

**GEM Terminal Ind. Co., Ltd. and
Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2015 and 2014 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Stockholders
GEM Terminal Ind. Co., Ltd.

We have reviewed the accompanying consolidated balance sheets of GEM Terminal Ind. Co., Ltd. (the "Company") and its subsidiaries as of September 30, 2015 and 2014 and the related consolidated statements of comprehensive income for the three months ended September 30, 2015 and 2014, and for the nine months ended September 30, 2015 and 2014, and changes in equity and cash flows for the nine months ended September 30, 2015 and 2014. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews.

We conducted our reviews in accordance with Statement of Auditing Standards No. 36, "Review of Financial Statements" issued by the Auditing Standards Committee of the Accounting Research and Development Foundation of the Republic of China (ROC). A review consists principally of applying analytical procedures to financial data and of making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the ROC, the objective of which is the expression of an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, 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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China.

As discussed in Note 3 to the accompanying consolidated financial statements, starting from January 1, 2015, the Company and its subsidiaries applied the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS, and Interpretations of IAS endorsed by the FSC. Therefore, some items in the consolidated financial statements of prior reporting periods were adjusted to reflect the effects of retrospective application of the above regulations, standards and interpretations.

November 10, 2015

Notice to Readers

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

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

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2015 (Reviewed)		December 31, 2014 (Audited after Restated)		September 30, 2014 (Reviewed after Restated)		January 1, 2014 (Audited after Restated)		LIABILITIES AND EQUITY	September 30, 2015 (Reviewed)		December 31, 2014 (Audited after Restated)		September 30, 2014 (Reviewed after Restated)		January 1, 2014 (Audited after Restated)	
	Amount	%	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%	Amount	%
CURRENT ASSETS									CURRENT LIABILITIES								
Cash and cash equivalents (Note 6)	\$ 1,485,892	23	\$ 1,269,649	20	\$ 1,609,423	26	\$ 1,684,855	28	Short-term borrowings (Notes 17 and 25)	\$ 871,612	14	\$ 691,574	11	\$ 816,689	13	\$ 654,451	11
Financial assets at fair value through profit or loss - current (Note 7)	-	-	-	-	3,098	-	12,292	-	Financial liabilities at fair value through profit or loss - current (Note 7)	-	-	-	-	-	-	314	-
Available-for-sale financial assets - current (Note 8)	29,118	-	-	-	10,602	-	42,950	1	Notes payable (Note 15)	228,654	4	213,985	4	181,340	3	93,220	2
Notes receivable (Note 9)	197,904	3	241,837	4	234,766	4	238,907	4	Accounts payable (Note 15)	366,920	6	357,126	6	353,245	5	355,216	6
Accounts receivable, net (Note 9)	1,027,185	16	1,033,755	17	1,014,566	16	1,105,315	19	Other payables (Note 16)	197,227	3	208,145	3	177,173	3	194,721	3
Other receivables	655	-	20,037	-	11,691	-	10,542	-	Current tax liabilities	8,518	-	14,192	-	16,589	-	5,245	-
Current tax assets	2,185	-	2,185	-	2,185	-	3,283	-	Provisions	2,908	-	1,048	-	289	-	932	-
Inventories (Note 11)	670,458	11	803,091	13	742,440	12	590,151	10	Long-term borrowings - current portion (Notes 17 and 25)	674,655	10	582,500	9	612,500	10	570,833	10
Other financial assets - current (Notes 10 and 25)	489,592	8	472,142	8	425,527	7	126,172	2	Other current liabilities	4,949	-	2,898	-	4,837	-	3,832	-
Other current assets (Notes 14 and 25)	89,710	1	93,270	1	89,103	1	96,643	2	Total current liabilities	2,355,443	37	2,071,468	33	2,162,662	34	1,878,764	32
Total current assets	3,992,699	62	3,935,966	63	4,143,401	66	3,911,110	66	NONCURRENT LIABILITIES								
NONCURRENT ASSETS									Long-term borrowings (Notes 17 and 25)	770,000	12	852,115	14	934,585	15	984,566	17
Property, plant and equipment (Notes 13, 25 and 26)	2,141,698	34	2,090,034	34	1,867,923	30	1,789,424	30	Deferred tax liabilities (Note 4)	105,422	2	88,246	2	83,013	2	73,048	1
Deferred tax assets (Note 4)	82,971	1	67,731	1	59,142	1	58,887	1	Net defined benefit liabilities (Notes 3, 4 and 18)	75,311	1	75,331	1	81,831	1	81,789	1
Prepayments for equipment (Note 26)	69,216	1	31,702	-	120,641	2	108,345	2	Total noncurrent liabilities	950,733	15	1,015,692	17	1,099,429	18	1,139,403	19
Other financial assets - noncurrent (Note 10)	3,398	-	3,360	-	3,308	-	1,831	-	Total liabilities	3,306,176	52	3,087,160	50	3,262,091	52	3,018,167	51
Long-term prepaid rent (Notes 14 and 25)	103,277	2	95,946	2	72,085	1	72,747	1	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)								
Other non-current assets	7,357	-	8,332	-	8,497	-	7,979	-	Capital stock	1,715,980	27	1,715,980	28	1,715,980	27	1,715,980	29
Total noncurrent assets	2,407,917	38	2,297,105	37	2,131,596	34	2,039,213	34	Capital surplus	270,187	4	270,187	4	270,187	4	270,187	4
TOTAL	\$ 6,400,616	100	\$ 6,233,071	100	\$ 6,274,997	100	\$ 5,950,323	100	Retained earnings								
								Legal reserve	338,662	5	329,878	5	329,878	5	328,406	5	
								Unappropriated earnings	334,220	5	430,894	7	409,790	7	344,928	6	
								Total retained earnings	672,882	10	760,772	12	739,668	12	673,334	11	
								Other equity	450,344	7	398,972	6	287,071	5	272,655	5	
								Treasury shares	(14,953)	-	-	-	-	-	-	-	
								Total equity	3,094,440	48	3,145,911	50	3,012,906	48	2,932,156	49	
								TOTAL	\$ 6,400,616	100	\$ 6,233,071	100	\$ 6,274,997	100	\$ 5,950,323	100	

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

(With Deloitte & Touche review report dated November 10, 2015)

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings (Net Loss) Per Share)

(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2015		2014 (Restated)		2015		2014 (Restated)	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE, NET	\$ 967,902	100	\$ 1,021,640	100	\$ 2,782,916	100	\$ 2,944,923	100
OPERATING COSTS (Notes 11, 18, 20 and 24)	<u>893,536</u>	<u>92</u>	<u>872,640</u>	<u>85</u>	<u>2,552,256</u>	<u>92</u>	<u>2,549,642</u>	<u>87</u>
GROSS PROFIT	<u>74,366</u>	<u>8</u>	<u>149,000</u>	<u>15</u>	<u>230,660</u>	<u>8</u>	<u>395,281</u>	<u>13</u>
OPERATING EXPENSES (Notes 18, 20 and 24)								
Marketing	36,778	4	35,854	4	101,333	4	107,993	3
General and administrative	52,669	6	55,873	5	152,392	5	149,085	5
Research and development	<u>11,200</u>	<u>1</u>	<u>7,634</u>	<u>1</u>	<u>31,961</u>	<u>1</u>	<u>23,630</u>	<u>1</u>
Total operating expenses	<u>100,647</u>	<u>11</u>	<u>99,361</u>	<u>10</u>	<u>285,686</u>	<u>10</u>	<u>280,708</u>	<u>9</u>
OPERATING INCOME (LOSS)	<u>(26,281)</u>	<u>(3)</u>	<u>49,639</u>	<u>5</u>	<u>(55,026)</u>	<u>(2)</u>	<u>114,573</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES (Note 20)								
Other income	6,152	1	5,611	-	22,484	1	22,310	1
Other gains and losses	10,046	1	1,952	-	15,869	-	10,695	-
Finance costs	<u>(12,139)</u>	<u>(1)</u>	<u>(12,611)</u>	<u>(1)</u>	<u>(35,067)</u>	<u>(1)</u>	<u>(34,581)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>4,059</u>	<u>1</u>	<u>(5,048)</u>	<u>(1)</u>	<u>3,286</u>	<u>-</u>	<u>(1,576)</u>	<u>-</u>
CONSOLIDATED INCOME (LOSS) BEFORE INCOME TAX	(22,222)	(2)	44,591	4	(51,740)	(2)	112,997	4
INCOME TAX EXPENSE (Notes 4 and 21)	<u>1,166</u>	<u>-</u>	<u>19,587</u>	<u>2</u>	<u>1,830</u>	<u>-</u>	<u>46,663</u>	<u>2</u>
CONSOLIDATED NET INCOME (LOSS)	<u>(23,388)</u>	<u>(2)</u>	<u>25,004</u>	<u>2</u>	<u>(53,570)</u>	<u>(2)</u>	<u>66,334</u>	<u>2</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 19)								
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translating of foreign operations	141,948	15	81,202	8	64,547	2	16,476	1
Unrealized gain (loss) on available-for-sale financial assets	1,115	-	37	-	(2,792)	-	(2,070)	-
Income tax expense (benefit) relating to components of other comprehensive income	<u>(24,308)</u>	<u>(3)</u>	<u>(103)</u>	<u>-</u>	<u>(10,383)</u>	<u>-</u>	<u>10</u>	<u>-</u>
Other comprehensive income (loss), net of income tax	<u>118,755</u>	<u>12</u>	<u>81,136</u>	<u>8</u>	<u>51,372</u>	<u>2</u>	<u>14,416</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 95,367</u>	<u>10</u>	<u>\$ 106,140</u>	<u>10</u>	<u>\$ (2,198)</u>	<u>-</u>	<u>\$ 80,750</u>	<u>3</u>

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GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings (Net Loss) Per Share)

(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2015		2014 (Restated)		2015		2014 (Restated)	
	Amount	%	Amount	%	Amount	%	Amount	%
NET INCOME (LOSS)								
ATTRIBUTABLE TO:								
Owner of the Company	<u>\$ (23,388)</u>	<u>(2)</u>	<u>\$ 25,004</u>	<u>2</u>	<u>\$ (53,570)</u>	<u>(2)</u>	<u>\$ 66,334</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME (LOSS)								
ATTRIBUTABLE TO:								
Owner of the Company	<u>\$ 95,367</u>	<u>10</u>	<u>\$ 106,140</u>	<u>10</u>	<u>\$ (2,198)</u>	<u>-</u>	<u>\$ 80,750</u>	<u>3</u>
EARNINGS PER SHARE (NET LOSS) (Note 22)								
Basic	<u>\$ (0.14)</u>		<u>\$ 0.15</u>		<u>\$ (0.31)</u>		<u>\$ 0.39</u>	
Diluted	<u>\$ (0.14)</u>		<u>\$ 0.15</u>		<u>\$ (0.31)</u>		<u>\$ 0.39</u>	

