Related parties	757,671	749,576	749,576	5.35%-6%	Short-term financing	-	Business operation	-	None	-	2,449,653	9,798,614	Note

Note: For short-term borrowings, limit on loans granted for a single party is 10% of the lending company’s net assets and ceiling on total loans is 40% of the Company’s net asset based on the latest audited or reviewed financial statements.
Limit on loans granted for a single foreign company whose voting rights are 100% owned directly and indirectly by the Company is 30% of the Company’s net asset and 60% for ceiling on total loans.

Foxconn Technology Co., Ltd and subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

June 30, 2015

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

				As of June 30, 2015				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value	Note
Foxconn Technology Co., Ltd.	Common stock of CyberTAN Technology Inc.	None	Available-for-sale financial assets - non-current	10,035,348	$ 218,771	3.04	$ 218,771	
Foxconn Technology Co., Ltd.	Common stock of Pan-International Industrial Corp.	None	Available-for-sale financial assets - non-current	1,079,986	15,930	0.21	15,930	
Foxconn Technology Co., Ltd.	Common stock of Innolux Corporation	None	Available-for-sale financial assets - non-current	127,556,349	2,053,657	1.28	2,053,657	
Foxconn Technology Co., Ltd.	Common stock of Advanced Optoelectronic Technology, Inc.	None	Available-for-sale financial assets - non-current	1,000	37	-	37	
Huazhun Investment Co., Ltd.	Common stock of Innolux Corporation	None	Available-for-sale financial assets - non-current	121,036,800	1,948,693	1.22	1,948,693	
Huazhun Investment Co., Ltd.	Common stock of Advanced Optoelectronic Technology, Inc.	None	Available-for-sale financial assets - non-current	7,672,000	281,562	5.25	281,562	
Q-Run Holdings Ltd.	Conquer Hill Advantage Fund	None	Available-for-sale financial assets - non-current	89,927	282,670	-	282,670	
Q-Run Holdings Ltd.	Common stock of China Harmony Auto Holding Ltd.	None	Available-for-sale financial assets - non-current	40,000	1,376,821	2.54	1,376,821	
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	"Ben Li Feng" RMB Financial Products (BFDG2015140)	None	Other current assets		2,494,434		2,494,434	
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	"Ben Li Feng" RMB Financial Products (BFDG2015148)	None	Other current assets		2,492,737		2,492,737	
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	"Ben Li Feng" RMB Financial Products (BFDG2015147)	None	Other current assets		2,093,985		2,093,985	
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	"Ben Li Feng" RMB Financial Products (BFDG150170)	None	Other current assets		996,162		996,162	
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	"Ben Li Feng" RMB Financial Products (BFDG150169)	None	Other current assets		2,490,405		2,490,405	
Fu Yu Precision Components (Kunshan) Co., Ltd.	"Ben Li Feng" RMB Financial Products (BFDG150186)	None	Other current assets		1,144,871		1,144,871	
Fu Yu Precision Components (Kunshan) Co., Ltd.	"Ben Li Feng" RMB Financial Products (BFDG150185)	None	Other current assets		746,655		746,655	

Foxconn Technology Co., Ltd and subsidiaries

Aggregate purchases or sale of the same securities reaching $300 million or 20% of paid-in capital or more

For the six-month period ended June 30, 2015

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

					Balance as at January 1, 2015		Addition		Disposal				Balance as at June 30, 2015	
Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
Q-Run Holdings Ltd.	Common stock of Q-Run Far East Corp.	Note 1	Note 2	Note 3	915,973	USD915,973 thousand	98,000	USD98,000 thousand	-	-	-	-	1,013,973	USD1,013,973 thousand
Q-Run Far East Corp.	Common stock of Eastern Star Ltd.	Note 1	Note 2	Note 3	204,809	USD204,809 thousand	98,000	USD98,000 thousand	-	-	-	-	302,809	USD302,809 thousand
Eastern Star Ltd.	Fuzhun Precision (Hebi) Electronics Co., Ltd.	Note 1	Note 2	Note 3	49,700	USD49,700 thousand	98,000	USD98,000 thousand	-	-	-	-	147,700	USD147,700 thousand
Q-Run Holdings Ltd.	Common stock of FSK Holdings Limited	Note 1	FSK Holdings Limited	None	-	-	21 shares	HKD105,000 thousand	-	-	-	-	21 shares	HKD105,000 thousand
Q-Run Holdings Ltd.	Common stock of China Harmony Auto Holding Ltd.	Note 5	Eagle Seeker Company Limited	None	-	-	40,000	HKD189,200 thousand	-	-	-	-	40,000	HKD189,200 thousand
Hon Fujin Precision Industry (Taiyuan) Co., Ltd	"Hui Li Feng" RMB Financial Products	Note 4	Agricultural Bank of China Ltd.	None	-	RMB500,000 thousand	-	-	-	RMB502,301 thousand	RMB500,000 thousand	RMB2,301 thousand	-	-
Hon Fujin Precision Industry (Taiyuan) Co., Ltd	"Hui Li Feng" RMB Financial Products	Note 4	Agricultural Bank of China Ltd.	None	-	RMB500,000 thousand	-	-	-	RMB502,301 thousand	RMB500,000 thousand	RMB2,301 thousand	-	-
Hon Fujin Precision Industry (Taiyuan) Co., Ltd	"Hui Li Feng" RMB Financial Products	Note 4	Agricultural Bank of China Ltd.	None	-	-	-	RMB240,000 thousand	-	RMB241,627 thousand	RMB240,000 thousand	RMB1,627 thousand	-	-
Hon Fujin Precision Industry (Taiyuan) Co., Ltd	Yun Tong Fortune Increasing Profits 47 Days Financial Products	Note 4	Bank of Communications Co., Ltd.	None	-	-	-	RMB500,000 thousand	-	RMB503,090 thousand	RMB500,000 thousand	RMB3,090 thousand	-	-
Hon Fujin Precision Industry (Taiyuan) Co., Ltd	"An Xin De Li" Targeted RMB Wealth Managements Products	Note 4	Agricultural Bank of China Ltd.	None	-	-	-	RMB500,000 thousand	-	RMB501,397 thousand	RMB500,000 thousand	RMB1,397 thousand	-	-
Hon Fujin Precision Industry (Taiyuan) Co., Ltd	Yun Tong Fortune Increasing Profits 40 Days Financial Products	Note 4	Bank of Communications Co., Ltd.	None	-	-	-	RMB100,000 thousand	-	RMB100,559 thousand	RMB100,000 thousand	RMB559 thousand	-	-
Hon Fujin Precision Industry (Taiyuan) Co., Ltd	"An Xin De Li" Targeted (ADDG2015009) RMB Wealth Managements Products	Note 4	Agricultural Bank of China Ltd.	None	-	-	-	RMB500,000 thousand	-	RMB502,279 thousand	RMB500,000 thousand	RMB2,279 thousand	-	-
Hon Fujin Precision Industry (Taiyuan) Co., Ltd	"An Xin De Li" Targeted (ADDG2015010) RMB Wealth Managements Products	Note 4	Agricultural Bank of China Ltd.	None	-	-	-	RMB500,000 thousand	-	RMB502,279 thousand	RMB500,000 thousand	RMB2,279 thousand	-	-