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

(With Deloitte & Touche review report dated November 10, 2015)

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GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Equity Attributable to the Owners of the Company					Other Equity					Total equity
	Capital Stock- Common Stock	Capital Surplus - share	Retained Earnings			Unrealized gain (loss) on available -for-sale financial assets	Exchange differences on translating foreign operations	Remeasurement of Defined benefit Plans	Total	Treasury Shares	
			Legal reserve	Unappropriated earnings	Total						
BALANCE AT JANUARY 1, 2014	\$ 1,715,980	\$ 270,187	\$ 328,406	\$ 344,928	\$ 673,334	\$ 777	\$ 269,135	\$ -	\$ 269,912	\$ -	\$ 2,929,413
Effect of retrospective application and retrospective restatement	-	-	-	-	-	-	-	2,743	2,743	-	2,743
BALANCE AT JANUARY 1, 2014 AS RESTATED	1,715,980	270,187	328,406	344,928	673,334	777	269,135	2,743	272,655	-	2,932,156
Appropriation of 2013 earnings (Note 19)	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	1,472	(1,472)	-	-	-	-	-	-	-
Net profit for the nine months ended September 30, 2014	-	-	-	66,334	66,334	-	-	-	-	-	66,334
Other comprehensive loss for the nine months ended September 30, 2014, net of income tax	-	-	-	-	-	(2,060)	16,476	-	14,416	-	14,416
Total comprehensive income (loss) for the nine months ended September 30, 2014	-	-	-	66,334	66,334	(2,060)	16,476	-	14,416	-	80,750
BALANCE AT SEPTEMBER 30, 2014	\$ 1,715,980	\$ 270,187	\$ 329,878	\$ 409,790	\$ 739,668	\$ (1,283)	\$ 285,611	\$ 2,743	\$ 287,071	\$ -	\$ 3,012,906
BALANCE AT JANUARY 1, 2015	\$ 1,715,980	\$ 270,187	\$ 329,878	\$ 431,296	\$ 761,174	\$ -	\$ 390,801	\$ -	\$ 390,801	\$ -	\$ 3,138,142
Effect of retrospective application and retrospective restatement	-	-	-	(402)	(402)	-	-	8,171	8,171	-	7,769
BALANCE AT JANUARY 1, 2015 AS RESTATED	1,715,980	270,187	329,878	430,894	760,772	-	390,801	8,171	398,972	-	3,145,911
Appropriation of 2014 earnings (Note 19)	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	8,784	(8,784)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	(34,320)	(34,320)	-	-	-	-	-	(34,320)
Net loss for the nine months ended September 30, 2015	-	-	-	(53,570)	(53,570)	-	-	-	-	-	(53,570)
Other comprehensive loss for the nine months ended September 30, 2015, net of income tax	-	-	-	-	-	(2,202)	53,574	-	51,372	-	51,372
Total comprehensive loss for the nine months ended September 30, 2015	-	-	-	(53,570)	(53,570)	(2,202)	53,574	-	51,372	-	(2,198)
Buy-back of ordinary shares (Note 19)	-	-	-	-	-	-	-	-	-	(14,953)	(14,953)
BALANCE AT SEPTEMBER 30, 2015	\$ 1,715,980	\$ 270,187	\$ 338,662	\$ 334,220	\$ 672,882	\$ (2,202)	\$ 444,375	\$ 8,171	\$ 450,344	\$ (14,953)	\$ 3,094,440

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

(With Deloitte & Touche review report dated November 10, 2015)

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	<u>Nine Months Ended September 30</u>	
	2015	2014 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated income (loss) before income tax	\$ (51,740)	\$ 112,997
Adjustments for:		
Depreciation expense	200,401	174,521
Amortization expense	3,510	3,015
Allowance (reversal of allowance) for doubtful accounts	(605)	2,663
Valuation gain on financial instruments at fair value through profit or loss, net	-	(989)
Finance costs	35,067	34,581
Interest income	(14,802)	(18,468)
Dividend income	(952)	(618)
Loss on disposal of property, plant and equipment, net	4,695	4,495
Loss (gain) on sale of investments, net	5,724	(2,467)
Write-down of inventories	11,009	-
Other non-cash items	4,794	2,968
Changes in operating assets and liabilities		
Financial assets held for trading	-	5,289
Notes receivable	43,933	4,141
Accounts receivable	6,820	87,894
Other receivables	19,382	(1,995)
Inventories	121,006	(151,845)
Other current assets	(2,184)	2,846
Financial liabilities held for trading	-	(4,808)
Notes payable	14,669	88,120
Accounts payable	9,794	(1,971)
Other payables	(18,249)	(11,912)
Other current liabilities	2,051	1,005
Net defined benefit liabilities	(20)	42
Cash generated from operations	394,303	329,504
Interest received	17,612	20,334
Income tax paid	(18,785)	(24,501)
Net cash generated from operating activities	<u>393,130</u>	<u>325,337</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets designated as at fair value through profit and loss	-	9,388
Acquisition of available-for-sale financial assets	(1,021,566)	(134,434)
Proceeds from disposal of available-for-sale financial assets	983,902	167,244
Acquisition of property, plant and equipment	(264,244)	(295,401)
Proceeds from disposal of property, plant and equipment	169	3,764
Increase in other financial assets	(17,488)	(300,832)
Increase in other noncurrent assets	(7,740)	(2,251)

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GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	<u>Nine Months Ended September 30</u>	
	<u>2015</u>	<u>2014 (Restated)</u>
Dividend received	\$ <u>952</u>	\$ <u>618</u>
Net cash used in investing activities	<u>(326,015)</u>	<u>(551,904)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	1,126,935	1,893,256
Decrease in short-term borrowings	(995,586)	(1,738,979)
Increase in long-term borrowings	510,000	1,050,000
Repayment of long-term borrowings	(500,000)	(1,058,333)
Cash dividends paid	(34,320)	-
Payments for buy-back of treasury shares	(14,953)	-
Interest paid	<u>(39,880)</u>	<u>(34,573)</u>
Net cash generated from financing activities	<u>52,196</u>	<u>111,371</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	<u>96,932</u>	<u>39,764</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	216,243	(75,432)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>1,269,649</u>	<u>1,684,855</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 1,485,892</u>	<u>\$ 1,609,423</u>

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

(With Deloitte & Touche review report dated November 10, 2015)

(Concluded)

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

GEM Terminal Ind. Co., Ltd. (the “Company”) was incorporated in July 1993 under the laws of the Republic of China (ROC). The Company mainly manufactures and sells the following products:

- Series terminals, plug inserts, housing and electronic connectors for AC and DC power cords.
- Electric and motor parts terminal.
- Electric and communication terminal.
- Optical communication passive devices.
- Lead frames.

The Company’s shares have been traded on the Taiwan Stock Exchange since September 2001.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were authorized for issue by the board of directors on November 10, 2015.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERNATIONAL STANDARDS

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

According to Rule No. 1030029342 and Rule No. 1030010325 issued by the FSC, the Company and its subsidiaries (collectively, the “Group”) should apply the 2013 version of IFRS, IAS, IFRIC and SIC (the “IFRSs”) announced by the International Accounting Standards Board (IASB) and endorsed by the FSC and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers starting January 1, 2015.

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

- 1) IFRS 12 “Disclosure of Interests in Other Entities”

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than in the current standards.

2) IFRS 13 “Fair Value Measurement”

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

The fair value measurements under IFRS 13 will be applied prospectively from January 1, 2015. Refer to Note 23 to the consolidated financial statements for more details.

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

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

The Group will retrospectively apply the above amendments starting from the year 2015. Items not expected to be reclassified to profit or loss are remeasurements of the defined benefit plans. Items expected to be reclassified to profit or loss are the exchange differences on translating foreign operations, unrealized gains (loss) on available-for-sale financial assets. However, the application of the above amendments will not result in any impact on the net profit for the period, other comprehensive income (loss) for the period (net of income tax), and total comprehensive income (loss) for the period.

4) Revision to IAS 19 “Employee Benefits”

Revised IAS 19 requires the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the “corridor approach” permitted under current IAS 19 and accelerate the recognition of past service costs. The revision requires all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability to reflect the full value of the plan deficit or surplus.

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

On initial application of the revised IAS 19, the changes in cumulative employee benefit costs as of December 31, 2013 resulting from the retrospective application are adjusted to net defined benefit liabilities, deferred tax assets and other equity; the carrying amounts of inventories are not adjusted. In addition, in preparing the consolidated financial statements for the year ended December 31, 2015, the Group elects not to present 2014 comparative information about the sensitivity of the defined benefit obligation.