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2015 Number of shares	Balance as at January 1, 2015 Amount	Addition Number of shares	Addition Amount	Disposal Number of shares	Disposal Selling price	Disposal Book value	Disposal Gain (loss) on disposal	Balance as at June 30, 2015 Number of shares	Balance as at June 30, 2015 Amount
Hon Fujin Precision Industry (Taiyuan) Co., Ltd	"An Xin De Li" Targeted (ADDG2015011) RMB Wealth Managements Products	Note 4	Agricultural Bank of China Ltd.	None	-	-	-	RMB200,000 thousand	-	RMB201,181 thousand	RMB200,000 thousand	RMB912 thousand	-	-
Hon Fujin Precision Industry (Taiyuan) Co., Ltd	"Ben Li Feng" Targeted (BFDG2015064) RMB Wealth Managements Products	Note 4	Agricultural Bank of China Ltd.	None	-	-	-	RMB300,000 thousand	-	RMB301,664 thousand	RMB300,000 thousand	RMB1,664 thousand	-	-
Hon Fujin Precision Industry (Taiyuan) Co., Ltd	"Ben Li Feng" Targeted (BFDG2015065) RMB Wealth Managements Products	Note 4	Agricultural Bank of China Ltd.	None	-	-	-	RMB200,000 thousand	-	RMB201,059 thousand	RMB200,000 thousand	RMB1,059 thousand	-	-
Hon Fujin Precision Industry (Taiyuan) Co., Ltd	"Ben Li Feng" Targeted (BFDG2015072) RMB Wealth Managements Products	Note 4	Agricultural Bank of China Ltd.	None	-	-	-	RMB500,000 thousand	-	RMB502,647 thousand	RMB500,000 thousand	RMB2,647 thousand	-	-
Hon Fujin Precision Industry (Taiyuan) Co., Ltd	"Ben Li Feng" Targeted (BFDG2015085) RMB Wealth Managements Products	Note 4	Agricultural Bank of China Ltd.	None	-	-	-	RMB200,000 thousand	-	RMB201,181 thousand	RMB200,000 thousand	RMB1,181 thousand	-	-
Hon Fujin Precision Industry (Taiyuan) Co., Ltd	"Ben Li Feng" Targeted (BFDG2015086) RMB Wealth Managements Products	Note 4	Agricultural Bank of China Ltd.	None	-	-	-	RMB400,000 thousand	-	RMB402,411 thousand	RMB400,000 thousand	RMB2,411 thousand	-	-
Hon Fujin Precision Industry (Taiyuan) Co., Ltd	"Ben Li Feng" Targeted (BFDG2015040) RMB Wealth Managements Products	Note 4	Agricultural Bank of China Ltd.	None	-	-	-	RMB500,000 thousand	-	-	-	-	-	RMB500,000 thousand
Hon Fujin Precision Industry (Taiyuan) Co., Ltd	"Ben Li Feng" Targeted (BFDG2015148) RMB Wealth Managements Products	Note 4	Agricultural Bank of China Ltd.	None	-	-	-	RMB500,000 thousand	-	-	-	-	-	RMB500,000 thousand
Hon Fujin Precision Industry (Taiyuan) Co., Ltd	"Ben Li Feng" Targeted (BFDG2015147) RMB Wealth Managements Products	Note 4	Agricultural Bank of China Ltd.	None	-	-	-	RMB420,000 thousand	-	-	-	-	-	RMB420,000 thousand
Hon Fujin Precision Industry (Taiyuan) Co., Ltd	"Ben Li Feng" Targeted (BFDG150170) RMB Wealth Managements Products	Note 4	Agricultural Bank of China Ltd.	None	-	-	-	RMB200,000 thousand	-	-	-	-	-	RMB200,000 thousand
Hon Fujin Precision Industry (Taiyuan) Co., Ltd	"Ben Li Feng" Targeted (BFDG150169) RMB Wealth Managements Products	Note 4	Agricultural Bank of China Ltd.	None	-	-	-	RMB500,000 thousand	-	-	-	-	-	RMB500,000 thousand
Nanning Funing Precision Electronics Co., Ltd.	RMB Continuous Serial Deposits Financial Products	Note 4	Bank of China Limited	None	-	RMB80,000 thousand	-	-	-	RMB80,671 thousand	RMB80,000 thousand	RMB671 thousand	-	-

					Balance as at January 1, 2015		Addition		Disposal				Balance as at June 30, 2015	
Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
Nanning Funing Precision Electronics Co., Ltd.	RMB Continuous Serial Deposits Financial Products	Note 4	Bank of China Limited	None	-	-	-	RMB100,000 thousand	-	RMB100,629 thousand	RMB100,000 thousand	RMB629 thousand	-	-
Nanning Funing Precision Electronics Co., Ltd.	RMB Continuous Serial Deposits Financial Products	Note 4	Bank of China Limited	None	-	-	-	RMB100,000 thousand	-	RMB101,019 thousand	RMB100,000 thousand	RMB1,019 thousand	-	-
Nanning Funing Precision Electronics Co., Ltd.	RMB Continuous Serial Deposits Financial Products	Note 4	Bank of China Limited	None	-	-	-	RMB100,000 thousand	-	RMB100,857 thousand	RMB100,000 thousand	RMB857 thousand	-	-
Nanning Funing Precision Electronics Co., Ltd.	"Ben Li Feng" RMB 34 Days Financial Products	Note 4	Agricultural Bank of China Ltd.	None	-	-	-	RMB100,000 thousand	-	RMB100,382 thousand	RMB100,000 thousand	RMB382 thousand	-	-
Fuzhun Precision (Hebi) Electronics Co., Ltd.	“Li Duo Duo” Company No. 1 Wealth Train Financial Products	Note 4	Shanghai Pudong Development Bank Co., Ltd.	None	-	-	-	RMB100,000 thousand	-	RMB100,362 thousand	RMB100,000 thousand	RMB362 thousand	-	-
Fuzhun Precision (Hebi) Electronics Co., Ltd.	"Li Duo Duo" 28 Days Financial Products	Note 4	Shanghai Pudong Development Bank Co., Ltd.	None	-	-	-	RMB80,000 thousand	-	RMB80,301 thousand	RMB80,000 thousand	RMB301 thousand	-	-
Fuzhun Precision (Hebi) Electronics Co., Ltd.	2015 “Li Duo Duo” Company To The Public Structural Deposites (JG371)	Note 4	Shanghai Pudong Development Bank Co., Ltd.	None	-	-	-	RMB100,000 thousand	-	RMB100,426 thousand	RMB100,000 thousand	RMB426 thousand	-	-
Fuzhun Precision (Hebi) Electronics Co., Ltd.	“Li Duo Duo” Company No. 1 Wealth Train Financial Products	Note 4	Shanghai Pudong Development Bank Co., Ltd.	None	-	-	-	RMB100,000 thousand	-	RMB100,349 thousand	RMB100,000 thousand	RMB349 thousand	-	-
Fu Yu Precision Components (Kunshan) Co., Ltd	"Ben Li Feng" Financial Products (BFDG150186)	Note 4	Agricultural Bank of China Ltd.	None	-	-	-	RMB230,000 thousand	-	-	-	-	-	RMB230,000 thousand
Fu Yu Precision Components (Kunshan) Co., Ltd	"Ben Li Feng" Financial Products (BFDG150185)	Note 4	Agricultural Bank of China Ltd.	None	-	-	-	RMB150,000 thousand	-	-	-	-	-	RMB150,000 thousand

Note 1: Code of general ledger accounts is long-term equity investment accounted for under the equity method.
Note 2: The acquisition is to increase capital for indirect investees wholly-owned by the Company.
Note 3: Subsidiary of the Company.
Note 4: Code of general ledger accounts is other current assets.
Note 5: Code of general ledger accounts is available-for-sale financial assets - non-current.