The impact on the prior period is set out below:

	As Originally Stated	Adjustments Arising from Initial Application	Restated
<u>Impact on assets, liabilities and equity</u>			
<u>December 31, 2014</u>			
Deferred tax assets	\$ 69,322	\$ (1,591)	\$ 67,731
Net defined benefit liabilities	\$ 84,691	\$ (9,360)	\$ 75,331
Retained earnings	\$ 761,174	\$ (402)	\$ 760,772
Other equity	\$ 390,801	\$ 8,171	\$ 398,972
Equity	\$ 3,138,142	\$ 7,769	\$ 3,145,911
<u>September 30, 2014</u>			
Deferred tax assets	\$ 59,642	\$ (500)	\$ 59,142
Net defined benefit liabilities	\$ 84,773	\$ (2,942)	\$ 81,831
Retained earnings	\$ 739,969	\$ (301)	\$ 739,668
Other equity	\$ 284,328	\$ 2,743	\$ 287,071
Equity	\$ 3,010,464	\$ 2,442	\$ 3,012,906
<u>January 1, 2014</u>			
Deferred tax assets	\$ 59,449	\$ (562)	\$ 58,887
Net defined benefit liabilities	\$ 85,094	\$ (3,305)	\$ 81,789
Other equity	\$ 269,912	\$ 2,743	\$ 272,655
Equity	\$ 2,929,413	\$ 2,743	\$ 2,932,156
<u>Impact on total comprehensive income</u>			
<u>For the three months ended September 30, 2014</u>			
Operating costs	\$ 872,602	\$ 38	\$ 872,640
Operating expenses	\$ 99,278	\$ 83	\$ 99,361
Income tax	\$ 19,607	\$ (20)	\$ 19,587

(Continued)

	As Originally Stated	Adjustments Arising from Initial Application	Restated
Total effect on net income for the period	\$ <u>25,105</u>	\$ <u>(101)</u>	\$ <u>25,004</u>
Net profit attributable to:			
Owners of the Company	\$ <u>25,105</u>	\$ <u>(101)</u>	\$ <u>25,004</u>
For the nine months ended <u>September 30, 2014</u>			
Operating costs	\$ <u>2,549,532</u>	\$ <u>110</u>	\$ <u>2,549,642</u>
Operating expenses	\$ <u>280,455</u>	\$ <u>253</u>	\$ <u>280,708</u>
Income tax	\$ <u>46,725</u>	\$ <u>(62)</u>	\$ <u>46,663</u>
Total effect on net income for the period	\$ <u>66,635</u>	\$ <u>(301)</u>	\$ <u>66,334</u>
Net profit attributable to:			
Owners of the Company	\$ <u>66,635</u>	\$ <u>(301)</u>	\$ <u>66,334</u> (Concluded)

5) Annual Improvements to IFRSs: 2009-2011 Cycle

Several standards including IFRS 1 “First-time Adoption of International Financial Reporting Standards”, IAS 1 “Presentation of Financial Statements”, IAS 16 “Property, Plant and Equipment”, IAS 32 “Financial Instruments: Presentation” and IAS 34 “Interim Financial Reporting” were amended in this annual improvement.

The amendments to IAS 1 clarify that an entity is required to present a balance sheet as at the beginning of the preceding period when a) it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassifies items in its financial statements, and b) the retrospective application, restatement or reclassification has a material effect on the information in the balance sheet at the beginning of the preceding period. The amendments also clarify that related notes are not required to accompany the balance sheet at the beginning of the preceding period.

The amendments to IAS 34 clarify that a measure of total liabilities for a reportable segment would be disclosed in interim financial reporting when such amounts are regularly provided to the chief operating decision maker of the Group and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

The initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 IFRSs version in 2015 has material effect on the consolidated balance sheet. In preparing the consolidated financial statements for the year ended December 31, 2015, the Group would present the consolidated balance sheet as of January 1, 2014 in accordance of the above amendments to IAS 1 and disclose related information in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”, but not required to make disclosures about the line items of the balance sheet as of January 1, 2014.

In summary, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by securities Issuers and the 2013 IFRSs version did not have material impact on the Group.

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

The Group has not applied the following New IFRSs issued by the IASB but not yet endorsed by the FSC. As of the date the consolidated financial statements were authorized for issue, the FSC has not announced their effective dates.

New, Amended and Revised Standards and Interpretations (the “New IFRSs”)	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 4)
IFRS 9 “Financial Instruments”	January 1, 2018
Amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date of IFRS 9 and Transition Disclosures”	January 1, 2018
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	January 1, 2016 (Note 3)
Amendments to IFRS 10, IFRS 12 and IAS 28 “Investment Entities: Applying the Consolidation Exception”	January 1, 2016
Amendment to IFRS 11 “Accounting for Acquisitions of Interests in Joint Operations”	January 1, 2016
IFRS 14 “Regulatory Deferral Accounts”	January 1, 2016
IFRS 15 “Revenue from Contracts with Customers”	January 1, 2018
Amendment to IAS 1 “Disclosure Initiative”	January 1, 2016
Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization”	January 1, 2016
Amendments to IAS 16 and IAS 41 “Agriculture: Bearer Plants”	January 1, 2016
Amendment to IAS 19 “Defined Benefit Plans: Employee Contributions”	July 1, 2014
Amendment to IAS 36 “Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets”	January 1, 2014
Amendment to IAS 39 “Novation of Derivatives and Continuation of Hedge Accounting”	January 1, 2014
IFRIC 21 “Levies”	January 1, 2014

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

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

Note 3: Prospectively applicable to transactions occurring in annual periods beginning on or after January 1, 2016.

Note 4: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

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

1) IFRS 9 “Financial Instruments”

Recognition and measurement of financial assets

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

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

- a) For debt instruments, if they are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss recognized in profit or loss, if any. Interest revenue is recognized in profit or loss by using the effective interest method;
- b) For debt instruments, if they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the financial assets are measured at fair value through other comprehensive income (FVTOCI) and are assessed for impairment. Interest revenue is recognized in profit or loss by using the effective interest method, and other gain or loss shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses.

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

The impairment of financial assets

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

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

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

In issuing IFRS 13 “Fair Value Measurement”, the IASB made consequential amendment to the disclosure requirements in IAS 36 “Impairment of Assets”, introducing a requirement to disclose in every reporting period the recoverable amount of an asset or each cash-generating unit. The amendment clarifies that such disclosure of recoverable amounts is required only when an

impairment loss has been recognized or reversed during the period. Furthermore, the Group is required to disclose the discount rate used in measurements of the recoverable amount based on fair value less costs of disposal measured using a present value technique.

3) Annual Improvements to IFRSs: 2010-2012 Cycle

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

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

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

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

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

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

4) Annual Improvements to IFRSs: 2011-2013 Cycle

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

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

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

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

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

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

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

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

- a) In which the intangible asset is expressed as a measure of revenue (for example, the contract that specifies the entity’s use of the intangible asset will expire upon achievement of a revenue threshold); or
- b) When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

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

6) IFRS 15 “Revenue from Contracts with Customers”

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and will supersede IAS 18 “Revenue”, IAS 11 “Construction Contracts” and a number of revenue-related interpretations from January 1, 2017.

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

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

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

7) Annual Improvements to IFRSs: 2012-2014 Cycle

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

IFRS 5 was amended to clarify that reclassification between non-current assets (or disposal group) “held for sale” and non-current assets “held for distribution to owners” does not constitute a change

to a plan of sale or distribution. Therefore, previous accounting treatment is not reversed. The amendment also explains that assets that no longer meet the criteria for “held for distribution to owners” and do not meet the criteria for “held for sale” should be treated in the same way as assets that cease to be classified as held for sale.

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset. In addition, the amendments clarify that the offsetting disclosures are not explicitly required for all interim periods; however, the disclosures may need to be included in condensed interim financial statements to comply with IAS 34 under specific conditions.

IAS 19 was amended to clarify that the depth of the market for high quality corporate bonds used to estimate discount rate for post-employment benefits should be assessed by the market of the corporate bonds denominated in the same currency as the benefits to be paid, i.e. assessed at currency level (instead of country or regional level).

8) Amendment to IAS 1 “Disclosure Initiative”

The amendment clarifies that the consolidated financial statements should be prepared for the purpose of disclosing material information. To improve the understandability of its consolidated financial statements, the Group should disaggregate the disclosure of material items into their different natures or functions, and disaggregate material information from immaterial information.

The amendment further clarifies that the Group should consider the understandability and comparability of its consolidated financial statements to determine a systematic order in presenting its footnotes.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For readers’ convenience, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the ROC. If inconsistencies arise between the English version and the Chinese version or if differences arise in the interpretations between the two versions, the Chinese version of the consolidated financial statements shall prevail. However, the accompanying consolidated financial statements do not include English translation of the additional footnote disclosures that are not required under generally accepted accounting principles but are required by the Securities and Futures Bureau for their oversight purposes.

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” endorsed by the FSC. These interim consolidated financial statements is less than the disclosure information required in a complete set of IFRSs annual consolidated financial statements.

b. Basis of preparation

These interim consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of Consolidation

See Note 12, Table 5 and Table 6 for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Other significant accounting policy

Except for the following, refer to the summary of significant accounting policy in the consolidated financial statements for the year ended December 31, 2014.

1) Retirement benefits

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

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

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

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated on an interim period's pre-tax income by applying to the tax rate that would be applicable to expected total annual earnings.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

3) Reclassification

Several items were reclassified in the consolidated balance sheet as of September 30, 2014 to comply with the presentation of the consolidated balance sheet as of September 30, 2015.

	As Originally Stated	After Reclassification
<u>September 30, 2014</u>		
Consolidated balance sheets		
Property, plant and equipment	<u>\$ 1,785,358</u>	<u>\$ 1,867,923</u>
Prepayments for equipment	<u>\$ 203,206</u>	<u>\$ 120,641</u>

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as those applied in the preparation of the consolidated financial statements for the year ended December 31, 2014.

6. CASH AND CASH EQUIVALENTS

	September 30, 2015	December 31, 2014	September 30, 2014
Cash on hand	\$ 2,988	\$ 2,593	\$ 2,068
Checking accounts and demand deposits	1,066,451	710,489	917,788
Cash equivalent			
Time deposits with original maturities less than 3 months	<u>416,453</u>	<u>556,567</u>	<u>689,567</u>
	<u>\$ 1,485,892</u>	<u>\$ 1,269,649</u>	<u>\$ 1,609,423</u>

7. FINANCIAL INSTRUMENTS AT FVTPL - CURRENT

As of September 30, 2014, the Group's financial assets designated at FVTPL were callable preferred stock with interest.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS - CURRENT

	<u>September 30</u>	
	2015	2014
Overseas investment		
Quoted stocks	\$ 24,047	\$ -
Domestic investment		
Quoted stocks	<u>5,071</u>	<u>10,602</u>
	<u>\$ 29,118</u>	<u>\$ 10,602</u>

9. NOTES AND ACCOUNTS RECEIVABLE, NET

	September 30, 2015	December 31, 2014	September 30, 2014
<u>Notes receivable</u>			
Notes receivable - operating	<u>\$ 197,904</u>	<u>\$ 241,837</u>	<u>\$ 234,766</u>
<u>Accounts receivable</u>			
Accounts receivable	\$ 1,043,752	\$ 1,050,572	\$ 1,033,221
Less: Allowance for doubtful accounts	<u>16,567</u>	<u>16,817</u>	<u>18,655</u>
	<u>\$ 1,027,185</u>	<u>\$ 1,033,755</u>	<u>\$ 1,014,566</u>

a. Accounts receivable

The average credit period of sales of goods was 30-120 days. The Group considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period. The Group recognized an allowance for doubtful accounts of 100% against all receivables over 360 days because historical experience had been that receivables that are past due beyond 360 days were not recoverable. Allowance for doubtful accounts is recognized against trade receivables between 0 days and 360 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparties and an analysis of their current financial position.