Foxconn Technology Co., Ltd. and subsidiaries

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

For the six-month period ended June 30, 2015

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Note
Foxconn Technology Co., Ltd.	Foxconn (Far East) Ltd. and subsidiaries	The indirect subsidiaries of Hon Hai Precision Industry Co., Ltd.	Sales	$ 678,761	7	90 days	Note	Note	$ 355,847	6	
Foxconn Technology Co., Ltd.	FTC Technology Inc.	The investee is an indirect subsidiary of the Company	Sales	152,541	2	90 days	Note	Note	28,773	-	
Foxconn Technology Co., Ltd.	Foxconn (Far East) Ltd. and subsidiaries	The indirect subsidiaries of Hon Hai Precision Industry Co., Ltd.	Purchases	7,557,767	83	30 days	Note	Note	(2,327,381)	(65)	
Foxconn Technology Co., Ltd.	Nanning Funing Precision Electronics Co., Ltd.	The counterparty is an indirect subsidiary of the Company	Purchases	813,439	9	30 days	Note	Note	-	-	
Foxconn Technology Co., Ltd.	Fu Rui Precision Components (Kunshan) Co., Ltd	The counterparty is an indirect subsidiary of the Company	Purchases	216,542	2	90 days	Note	Note	(152,983)	(4)	
Fuzhun Precision (Shenzhen) Industry Co., Ltd.	Foxconn Technology Pte. Ltd.	The investee and the counterparty are indirect subsidiaries of the Company	Sales	186,376	35	90 days	Note	Note	79,590	16	
Fuzhun Precision (Shenzhen) Industry Co., Ltd.	Foxconn (Far East) Ltd. and subsidiaries	The investee and the counterparty are Hon Hai Precision Industry Co., Ltd. and its subsidiaries	Sales	351,279	65	90 days	Note	Note	389,794	80	
Fu Yu Precision Components (Kunshan) Co., Ltd.	Foxconn Technology Pte. Ltd.	The investee and the counterparty are indirect subsidiaries of the Company	Sales	1,549,990	92	60 days	Note	Note	496,697	68	
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Foxconn Technology Pte. Ltd.	The investee and the counterparty are indirect subsidiaries of the Company	Sales	1,038,971	3	90 days	Note	Note	560,489	3	
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Fuzhun Precision (Hebi) Electronics Co., Ltd.	The investee and the counterparty are indirect subsidiaries of the Company	Sales	153,060	1	90 days	Note	Note	92,458	1	
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Foxconn (Far East) Ltd. and subsidiaries	The counterparties of the investee are indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	Sales	28,317,828	94	90 days	Note	Note	15,903,906	93	
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Foxconn (Far East) Ltd. and subsidiaries	The counterparties of the investee are indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	Purchases	6,326,612	26	90 days	Note	Note	(3,316,574)	(39)	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction: Purchases (sales)	Transaction: Amount	Transaction: Percentage of total purchases (sales)	Transaction: Credit term	Differences in transaction terms compared to third party transactions: Unit price	Differences in transaction terms compared to third party transactions: Credit term	Notes/accounts receivable (payable): Balance	Notes/accounts receivable (payable): Percentage of total notes/accounts receivable (payable)	Note
Foxconn Technology Pte. Ltd.	Foxconn (Far East) Ltd. and subsidiaries	The counterparties of the investee are indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	Sales	$ 1,365,844	15	90 days	Note	Note	$ 889,282	13	
Foxconn Technology Pte. Ltd.	Foxconn (Far East) Ltd. and subsidiaries	The counterparties of the investee are indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	Purchases	1,870,650	25	90 days	Note	Note	(777,969)	(21)	
Foxconn Technology Pte. Ltd.	Hon Hai Precision Industry Co., Ltd.	The counterparty of the investee is an investment company which accounts the Company using equity method	Sales	301,789	3	90 days	Note	Note	185,600	3	
Foxconn Technology Pte. Ltd.	Hon Hai Precision Industry Co., Ltd.	The counterparty of the investee is an investment company which accounts the Company using equity method	Purchases	1,818,394	25	90 days	Note	Note	(1,358,989)	(37)	
Foxconn Technology Pte. Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	The investee and the counterparty are indirect subsidiaries of the Company	Sales	2,953,520	33	90 days	Note	Note	3,196,969	49	
Foxconn Technology Pte. Ltd.	Ambit Microsystem (Shanghai) Co., Ltd.	The counterparty of the investee is an indirect subsidiary of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	Sales	208,569	2	90 days	Note	Note	60,812	1	
FTC Technology Inc.	Hon Hai Precision Industry Co., Ltd.	The counterparty of the investee is an investment company which accounts the Company using equity method	Sales	135,186	82	50 days	Note	Note	82,989	89	
YanTai Fuzhun Precision Electronics Co., Ltd.	Fu Yu Precision Components (Kunshan) Co., Ltd.	The counterparty and the investee are indirect subsidiaries of the Company	Sales	254,291	60	90 days	Note	Note	134,563	56	
YanTai Fuzhun Precision Electronics Co., Ltd.	Foxconn (Far East) Ltd. and subsidiaries	The counterparties of the investee are indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	Sales	106,783	25	90 days	Note	Note	85,451	35	
Fuzhun Precision (Hebi) Electronics Co., Ltd.	Foxconn (Far East) Ltd. and subsidiaries	The counterparties of the investee are indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	Sales	2,655,314	86	90 days	Note	Note	1,553,589	83	
Fuzhun Precision (Hebi) Electronics Co., Ltd.	Foxconn (Far East) Ltd. and subsidiaries	The counterparties of the investee are indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	Purchases	158,021	6	90 days	Note	Note	(318,303)	(41)	
Fuzhun Precision (Hebi) Electronics Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	The counterparty of the investee is an indirect subsidiary of the Company	Sales	171,017	6	90 days	Note	Note	92,795	5	
Fuzhun Precision (Hebi) Electronics Co., Ltd.	Foxconn Technology Pte. Ltd.	The counterparty of the investee is an indirect subsidiary of the Company	Sales	111,228	4	90 days	Note	Note	93,709	5	
Qingdao Hiyn Materials Co., Ltd.	Foxconn (Far East) Ltd. and subsidiaries	The counterparties of the investee are indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	Sales	192,252	89	90 days	Note	Note	124,066	96	

Note: The prices and terms to related parties were not significantly different from transactions with third parties, except for particular transactions with no similar transactions to compare with.
For these transactions, the prices and terms were determined in accordance with mutual agreements.

Foxconn Technology Co., Ltd. and subsidiaries

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

For the six-month period ended June 30, 2015

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2015	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Foxconn Technology Co., Ltd	Foxconn (Far East) Ltd. and subsidiaries	The indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	$ 355,847	3.90	$ 14,111	Subsequent collection	$ 28,299	$ -
Foxconn Technology Pte. Ltd.	Hon Hai Precision Industry Co., Ltd.	The counterparty of the investee is an investment company which accounts the Company using equity method	185,600	1.25	-	-	-	-
Foxconn Technology Pte. Ltd.	Foxconn (Far East) Ltd. and subsidiaries	The counterparties of the investee are indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	889,282	3.10	25,797	Subsequent collection	10,135	-
Foxconn Technology Pte. Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd	The investee and the counterparty are indirect subsidiaries of the Company	3,196,969	2.75	1,374,572	Subsequent collection	1,374,770	-
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Foxconn Technology Pte. Ltd.	The investee and the counterparty are indirect subsidiaries of the Company	560,489	3.80	-	-	289,939	-
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Foxconn (Far East) Ltd. and subsidiaries	The counterparties of the investee are indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	15,903,906	3.51	48,718	Subsequent collection	204,640	-
Fuzhun Precision (Shenzhen) Industry Co., Ltd.	Foxconn (Far East) Ltd. and subsidiaries	The counterparties of the investee are indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	389,794	2.83	101,807	Subsequent collection	54,949	-
High Tempo International Ltd.	Foxconn Technology Co., Ltd	The investee is an indirect subsidiary of the Company	782,020 (shown as other receivables) (Note 1)	Not applicable	-	-	199,376	-
High Tempo International Ltd.	Fu Rui Precision Components (Kunshan) Co., Ltd	The investee and the counterparty are indirect subsidiaries of the Company	103,537	0.86	-	-	14,266	
Fu Yu Precision Components (Kunshan) Co., Ltd	Foxconn Technology Pte. Ltd.	The investee and the counterparty are indirect subsidiaries of the Company	496,697	6.35	-	-	496,697	
YanTai Fuzhun Precision Electronics Co., Ltd.	Fu Yu Precision Components (Kunshan) Co., Ltd	The investee and the counterparty are indirect subsidiaries of the Company	134,563	1.43	-	-	54,582	-

Foxconn Technology Co., Ltd. and subsidiaries

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

For the six-month period ended June 30, 2015

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2015	Turnover rate	Overdue receivables Amount	Overdue receivables Action taken	Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
Fuzhun Precision (Hebi) Electronics Co., Ltd.	Foxconn (Far East) Ltd. and subsidiaries	The counterparty of the investee is an indirect subsidiary of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	$ 1,553,589	4.22	$ 627,108	Subsequent collection	$ 328,382	-
Qingdao Hiyn Materials Co., Ltd	Foxconn (Far East) Ltd. and subsidiaries	The counterparty of the investee is an indirect subsidiary of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	124,066	4.16	124,066	Subsequent collection	37,443	-

Note 1: Receivables from purchases of materials by investees on behalf of the parent company.
Note 2: For information of loans to others, please refer to table 1.