There were no accounts receivable that were past due and not impaired at the end of the reporting period. Inspection on customers' credit was taken regularly and aging analysis was performed based on the past due date.

Aging analysis of accounts receivable was as follows:

	September 30, 2015	December 31, 2014	September 30, 2014
Not past due	\$ 935,724	\$ 938,961	\$ 920,580
Past due 1-60 days	98,681	97,472	89,064
Past due 61-90 days	3,865	10,019	10,319
Past due 91-180 days	21	468	4,599
Past due over 181 days	<u>5,461</u>	<u>3,652</u>	<u>8,659</u>
	<u>\$ 1,043,752</u>	<u>\$ 1,050,572</u>	<u>\$ 1,033,221</u>

Movements of the allowance for doubtful accounts on accounts receivable were as follows:

	Collectively Assessed For the Nine Months Ended September 30	
	2015	2014
Balance, beginning of period	\$ 16,817	\$ 15,800
Allowance (reversal of allowance) for doubtful accounts	(605)	2,663

(Continued)

	For the Nine Months Ended September 30	
	2015	2014
Effect of foreign currency exchange differences	\$ 355	\$ 192
Balance, end of period	<u>\$ 16,567</u>	<u>\$ 18,655</u> (Concluded)

b. Credit risk of notes and accounts receivable

The Group's receivables are significantly concentrated in certain individuals, most of which have similar business operations and economic features. Credit risk concentration occurs when the counterparties to financial instrument transactions are individuals or groups engaged in similar activities or activities in the same region, which would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

The balances of the notes and accounts receivable from customers with carrying amounts that were 10% or more of the account totals as each reporting date were as follows:

	September 30, 2015	December 31, 2014	September 30, 2014
Group A	<u>\$ 207,960</u>	<u>\$ 207,294</u>	<u>\$ 209,034</u>

10. OTHER FINANCIAL ASSETS

	September 30, 2015	December 31, 2014	September 30, 2014
Time deposits with original maturities more than 3 months	\$ 279,605	\$ 268,897	\$ 306,053
Pledge time deposits	209,837	202,727	118,967
Refundable deposits	<u>3,548</u>	<u>3,878</u>	<u>3,815</u>
	<u>\$ 492,990</u>	<u>\$ 475,502</u>	<u>\$ 428,835</u>
Current	\$ 489,592	\$ 472,142	\$ 425,527
Noncurrent	<u>3,398</u>	<u>3,360</u>	<u>3,308</u>
	<u>\$ 492,990</u>	<u>\$ 475,502</u>	<u>\$ 428,835</u>

The pledge information of other financial assets refer to Note 25.

11. INVENTORIES

	September 30, 2015	December 31, 2014	September 30, 2014
Finished goods	\$ 313,900	\$ 400,059	\$ 319,326
Work in process	153,596	130,916	172,763
			(Continued)

	September 30, 2015	December 31, 2014	September 30, 2014
Raw materials	\$ 138,980	\$ 206,986	\$ 181,793
Supplies	<u>63,982</u>	<u>65,130</u>	<u>68,558</u>
	<u>\$ 670,458</u>	<u>\$ 803,091</u>	<u>\$ 742,440</u>

(Concluded)

The cost of inventories recognized as costs of goods sold for the three months ended September 30, 2015 and 2014 and for the nine months ended September 30, 2015 and 2014 were \$893,536 thousand, \$872,640 thousand, \$2,552,256 thousand and \$2,549,642 thousand, respectively, which included the following items:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Unallocated fixed manufacturing cost	\$ 48,627	\$ 38,181	\$ 154,656	\$ 107,216
Write-down of inventories	4,650	-	11,009	-
Others	<u>1,636</u>	<u>171</u>	<u>2,321</u>	<u>1,019</u>
	<u>\$ 54,913</u>	<u>\$ 38,352</u>	<u>\$ 167,986</u>	<u>\$ 108,235</u>

12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements were as follows:

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership		
			September 30, 2015	December 31, 2014	September 30, 2014
The Company	Global Electronics Terminal (Cayman) Co., Ltd. (Global (Cayman))	Note 1	100	100	100
	Genius Terminal Co., Ltd. (Genius Terminal)	Notes 1 and 2	100	100	100
	GEM Terminal (Cayman) Co., Ltd. (GEM Terminal (Cayman))	Note 1	100	100	100
Global (Cayman)	Vibo Gem International Co., Ltd. (Vibo)	Notes 1 and 2	100	100	100
	Global Electronics Terminal (HK) Co., Ltd. (Global (HK))	Note 2	100	100	100
Genius Terminal	Genius Terminal (HK) Ltd. (Genius (HK))	Note 2	100	100	100
GEM Terminal (Cayman)	Vietnam Gem Electronic and Metal Co., Ltd (GEM (VN))	Notes 3 and 5	100	100	100
Vibo	Suzhou Gem Opto-Electronics Terminal Co., Ltd. (GEM (Suzhou))	Note 3	100	100	100
	Dongguan Gem Electronics & Metal Co., Ltd. (GEM (Dongguan))	Note 3	100	100	100
	You Mao Terminal International Co., Ltd. (You Mao)	Note 4	-	-	100

Note 1: International trading

Note 2: International investment.

Note 3: Production of hardware; machine processing; electroplating for metal processing; production and processing of molds and related accessories; plastic products and related plastic accessory production.

Note 4: The investment had not been remitted as of October 2014, and it was cancelled in October, 2014.

Note 5: Rui Zhan Hardware VN Co., Ltd changed its name to Vietnam Gem Electronic and Metal Co., Ltd in September, 2015.

13. PROPERTY, PLANT, AND EQUIPMENT

The Company purchased land for \$7,908 thousand to construct a resort for employees. However, a part of the land is agricultural land that cannot be transferred to the Company because of statutory limitations; thus, the Company registered the property rights in the name of an individual temporarily, in December 2014, its registration is transferred to chairman's name. The land is mortgaged to the Company and the agreement stipulated unconditional conveyance of the land to the Company.

a. Movements of cost and accumulated depreciation were as follows:

Nine months ended September 30, 2015

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Leasehold Improvements	Miscellaneous Equipment	Construction in Progress and Equipment to be Inspected	Total
<u>Cost</u>									
Balance at January 1, 2015	\$ 146,218	\$ 815,421	\$ 1,808,955	\$ 60,349	\$ 39,944	\$ 84	\$ 532,564	\$ 348,780	\$ 3,752,315
Additions	-	3,933	50,349	371	1,370	-	34,599	148,292	238,914
Disposal	-	(3,800)	(39,706)	(981)	(103)	-	(4,951)	-	(49,541)
Reclassification	-	1,224	73,133	140	88	-	54,626	(128,848)	363
Effect of foreign currency exchange differences	-	11,181	17,828	1,774	641	-	9,502	4,267	45,193
Balance at September 30, 2015	<u>\$ 146,218</u>	<u>\$ 827,959</u>	<u>\$ 1,910,559</u>	<u>\$ 61,653</u>	<u>\$ 41,940</u>	<u>\$ 84</u>	<u>\$ 626,340</u>	<u>\$ 372,491</u>	<u>\$ 3,987,244</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2015	\$ -	\$ (363,984)	\$ (933,576)	\$ (44,764)	\$ (30,131)	\$ (62)	\$ (289,764)	\$ -	\$ (1,662,281)
Depreciation expenses	-	(31,018)	(116,057)	(3,172)	(1,834)	(12)	(48,308)	-	(200,401)
Disposal	-	3,322	36,257	902	93	-	4,103	-	44,677
Effect of foreign currency exchange differences	-	(4,892)	(17,695)	(606)	(528)	1	(3,821)	-	(27,541)
Balance at September 30, 2015	<u>\$ -</u>	<u>\$ (396,572)</u>	<u>\$ (1,031,071)</u>	<u>\$ (47,640)</u>	<u>\$ (32,400)</u>	<u>\$ (73)</u>	<u>\$ (337,790)</u>	<u>\$ -</u>	<u>\$ (1,845,546)</u>
Carrying amounts at January 1, 2015	<u>\$ 146,218</u>	<u>\$ 451,437</u>	<u>\$ 875,379</u>	<u>\$ 15,585</u>	<u>\$ 9,813</u>	<u>\$ 22</u>	<u>\$ 242,800</u>	<u>\$ 348,780</u>	<u>\$ 2,090,034</u>
Carrying amounts at September 30, 2015	<u>\$ 146,218</u>	<u>\$ 431,387</u>	<u>\$ 879,488</u>	<u>\$ 14,013</u>	<u>\$ 9,540</u>	<u>\$ 11</u>	<u>\$ 288,550</u>	<u>\$ 372,491</u>	<u>\$ 2,141,698</u>

Nine months ended September 30, 2014

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Leasehold Improvements	Miscellaneous Equipment	Construction in Progress	Total
<u>Cost</u>									
Balance at January 1, 2014	\$ 146,218	\$ 785,207	\$ 1,611,099	\$ 73,872	\$ 37,185	\$ 84	\$ 429,047	\$ 133,578	\$ 3,216,290
Additions	-	4,585	141,766	3,045	1,189	-	55,025	71,872	277,482
Disposal	-	(2,065)	(35,209)	(17,549)	(278)	-	(3,516)	-	(58,617)
Reclassified	-	-	-	-	34	-	-	-	34
Effect of exchange rate changes	-	6,848	(6,454)	(447)	159	-	2,278	814	3,198
Balance at September 30, 2014	<u>\$ 146,218</u>	<u>\$ 794,575</u>	<u>\$ 1,711,202</u>	<u>\$ 58,921</u>	<u>\$ 38,289</u>	<u>\$ 84</u>	<u>\$ 482,834</u>	<u>\$ 206,264</u>	<u>\$ 3,438,387</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2014	\$ -	\$ (320,314)	\$ (795,121)	\$ (53,944)	\$ (27,176)	\$ (47)	\$ (230,264)	\$ -	\$ (1,426,866)
Depreciation expenses	-	(28,745)	(100,742)	(4,193)	(1,690)	(12)	(39,139)	-	(174,521)
Disposal	-	1,814	30,377	14,838	250	-	3,079	-	50,358
Effect of exchange rate changes	-	475	(18,696)	140	(122)	1	(1,233)	-	(19,435)
Balance at September 30, 2014	<u>\$ -</u>	<u>\$ (346,770)</u>	<u>\$ (884,182)</u>	<u>\$ (43,159)</u>	<u>\$ (28,738)</u>	<u>\$ (58)</u>	<u>\$ (267,557)</u>	<u>\$ -</u>	<u>\$ (1,570,464)</u>
Carrying amount at September 30, 2014	<u>\$ 146,218</u>	<u>\$ 447,805</u>	<u>\$ 827,020</u>	<u>\$ 15,762</u>	<u>\$ 9,551</u>	<u>\$ 26</u>	<u>\$ 215,277</u>	<u>\$ 206,264</u>	<u>\$ 1,867,923</u>

b. Estimated useful lives

Depreciation is provided on a straight-line basis over estimated useful lives as follows:

Buildings	
Factory	10-20 years
Main building	5-20 years
The major component part of the factory	19-20 years
The major component part of the office	10-55 years
Machinery and equipment	4.67-15 years
Transportation equipment	3-12 years
Office equipment	5-15 years
Leasehold improvements	5.75 years
Miscellaneous equipment	3-20 years

Refer to Note 25 for the carrying amount of property, plant and equipment that had been pledged to secure borrowings/general banking facilities granted to the Group.