Foxconn Technology Co., Ltd. and subsidiaries

Significant inter-company transactions during the reporting periods

For the six-month period ended June 30, 2015

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets
0	Foxconn Technology Co., Ltd	Ftc Technology Inc.	1	Sales	$ 152,541	Note 4	0
0	〃	Nanning Funing Precision Electronics Co., Ltd.	1	Purchases	813,439	〃	2
0	〃	Fu Rui Precision Components (Kunshan) Co.,	1	Purchases	216,542	〃	0
0	〃	〃	1	Accounts payable	152,983	〃	0
1	Fuzhun Precision (Shenzhen) Industry Co., Ltd.	Foxconn Technology Pte. Ltd.	3	Sales	186,376	〃	0
2	Fu Yu Precision Components (Kunshan) Co., Ltd.	〃	3	Sales	1,549,990	〃	3
2	〃	〃	3	Accounts receivable	496,697	〃	0
3	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	〃	3	Sales	1,038,971	〃	2
3	〃	〃	3	Accounts receivable	560,489	〃	0
3	〃	Fuzhun Precision (Hebi) Electronics Co., Ltd.	3	Sales	153,060	〃	0
4	Foxconn Technology Pte. Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	3	Sales	2,953,520	〃	6
4	〃	〃	3	Accounts receivable	3,196,969	〃	2
5	YanTai Fuzhun Precision Electronics Co., Ltd.	Fu Yu Precision Components (Kunshan) Co., Ltd.	3	Sales	254,291	〃	1
5	〃	〃	3	Accounts receivable	134,563	〃	0
6	Fuzhun Precision (Hebi) Electronics Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	3	Sales	171,017	〃	0
6	〃	Foxconn Technology Pte. Ltd.	3	Sales	111,228	〃	0
7	High Tempo International Ltd.	Foxconn Technology Co., Ltd	2	Other receivables	782,020	〃	1

Note 1: The information of transactions between the Company and the subsidiaries should be noted in “Number” column.
(1)Number 0 represents the Company.
(2)The consolidated subsidiaries are numbered in order from number 1.

Note 2: The transaction relationships with counterparties are as follows: (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For exar parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the t then the other is not required to disclose the transaction.)
(1) The Company to the consolidated subsidiary.
(2) The consolidated subsidiaries to the Company.
(3) The consolidated subsidiaries to another consolidated subsidiaries.

Note 3: Disclosure standard of transactions between the Company and subsidiaries is when purchases, sales and receivables (payables) from (to) related parties account for at least NT$100,000 or 20% of capital. Relative related are not disclosed.

Note 4: The prices and terms to related parties were not significantly different from transactions with third parties, except for particular transactions with no similar transactions to compare with. For these transactions, the prices were determined in accordance with mutual agreements.

Note 5: In calculating the ratio, the transaction amount is divided by consolidated total assets for balance sheet accounts and is divided by consolidated total revenues for income statement accounts.

Note 6: For information of loans to others, please refer to table 1.

Foxconn Technology Co., Ltd. and subsidiaries

Information on investees

For the six-month period ended June 30, 2015

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at June 30, 2015	Initial investment amount: Balance as at June 30, 2014	Shares held as at June 30, 2015: Number of shares	Shares held as at June 30, 2015: Ownership (%)	Shares held as at June 30, 2015: Book value	Net profit (loss) of the investee for the six-month period ended June 30, 2015	Investment income (loss) recognised by the Company for the six-month period ended June 30, 2015	Note
Foxconn Technology Co., Ltd.	Foxconn Precision Components Holding Co., Ltd.	Cayman Islands	Investment holding	$ 492,742	$ 492,742	135,839,643	100	$ 14,159,149	$ 615,184	$ 615,184	
Foxconn Technology Co., Ltd.	Q-Run Holdings Ltd.	Cayman Islands	Investment holding	9,851,192	9,851,192	480,077,600	100	67,923,584	5,960,223	5,988,856	
Foxconn Technology Co., Ltd.	Huazhun Investment Co., Ltd.	Taiwan	Investment	1,254,780	1,254,780	125,478,000	100	2,289,173	(275)	(275)	
Foxconn Technology Co., Ltd.	Syntrend Creative Park Co., Ltd.	Taiwan	Retail of office machinery and equipment and electronic appliances, and information software services.	390,322	390,322	39,032,250	20	295,352	(31,619)	(31,619)	

Note: Besides Foxconn Precision Components Holding Co., Ltd., Q-Run Holdings Ltd. and Huazhun Investment Co., Ltd. are subsidiaries of the Company, True Value International Ltd., Atkinson Holdings Ltd., Q-Run Fareast Corporation, World Trade Trading Ltd., High Tempo International Ltd., Ftc Technology Inc., Foxconn Technology Pte. Ltd., Kenny International Ltd., Double Wealth Profits Ltd., Precious Star International Ltd., Eastern Star Limited., Foreign Technology Ltd., Topfry Industrial Ltd., Gold Glory International Ltd., New Glory Holdings Ltd., Ftp Technology Inc., Fu Rui Precision Components (Kunshan) Co., Ltd., Fuzhun Precision (Shenzhen) Industry Co., Ltd., Fuyu Technology (Nanyang) Co., Ltd., Hon Fujin Precision Industry (Taiyuan) Co., Ltd., Fuzhun Precision (Hebi) Electronics Co., Ltd., Qingdao Hiyn Materials Co., Ltd., Fuhuigang Industrial (Shenzhen) Co., Ltd., Fu Yu Precision Components (Kunshan) Co., Ltd., YanTai Fuzhun Precision Electronics Co., Ltd. and Nanning Funing Precision Electronics Co., Ltd. are subsidiaries of the Company as well.

Foxconn Technology Co., Ltd. and subsidiaries

Information on investees in Mainland China

For the six-month period ended June 30, 2015

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2015	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the six-month period ended June 30, 2015		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2015	Net income of investee as of June 30, 2015	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six-month period ended June 30, 2015 (Note 2)	Book value of investments in Mainland China as of June 30, 2015	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2015	Note
					Remitted to Mainland China	Remitted back to Taiwan							
Fuhuigang Industrial (Shenzhen) Co., Ltd.	Computer case – electronic and electrical components	$ 239,381	2	$ 239,381	$ -	$ -	$ 239,381	($ 37,899)	100	($ 37,899)	$ 451,575	$ -	
Fu Yu Precision Components (Kunshan) Co., Ltd.	Manufacturing and marketing of power plug and wall socket, micro ribbon connectors for terminals, etc.	1,208,910	2	607,510	-	-	607,510	70,409	100	70,409	3,509,803	-	
Fuzhun Precision (Shenzhen) Industry Co., Ltd.	Manufacturing and marketing of computer components (computer thermal module)	601,770	2	61,720	-	-	61,720	84,978	100	84,978	4,870,853	-	
Fu Rui Precision Components (Kunshan) Co., Ltd.	Electrical board components processing; manufacturing and marketing of optoelectronics and computer cables	379,300	2	243,300	-	-	243,300	(23,726)	100	(23,726)	1,948,872	-	
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Manufacturing and marketing of computer components and related peripherals, computer cases and metal stamping.	12,652,600	2	4,304,970	-	-	4,304,970	4,429,263	100	4,429,263	24,496,534	-	
Nanning Funing Precision Electronics Co., Ltd.	Manufacturing and marketing of computer components (computer thermal module)	302,428	2	-	-	-	-	109,843	100	109,843	1,858,405	-	
YanTai Fuzhun Precision Electronics Co., Ltd.	Manufacturing and marketing of computer case - electronic and electrical components	1,218,970	2	1,218,970	-	-	1,218,970	(128,158)	100	(128,158)	433,357	-	
Fuzhun Precision (Hebi) Electronics Co., Ltd.	New alloy material, precision molds, new electronic components, portable computers and their components	4,558,022	2	1,533,742	-	-	1,533,742	420,405	100	420,405	5,113,994	-	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2015	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 3)
Foxconn Technology Co., Ltd.	$ 8,209,593	$ 22,011,389	$ -

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1) Directly invest in a company in Mainland China.

(2) Through investing in Q-Run Holdings Ltd. or Foxconn Precision Components Holding Co., Ltd., which then invested in Mainland China.

(3) Others.

Note 2: Except for Hon Fujin Precision Industry (Taiyuan) Co., Ltd., the gain (loss) on investment for the period was recognised based on the unaudited financial statements of the investee company in Mainland Chi
for the same period.

Note 3: Pursuant to the amended 'Guidelines Governing the Review of Investment or Technical Cooperation in the Mainland Area' dated on August 29, 2008, as the Company has obtained the certificate of being qua
for operating headquarters, issued by the Industrial Development Bureau, MOEA, the ceiling amount of the investment in Mainland China is not applicable to the Company.

Note 4: The Company needs no approval by Investment Commission of the Ministry of Economic Affairs for investment in Qingdao Hiyn Materials Co., Ltd. and Fuyu Technology (Nanyang) Co., Ltd., which is rein
through an existing company in Mainland China.