	Nine Months Ended September 30	
	2015	2014
INVESTING ACTIVITIES AFFECTING BOTH CASH AND NON-CASH ITEMS		
Acquisition of in property, plant and equipment	\$ 233,645	\$ 277,482
Increase in prepayments for equipment	37,514	12,296
Decrease (Increase) in payable for purchased equipment	<u>(6,915)</u>	<u>5,623</u>
Cash paid for acquisition of property, plant and equipment	<u>\$ 264,244</u>	<u>\$ 295,401</u>

14. PREPAYMENTS FOR LEASE

	September 30, 2015	December 31, 2014	September 30, 2014
Current (included in other current assets)	\$ 2,093	\$ 2,317	\$ 1,748
Noncurrent (included in long-term prepaid rent)	<u>103,277</u>	<u>95,946</u>	<u>72,085</u>
	<u>\$ 105,370</u>	<u>\$ 98,263</u>	<u>\$ 73,833</u>

Prepayments for lease are for properties located in Mainland China and Vietnam. Prepayments for lease with carrying amount of RMB 1,200 thousand is in the process of obtaining the land use right certificate.

Refer to Note 25 for the carrying amount of prepayments for lease that had been pledged to secure borrowings granted to the Group.

15. NOTES PAYABLE AND ACCOUNTS PAYABLE

The Group's notes payable and accounts payable were from operating activities and were not secured by collaterals.

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms, therefore, no interest was charged on the outstanding trade payables.

16. OTHER PAYABLES

	September 30, 2015	December 31, 2014	September 30, 2014
Payable for purchase of equipment	\$ 67,531	\$ 60,616	\$ 41,092
Salaries and bonus	39,741	44,095	38,110
Payable for utilities expense	11,291	9,227	11,130
Welfare payable	6,731	9,104	11,083
Payable for professional service fees	4,571	8,196	3,687
Payable for annual leave	3,598	5,159	3,926
Tax payable	2,587	3,676	2,337
Interest payable	2,120	1,704	1,994
Payable for bonus to employees and remuneration to directors and supervisors	1,095	5,680	690
Others	<u>57,962</u>	<u>60,688</u>	<u>63,124</u>
	<u>\$ 197,227</u>	<u>\$ 208,145</u>	<u>\$ 177,173</u>

Other payables - others were labor and health insurance, rent payable, pension payable and payable for purchase of parts.

17. BORROWINGS

a. Short-term borrowings

	September 30, 2015	December 31, 2014	September 30, 2014
Unsecured borrowings	\$ 516,457	\$ 402,822	\$ 539,327
Secured borrowings	<u>355,155</u>	<u>288,752</u>	<u>277,362</u>
	<u>\$ 871,612</u>	<u>\$ 691,574</u>	<u>\$ 816,689</u>

Interest rates P.A. on short-term borrowings were as follows:

	September 30, 2015	December 31, 2014	September 30, 2014
Unsecured borrowings (%)	1.30-5.35	1.45-6.00	1.42-6.00
Secured borrowings (%)	4.14-5.35	5.40-6.00	5.40-6.00

b. Long-term borrowings

	September 30, 2015	December 31, 2014	September 30, 2014
Unsecured borrowings	<u>\$ 1,245,000</u>	<u>\$ 1,235,000</u>	<u>\$ 1,347,500</u>
Commercial paper payable	200,000	200,000	200,000
Less: Unamortized discount	<u>345</u>	<u>385</u>	<u>415</u>
	<u>199,655</u>	<u>199,615</u>	<u>199,585</u>
	1,444,655	1,434,615	1,547,085

(Continued)

	September 30, 2015	December 31, 2014	September 30, 2014
Less: Current portion	\$ <u>674,655</u>	\$ <u>582,500</u>	\$ <u>612,500</u>
	\$ <u>770,000</u>	\$ <u>852,115</u>	\$ <u>934,585</u> (Concluded)

Unsecured borrowings

	September 30, 2015	December 31, 2014	September 30, 2014
Borrowings	\$ 1,245,000	\$ 1,235,000	\$ 1,347,500
Less: Current portion	<u>475,000</u>	<u>582,500</u>	<u>612,500</u>
Long-term borrowings	\$ <u>770,000</u>	\$ <u>652,500</u>	\$ <u>735,000</u>
Interest rate P.A. (%)	1.79-2.20	1.66-2.20	1.66-2.20

Under the loan agreements with KGI Bank (originally named Industrial Bank of Taiwan), Taishin Bank, Bangkok bank, CTBC Bank, Bank Sinopac and Taipei Fubon Bank, the Group should maintain certain financial ratios based on reviewed semiannual and audited annual consolidated financial statements. As of June 30, 2015 and December 31, 2014 the Group was in compliance with the above mentioned financial ratio requirements stated in the loan agreements with the banks.

Commercial paper payable

The commercial paper was issued by International Bills finance Corporation, its credit lines was granted by TC bank as of September 30, 2015 and 2014 and December 31, 2014, the annual interest rate was 1.2%, it will be repaid in February, 2016. The financial ratio of the Group as of June 30, 2015, December 31, 2014 and June 30, 2014 were in compliance with the requirements stated in the loan agreements with the bank.

18. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan. Based on the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. The foreign subsidiaries GEM (Suzhou), GEM (Dongguan) and GEM (VN), also make contributions in accordance with the local regulations, which is a defined contribution plan.

b. Defined benefit plans

The Company adopted the defined benefit plan under the Labor Standards Law (LSL). Under the LSL, pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributes amounts equal to 4% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. The Company have no right to influence the investment policy and strategy.

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

	December 31, 2014
Present value of defined benefit obligation	\$ 94,962
Fair value of plan assets	<u>(19,631)</u>
Net defined benefit liabilities	<u>\$ 75,331</u>

Movements of net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2014	<u>\$ 105,313</u>	<u>\$ (23,524)</u>	<u>\$ 81,789</u>
Service cost			
Current service cost	1,388	-	1,388
Net interest expense (income)	<u>1,318</u>	<u>(307)</u>	<u>1,011</u>
Recognized in profit or loss	<u>2,706</u>	<u>(307)</u>	<u>2,399</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(280)	(280)
Actuarial gain - experience adjustments	<u>(6,260)</u>	<u>-</u>	<u>(6,260)</u>
Recognized in other comprehensive income	<u>(6,260)</u>	<u>(280)</u>	<u>(6,540)</u>
Contributions from the employer	<u>-</u>	<u>(2,317)</u>	<u>(2,317)</u>
Benefits paid	<u>(6,797)</u>	<u>6,797</u>	<u>-</u>
Balance at December 31, 2014	<u>\$ 94,962</u>	<u>\$ 19,631</u>	<u>\$ 75,331</u>

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Operating costs	\$ 163	\$ 189	\$ 494	\$ 546
Marketing expenses	59	64	178	195
General and administration expenses	211	233	638	710
Research and development expenses	<u>113</u>	<u>114</u>	<u>326</u>	<u>348</u>
	<u>\$ 546</u>	<u>\$ 600</u>	<u>\$ 1,636</u>	<u>\$ 1,799</u>

Through the defined benefit plans under the Labor Standards Law, the Company are exposed to the following risks:

1) Investment risk

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

2) Interest risk

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

3) Salary risk

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

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

	December 31, 2014
Discount rate (%)	1.25
Expected rate of salary increase (%)	1.20
Mortality rate	According to annuity insurance life table in Taiwan
Turnover rate (%)	0-40

The average duration of the defined benefit obligation is 14 years.

19. EQUITY

a. Share capital

	September 30, 2015	December 31, 2014	September 30, 2014
Number of shares authorized (in thousands)	<u>221,000</u>	<u>221,000</u>	<u>221,000</u>
Shares authorized	<u>\$ 2,210,000</u>	<u>\$ 2,210,000</u>	<u>\$ 2,210,000</u>
Number of shares issued and fully paid (in thousands)	<u>171,598</u>	<u>171,598</u>	<u>171,598</u>
Shares issued	<u>\$ 1,715,980</u>	<u>\$ 1,715,980</u>	<u>\$ 1,715,980</u>

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

b. Capital Surplus

The capital surplus arising from shares issued in excess of par (additional paid-in capital from issuance of common shares may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

c. Appropriation of Earnings and Dividend Policy

Under the Company's Articles of Incorporation, the Company should make appropriations from its net income (less any deficit) in the following order:

- 1) 10% as legal reserve, until its balance equals the Company's paid-in capital;
- 2) Special reserve in accordance with relevant laws or regulations or as requested by the authorities in charge;
- 3) The balance of remaining balance should be allocated or retained be board of directors in accordance with the Company's operation. Dividends, bonus to employees, and remuneration to directors and supervisors (bonus to employees should be at least 3%; all of these appropriations should be submitted to the stockholders' meeting for approval).
- 4) If bonus to employees is in the form of stock, affiliates' employees who meet certain requirements may also receive the stock bonus. The stock bonus distribution plan should be approved in a board of directors' meeting.

The Company's dividend policy is in line with the Company's operating scale and research and development needs as well as the status of the economy and industry in order to maintain sound management and promote stockholders' long-term interests. Thus, the Company adopted Residual dividend policy as its stockholder dividends' policy. Company's profits may be distributed in the form of cash and/or stock. However, distribution of profits should preferably be in the form of cash dividend. Cash dividends should be at least 10% of total dividends. But if a cash dividend is less than \$0.2, the Company may choose to appropriate stock dividends instead.

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The Company expects to make consequential amendments to the Company's Articles of Incorporation to be approved during the 2016 annual shareholders' meeting. For information about the accrual basis of the employee compensation and remuneration to directors and supervisors for the three months ended September 30, 2015 and 2014, and the nine months ended September 30, 2015 and 2014, and the actual appropriations for the years ended December 31, 2014 and 2013, please refer to e. Employee benefits expense in Note 20.

The Corporation appropriates and reverses special reserves under Rule No. 1010012865, Rule No. 1010047490 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs". Distributions can be made out of any subsequent reversal of the debit to other equity item.

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

Except for non-ROC resident stockholders, all stockholders receiving the dividends are allowed a tax credit equal to their proportionate share of the income tax paid by the Company.

The appropriations of earnings for 2014 and 2013 had been approved in the stockholders' meeting on June 15, 2015 and June 19, 2014, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For Fiscal Year 2014	For Fiscal Year 2013	For Fiscal Year 2014	For Fiscal Year 2013
Legal reserve	\$ 8,784	\$ 1,472		
Cash dividends	<u>34,320</u>	<u>-</u>	\$ 0.2	\$ -
	<u>\$ 43,104</u>	<u>\$ 1,472</u>		

d. Other Equity Items

1) Exchange differences on translating foreign operations

	For the Nine Months Ended September 30	
	2015	2014
Balance, beginning of period	\$ 390,801	\$ 269,135
Exchange differences arising on translating the foreign operations	64,547	16,476
Exchange differences arising on translating to the presentation currency related income tax	<u>(10,973)</u>	<u>-</u>
Balance, end of period	<u>\$ 444,735</u>	<u>\$ 285,611</u>

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

	For the Nine Months Ended September 30	
	2015	2014
Balance, beginning of period	\$ -	\$ 777
Unrealized gain (loss) arising on revaluation of available-for-sale financial assets	2,932	(4,537)
Income tax relating to unrealized gain arising on revaluation of available-for-sale financial assets	590	-
Cumulative gain reclassified to profit or loss on sale of available-for-sale financial assets	(5,724)	2,467
Income tax relating to the amounts reclassified to profit or loss on disposal of available-for-sale financial assets	<u>-</u>	<u>10</u>
Balance, end of period	<u>\$ (2,202)</u>	<u>\$ (1,283)</u>

e. Treasury shares-only September 30, 2015

	Shares Cancelled (In Thousands of Shares)
Number of shares at January 1, 2015	-
Increase during the period	<u>1,613</u>
Number of shares at September 30, 2015	<u>1,613</u>

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise stockholders' rights on these shares, such as rights to dividends and to vote.

20. CONSOLIDATED INCOME (LOSS) BEFORE INCOME TAX

Consolidated income (loss) before income tax was as follows:

a. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Interest income	\$ 4,286	\$ 6,213	\$ 14,802	\$ 18,468
Dividend income	604	368	952	618
Others	<u>1,262</u>	<u>(970)</u>	<u>6,730</u>	<u>3,224</u>
	<u>\$ 6,152</u>	<u>\$ 5,611</u>	<u>\$ 22,484</u>	<u>\$ 22,310</u>

b. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Foreign exchange gains, net	\$ 21,011	\$ 5,958	\$ 27,448	\$ 14,173
Gain (loss) on disposal of investments, net	(8,512)	(501)	(5,724)	2,467
Loss on disposal of property, plant and equipment, net	(1,576)	(2,759)	(4,695)	(4,495)
Valuation gain on financial instruments at fair value through profit or loss, net	-	7	-	989
Others	<u>(877)</u>	<u>(753)</u>	<u>(1,160)</u>	<u>(2,439)</u>
	<u>\$ 10,046</u>	<u>\$ 1,952</u>	<u>\$ 15,869</u>	<u>\$ 10,695</u>

c. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Interest expense of borrowings	\$ 13,690	\$ 14,440	\$ 40,336	\$ 39,511
Less: Amounts included in the cost of qualifying assets	<u>1,551</u>	<u>1,829</u>	<u>5,269</u>	<u>4,930</u>
	<u>\$ 12,139</u>	<u>\$ 12,611</u>	<u>\$ 35,067</u>	<u>\$ 34,581</u>

Information about capitalized interest was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Capitalized interest (classified under property, plant and equipment and prepayments for equipment)	\$ 1,551	\$ 1,829	\$ 5,269	\$ 4,930
Capitalization rate (%)	1.90-5.03	1.77-4.64	1.82-5.03	1.58-5.88
d. Depreciation and amortization				
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Property, plant and equipment	\$ 65,756	\$ 59,218	\$ 200,401	\$ 174,521
Prepayments for lease (current/noncurrent)	615	432	1,803	1,300
Other assets	<u>584</u>	<u>591</u>	<u>1,707</u>	<u>1,715</u>
	<u>\$ 66,955</u>	<u>\$ 60,241</u>	<u>\$ 203,911</u>	<u>\$ 177,536</u>
Analysis of depreciation by function				
Operating costs	\$ 55,359	\$ 48,526	\$ 169,083	\$ 141,387
Operating expenses	<u>10,397</u>	<u>10,692</u>	<u>31,318</u>	<u>33,134</u>
	<u>\$ 65,756</u>	<u>\$ 59,218</u>	<u>\$ 200,401</u>	<u>\$ 174,521</u>
Analysis of amortization by function				
Operating costs	\$ 90	\$ 66	\$ 225	\$ 198
Operating expenses	<u>1,109</u>	<u>957</u>	<u>3,285</u>	<u>2,817</u>
	<u>\$ 1,199</u>	<u>\$ 1,023</u>	<u>\$ 3,510</u>	<u>\$ 3,015</u>
e. Employee benefits expense				
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Short-term employee benefits				
Salary	\$ 136,558	\$ 122,793	\$ 361,854	\$ 354,420
Labor and health insurance	5,777	4,913	15,582	13,736
Others	<u>10,577</u>	<u>4,409</u>	<u>23,507</u>	<u>12,330</u>
	<u>152,912</u>	<u>132,115</u>	<u>400,943</u>	<u>380,486</u>

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Post-employment benefits (Note 19)				
Defined contribution plans	\$ 9,886	\$ 7,327	\$ 25,815	\$ 19,964
Defined benefit plans	<u>546</u>	<u>600</u>	<u>1,636</u>	<u>1,799</u>
	<u>10,432</u>	<u>7,927</u>	<u>27,451</u>	<u>21,763</u>
	<u>\$ 163,344</u>	<u>\$ 140,042</u>	<u>\$ 428,394</u>	<u>\$ 402,249</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 128,598	\$ 98,471	\$ 325,961	\$ 285,770
Operating expenses	<u>34,746</u>	<u>41,571</u>	<u>102,433</u>	<u>116,479</u>
	<u>\$ 163,344</u>	<u>\$ 140,042</u>	<u>\$ 428,394</u>	<u>\$ 402,249</u>

(Concluded)

Under the Company Act as amended in May 2015, the Company's Articles of Incorporation should stipulate a fixed amount or ratio of annual profit to be distributed as employee compensation. However, the Company has not made consequential amendments to its policies for distribution of employee compensation. The Company had incurred net loss for the nine months ended September 30, 2015, hence, no bonus distributed to employees and remuneration to directors and supervisors were accrued for the period. The Company had net profits for the nine months ended September 30, 2014; however, in consideration of the Company's future operation expansion demand, the Company would not appropriate its earnings hence, no bonus to employees and remuneration to directors and supervisors were accrued for the period.

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

The appropriations of bonuses to employees and remuneration to directors and supervisors for 2014 and 2013 were resolved in the stockholders' meetings on June 15, 2015 and June 19, 2014, respectively, were as follows:

	2014	2013
Employee bonus (distributed in cash)	\$ 3,580	\$ -
Remuneration to directors and supervisors	2,100	-

The approved bonus to employees and the remuneration to directors and supervisors were not different from amounts recognized in the consolidated financial statements for 2014 and 2013.

Information about the bonus to employees, directors and supervisors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

f. Gain or loss on foreign currency exchange

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Foreign exchange gains	\$ 45,781	\$ 9,708	\$ 64,278	\$ 31,099
Foreign exchange losses	<u>(24,770)</u>	<u>(3,750)</u>	<u>(36,830)</u>	<u>(16,926)</u>
	<u>\$ 21,011</u>	<u>\$ 5,958</u>	<u>\$ 27,448</u>	<u>\$ 14,173</u>

21. INCOME TAX

a. Income tax recognized in profit or loss

The major components of income tax expense were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Current tax				
In respect of the current period	\$ 4,242	\$ 15,480	\$ 8,155	\$ 34,869
Additional 10% income tax on unappropriated earnings	-	-	4,474	1,325
In respect of prior periods	<u>-</u>	<u>-</u>	<u>482</u>	<u>2,767</u>
	<u>4,242</u>	<u>15,480</u>	<u>13,111</u>	<u>38,961</u>
Deferred tax				
In respect of the current period	1,310	5,385	(8,447)	\$ 9,720
Effect of exchange rate changes	<u>(4,386)</u>	<u>(1,278)</u>	<u>(2,834)</u>	<u>(2,018)</u>
	<u>(3,076)</u>	<u>4,107</u>	<u>(11,281)</u>	<u>7,702</u>
Income tax expense recognized in profit or loss	<u>\$ 1,166</u>	<u>\$ 19,587</u>	<u>\$ 1,830</u>	<u>\$ 46,663</u>

b. Income tax recognized in other comprehensive income (loss)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Deferred tax				
Translation of foreign operations	\$ (24,131)	\$ -	\$ (10,973)	\$ -
Unrealized loss (gain) on available-for-sale financial asset	<u>(177)</u>	<u>(103)</u>	<u>590</u>	<u>10</u>
	<u>\$ (24,308)</u>	<u>\$ (103)</u>	<u>\$ (10,383)</u>	<u>\$ 10</u>

c. Integrated income tax

	September 30, 2015	December 31, 2014	September 30, 2014
Unappropriated earnings			
Unappropriated earnings generated before January 1, 1998	\$ 6,684	\$ 6,684	\$ 6,684
Unappropriated earnings generated on and after January 1, 1998	<u>327,536</u>	<u>424,210</u>	<u>403,106</u>
	<u>\$ 334,220</u>	<u>\$ 430,894</u>	<u>\$ 409,790</u>
Imputation credits accounts	<u>\$ 25,015</u>	<u>\$ 27,198</u>	<u>\$ 26,912</u>

The creditable ratios for the distribution of earnings of 2014 and 2013 was 6.56% and 7.31%, respectively.

Under the Income Tax Law, for distribution of earnings generated after January 1, 1998, the imputation credits allocated to ROC resident stockholders of the Company was calculated based on the creditable ratio as of the date of dividend distribution. Effective January 1, 2015. The amount of imputation credits distributed as dividend to ROC resident stockholders shall be reduced by half.

d. Income tax assessments

The tax returns of the Company through 2011 have been assessed by the tax authorities.

GEM (Dongguan) and GEM (Suzhou) had completed the filing of their income tax returns through 2014 with the tax authorities.

22. EARNINGS PER (NET LOSS) SHARE (EPS)

There's no diluted effect for the three months ended September 30, 2015 and for the nine months ended September 30, 2015 due to net loss incurred.

The net profit (loss) and weighted average number of ordinary shares outstanding in the computation of basic EPS were as follows:

Net profit (loss) for the periods ended

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2015	2014	2015	2014
Net profit (loss) used in the computation of basic EPS	<u>\$ (23,388)</u>	<u>\$ 25,004</u>	<u>\$ (53,570)</u>	<u>\$ 66,334</u>

Weighted average number of ordinary shares outstanding (in thousand shares)

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2015	2014	2015	2014
Weighted average number of ordinary shares in computation of basic EPS	<u>171,388</u>	<u>171,598</u>	<u>171,527</u>	<u>171,598</u>

23. FINANCIAL INSTRUMENTS

a. Fair values of financial instruments

1) Fair value of financial instruments not carried at fair value

The management considers that the carrying amounts of financial assets and financial liabilities recognized in the condensed consolidated financial statements approximate their fair values.

2) Fair value measurements recognized in the consolidated balance sheets

Fair value hierarchy

	Level 1	Level 2	Level 3	Total
<u>September 30, 2015</u>				
Available-for-sale financial assets				
Domestic quoted stocks	\$ 24,047	\$ -	\$ -	\$ 24,047
Overseas quoted stocks	<u>5,071</u>	<u>-</u>	<u>-</u>	<u>5,071</u>
	<u>\$ 29,118</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,118</u>
<u>December 31, 2014</u> : None.				
<u>September 30, 2014</u>				
Financial assets designated as at FVTPL				
Callable preferred stock with interest	<u>\$ 3,098</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,098</u>
Available-for-sale financial assets				
Domestic quoted stocks	<u>\$ 10,602</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,602</u>

There were no transfers between Level 1 and Level 2 for the nine months ended September 30, 2015 and 2014.

b. Categories of financial instruments

	September 30, 2015	December 31, 2014	September 30, 2014
<u>Financial assets</u>			
Fair value through profit or loss			
Designated as at FVTPL	\$ -	\$ -	\$ 3,098
Loans and receivables (Note 1)	3,204,626	3,040,780	3,299,281
Available-for-sale financial assets	29,118	-	10,602
<u>Financial liabilities</u>			
Amortized cost (Note 2)	3,109,068	2,905,445	3,075,532

Note 1: The balances included in loans and receivables measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable, other receivables and other financial assets (current/non-current).

Note 2: The balances included in financial liabilities measured at amortized cost, which comprise short-term borrowings, notes and accounts payable, other payables, and long-term borrowings (including current portion).

c. Financial risk management objectives and policies

The Group's major financial instruments includes equity and debt investments, notes receivable, accounts receivable, other financial assets, notes payable, accounts payable and borrowings.

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

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing future accounts receivable and accounts payable of same foreign currency.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) exposing to foreign currency risk at the end of the reporting period are set out in Note 27.

Sensitivity analysis

The Group was mainly exposed to the risks from the fluctuation of USD and HKD.

The following table details the sensitivity to a 1% increase and decrease in the functional currency rate against the relevant foreign currencies of the Group's outstanding foreign currency denominated monetary items at the end of the reporting period. A positive (negative) number below indicates an increase (decrease) in pre-tax profit and other equity associated with the functional currency.

	USD impact		HKD impact	
	For the Nine Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Profit or loss	\$ 5,580	\$ 3,374	\$ 1,478	\$ (40)

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	September 30, 2015	December 31, 2014	September 30, 2014
Fair value interest rate risk			
Financial assets	\$ 905,895	\$ 1,028,191	\$ 1,114,587
Financial liabilities	1,996,267	1,866,189	2,103,774
Cash flow interest rate risk			
Financial assets	1,066,348	710,286	917,585
Financial liabilities	320,000	260,000	260,000

Sensitivity analysis

The sensitivity analysis below was based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2015 and 2014 would have been higher/lower by \$5,598 thousand and \$4,932 thousand, respectively.

2) Credit risk

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

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's receivables are significantly concentrated in certain individuals, most of which have similar business operations and economic features. Credit risk concentration occurs when the counterparties to financial instrument transactions are individuals or groups engaged in similar activities or activities in the same region, which would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. Accounts receivable from customers with carrying amounts that were 10% or more of the account total are

disclosed in Note 9

3) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the Group's funding and liquidity management requirements.

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

Liquidity and interest risk rate tables for non-derivative financial liabilities

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

The maturity dates for non-derivative financial liabilities based on the agreed repayment dates were as follows:

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>September 30, 2015</u>					
Fixed interest rate liabilities	1.30-5.35	\$ 155,390	\$ 384,952	\$ 902,314	\$ 596,208
Variable interest rate liabilities	1.83-2.20	20,835	990	121,026	185,028
Non-interest bearing		<u>510,722</u>	<u>204,223</u>	<u>75,726</u>	<u>-</u>
		<u>\$ 686,947</u>	<u>\$ 590,165</u>	<u>\$ 1,099,066</u>	<u>\$ 781,236</u>
<u>December 31, 2014</u>					
Fixed interest rate liabilities	1.45-6.00	\$ 142,517	\$ 388,763	\$ 650,716	\$ 720,507
Variable interest rate liabilities	1.90-2.20	15,687	25,754	82,635	141,474
Non-interest bearing		<u>385,400</u>	<u>282,953</u>	<u>37,402</u>	<u>-</u>
		<u>\$ 543,604</u>	<u>\$ 697,470</u>	<u>\$ 770,753</u>	<u>\$ 861,981</u>
<u>September 30, 2014</u>					
Fixed interest rate liabilities	1.42-6.00	\$ 115,194	\$ 408,837	\$ 838,372	\$ 786,521
Variable interest rate liabilities	1.90-2.20	688	883	103,108	162,195
Non-interest bearing		<u>306,706</u>	<u>310,509</u>	<u>31,072</u>	<u>186</u>
		<u>\$ 422,588</u>	<u>\$ 720,229</u>	<u>\$ 972,552</u>	<u>\$ 948,902</u>

Taking into account the Group's financial position, management does not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. Management believes that such bank loans will be repaid in one year after the end of reporting period in accordance with the scheduled repayment dates set out in the loan agreements.

The amounts included above for variable interest rate non-derivative financial liabilities were subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

24. TRANSACTIONS WITH RELATED PARTIES

All transactions, balances, and revenues and expenses among the Company and its subsidiaries are eliminated on consolidation, so the information is not disclosed in this note. Except for those stated in Note 13, transactions of the consolidated companies and other related parties were as follows:

a. Compensation of key management personnel

The amounts of the remuneration of directors and other members of key management personnel for the reporting period were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Short-term benefits (including salary and bonuses)	\$ 1,443	\$ 3,601	\$ 6,883	\$ 9,164
Post-employment benefits	<u>106</u>	<u>65</u>	<u>318</u>	<u>195</u>
	<u>\$ 1,549</u>	<u>\$ 3,666</u>	<u>\$ 7,201</u>	<u>\$ 9,359</u>

The remuneration of directors and other key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

b. Property lease

The Company leased its Taipei office, factories and storehouse from Su, Tun-Jen and Su, Tun-Li (served as the Company's supervisor before June, 2015), and employment dormitory from director Yu Feng Investment Company under one-year operating lease contracts. The rentals for the three months ended September 30, 2015 and 2014 were \$493 thousand, respectively; for the nine months ended September 30, 2015 and 2014 were \$1,478 thousand, respectively, and were recorded as operating expenses and manufacturing cost.

The rental terms were determined by negotiation. The rental rates were similar to the local market rate and the payment terms were at arm's length.

c. Guarantees

Su, Chung-Hong and Su, Tun-Li jointly provided the guarantee for the loans of GEM, Global (HK) and GEM (Suzhon). Su, Tun-Jen provided the guarantee for Genius (HK)'s borrowings from Shing Kong Bank, Su Chung-Hong and Su, Tun-Jen jointly provided the guarantee for the other borrowings of Genius (HK).

25. ASSETS PLEDGED AS COLLATERAL FOR SECURITY

The Group provided the following assets as collateral for the borrowings:

	September 30, 2015	December 31, 2014	September 30, 2014
Property, plant and equipment - buildings	\$ 363,950	\$ 378,016	\$ 373,173
Certificate of deposit (under other financial assets- current)	209,837	202,727	118,967
Prepaid rent (current/non-current)	<u>41,934</u>	<u>42,076</u>	<u>41,077</u>
	<u>\$ 615,721</u>	<u>\$ 622,819</u>	<u>\$ 533,217</u>

26. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS AS OF SEPTEMBER 30, 2015

Significant commitments and contingencies of the Group were as follows:

- a. The amounts of contracts for the Group's purchases of properties and materials were \$476,367 thousand, of which \$160,789 thousand had not been paid.
- b. Unused letters of credit for purchasing equipment and materials amounted to \$6,818 thousand.

27. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the group entities and the exchange rates between foreign currencies and respective currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows (in thousands of foreign currency, except exchange rate):

	Foreign Currencies		Exchange Rate	Carrying Amount
<u>September 30, 2015</u>				
Monetary items-financial assets				
USD	\$ 7,704	32.860	(USD : NTD)	\$ 253,144
USD	11,026	6.350	(USD : RMB)	362,305
USD	10,553	7.746	(USD : HKD)	346,783
USD	1,492	22,476	(USD : VND)	49,027
HKD	9,945	4.242	(HKD : NTD)	42,187
HKD	64,386	0.820	(HKD : RMB)	273,124
HKD	937	0.129	(HKD : USD)	3,976
Monetary items-financial liabilities				
USD	237	32.860	(USD : NTD)	7,780
USD	7,034	6.350	(USD : RMB)	231,169
USD	4,290	7.746	(USD : HKD)	140,986
USD	2,232	22,476	(USD : VND)	73,328
HKD	91	0.820	(HKD : RMB)	387
HKD	40,324	4.242	(HKD : NTD)	171,053
<u>December 31, 2014</u>				
Monetary items-financial assets				
USD	9,679	31.630	(USD : NTD)	306,135

(Continued)

	Foreign Currencies	Exchange Rate		Carrying Amount
USD	\$ 3,713	6.217	(USD : RMB)	\$ 117,442
USD	9,323	7.753	(USD : HKD)	294,909
USD	4	22,196	(USD : VND)	114
HKD	14,747	4.080	(HKD : NTD)	60,170
HKD	33,411	0.802	(HKD : RMB)	136,317
HKD	945	0.129	(HKD : USD)	3,853
Monetary items-financial liabilities				
USD	129	31.630	(USD : NTD)	4,081
USD	1,319	6.217	(USD : RMB)	41,705
USD	6,508	7.753	(USD : HKD)	205,867
HKD	46,697	4.080	(HKD : NTD)	190,522
HKD	3,267	0.802	(HKD : RMB)	13,333
<hr/> September 30, 2014 <hr/>				
Monetary items-financial assets				
USD	9,868	30.420	(USD : NTD)	300,193
USD	7,636	6.166	(USD : RMB)	232,276
USD	7,543	7.760	(USD : HKD)	229,470
USD	4	21,964	(USD : VND)	109
HKD	18,380	3.920	(HKD : NTD)	72,049
HKD	32,593	0.795	(HKD : RMB)	127,764
HKD	943	0.129	(HKD : USD)	36,917
Monetary items-financial liabilities				
USD	124	30.420	(USD : NTD)	3,768
USD	7,031	6.166	(USD : RMB)	213,888
USD	6,805	7.760	(USD : HKD)	207,010
HKD	52,178	3.920	(HKD : NTD)	204,539
HKD	769	0.795	(HKD : RMB)	3,013
(Concluded)				

For the three months ended September 30, 2015 and 2014, and for the nine months ended September 30, 2015 and 2014, realized and unrealized net foreign exchange gains were \$21,011 thousand, \$5,958 thousand, \$27,448 thousand and \$14,173 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Group's entities.

28. ADDITIONAL DISCLOSURES

a. Information about significant transactions and investees:

- 1) Financing provided to others. Table 1 (attached).
- 2) Endorsement/guarantee provided. None.
- 3) Marketable securities held. Table 2 (attached).
- 4) Marketable securities acquired and disposed at cost or price at least NT\$300 million or 20% of the paid-in capital. None.

- 5) Acquisition of individual real estate at cost of at least NT\$300 million or 20% of the paid-in capital: None.
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None.
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. Table 3 (attached).
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. Table 4 (attached).
 - 9) Trading in derivative instruments. Note 7.
 - 10) Intercompany relationship and significant intercompany transactions. Table 7 (attached).
 - 11) Information on investees. Table 5 and 6 (attached).
- b. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China areas. Table 6 (attached).
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. Table 3 (attached).
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. Table 3 (attached).
 - c) The amount of property transactions and the amount of the resultant gains or losses. Table 7 (attached).
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes. None.
 - e) The highest balance, the end of period balance, the interest rates range, and total current period interest with respect to financing of funds. Table 1 (attached).
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services. Table 7 (attached).

29. SEGMENT INFORMATION

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

- GEM Terminal, GEM (Dongguan) and Genius (HK) consolidated information
- GEM (Suzhou)
- Others

Segment revenues and results, segment assets and liabilities

The following is an analysis of the Group's revenue and results from operations by reportable segment:

	GEM Terminal, GEM (Dongguan)& Genius (HK)	GEM (Suzhou)	Others	Adjustment and Elimination	Consolidated Amount
<u>For the Nine months ended September 30, 2015</u>					
Revenue from external customers	\$ 1,545,697	\$ 1,080,351	\$ 156,868	\$ -	\$ 2,782,916
Inter-segment revenues	<u>79,856</u>	<u>583,784</u>	<u>70,053</u>	<u>(733,693)</u>	<u>-</u>
Segment revenues	<u>\$ 1,625,553</u>	<u>\$ 1,664,135</u>	<u>\$ 226,921</u>	<u>\$ (733,693)</u>	<u>\$ 2,782,916</u>
Segment income (loss)	<u>\$ (77,794)</u>	<u>\$ 4,723</u>	<u>\$ (3,350)</u>	<u>\$ 21,395</u>	\$ (55,026)
Other income					22,484
Other gains and losses					15,869
Finance costs					<u>(35,067)</u>
Consolidated loss before income tax					(51,740)
Income tax					<u>1,830</u>
Consolidated net loss					<u>\$ (53,570)</u>
<u>September 30, 2015</u>					
Segment assets	<u>\$ 7,013,759</u>	<u>\$ 3,023,806</u>	<u>\$ 509,214</u>	<u>\$ (4,146,163)</u>	<u>\$ 6,400,616</u>
Segment liabilities	<u>\$ 2,667,394</u>	<u>\$ 848,080</u>	<u>\$ 271,016</u>	<u>\$ (480,314)</u>	<u>\$ 3,306,176</u>
<u>For the Nine months ended September 30, 2014</u>					
Revenue from external customers	\$ 1,627,234	\$ 1,143,741	\$ 173,948	\$ -	\$ 2,944,923
Inter-segment revenues	<u>48,358</u>	<u>320,359</u>	<u>68,649</u>	<u>(437,366)</u>	<u>-</u>
Segment revenues	<u>\$ 1,675,592</u>	<u>\$ 1,464,100</u>	<u>\$ 242,597</u>	<u>\$ (437,366)</u>	<u>\$ 2,944,923</u>
Segment income (loss)	<u>\$ 53,064</u>	<u>\$ 48,111</u>	<u>\$ (2,242)</u>	<u>\$ 15,640</u>	\$ 114,573
Other income					22,310
Other gains and losses					10,695
Finance costs					<u>(34,581)</u>
Consolidated income before income tax					112,997
Income tax					<u>46,663</u>
Consolidated net income					<u>\$ 66,334</u>
<u>September 30, 2014</u>					
Total segment assets	<u>\$ 6,885,403</u>	<u>\$ 2,601,366</u>	<u>\$ 343,126</u>	<u>\$ (3,554,898)</u>	<u>\$ 6,274,997</u>
Total segment liabilities	<u>\$ 2,705,925</u>	<u>\$ 543,286</u>	<u>\$ 175,140</u>	<u>\$ (162,260)</u>	<u>\$ 3,262,091</u>

TABLE 1

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Financing Company	Borrowing Company	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance (Note 2)	Actual Borrowing Amount (Notes 2 and 3)	Interest Rate	Nature of Financing	Business Transactions Amounts	Reason for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
0	The Company	Vibo	Other receivables - related parties	Yes	\$ 63,000 (US\$ 2,000 thousand)	\$ -	\$ -	2.80	Short-term financing	\$ -	Operating capital		\$ -	\$ -	\$ 618,888 (Note 1)	\$ 1,237,776 (Note 1)
		GEM (VN)	Other receivables - related parties	Yes	98,580 (US\$ 3,000 thousand)	98,580 (US\$ 3,000 thousand)	32,860 (US\$ 1,000 thousand)	2.10	Short-term financing	-	Operating capital		-	-	618,888 (Note 1)	1,237,776 (Note 1)
1	Vibo	GEM (Dongguan)	Other receivables - related parties	Yes	94,500 (US\$ 3,000 thousand)	-	-	2.80	Short-term financing	-	Operating capital		-	-	655,874 (Note 1)	1,311,748 (Note 1)
		GEM (Dongguan)	Other receivables - related parties	Yes	32,860 (US\$ 1,000 thousand)	32,860 (US\$ 1,000 thousand)	32,860 (US\$ 1,000 thousand)	2.30	Short-term financing	-	Operating capital		-	-	655,874 (Note 1)	1,311,748 (Note 1)
2	Global (Cayman)	Global (HK)	Other receivables - related parties	Yes	12,600 (US\$ 400 thousand)	-	-	2.00	Short-term financing	-	Operating capital		-	-	660,829 (Note 1)	1,321,657 (Note 1)
		Global (HK)	Other receivables - related parties	Yes	13,144 (US\$ 400 thousand)	13,144 (US\$ 400 thousand)	13,144 (US\$ 400 thousand)	2.00	Short-term financing	-	Operating capital		-	-	660,829 (Note 1)	1,321,657 (Note 1)
3	GEM (Cayman)	GEM (VN)	Other receivables - related parties	Yes	32,860 (US\$ 1,000 thousand)	32,860 (US\$ 1,000 thousand)	32,860 (US\$ 1,000 thousand)	2.10	Short-term financing	-	Operating capital		-	-	50,856 (Note 1)	101,712 (Note 1)

Note 1: Under the Company's and the subsidiaries' "Operational Procedures for Loaning Funds to Others," if short-term financing is needed, total amounts of these financings should not exceed 40 percent of the Company's and the subsidiaries' stockholders' equity, and individual financing should not exceed 20 percent of the Company's and the subsidiaries' stockholders' equity.

Note 2: The conversion rates on September 30, 2015 were US\$1 : NT\$32.86.

Note 3: It was eliminated on consolidation.

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

SEPTEMBER 30, 2015

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2015				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
The Company	<u>Stock</u>							
	Chinatrust Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	150,000	\$ 2,543	-	\$ 2,543	
	Shin Kong Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	212,114	1,654	-	1,654	
	Taishin Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	75,000	874	-	874	
					<u>5,071</u>		<u>5,071</u>	
GEM (Suzhou)	<u>Stock</u>							
	Industrial Bank Co., Ltd.	-	Available-for-sale financial assets - current	73,000	5,500	-	5,500	
	Beijing TongRen Tang Co., Ltd.	-	Available-for-sale financial assets - current	24,000	2,790	-	2,790	
	Bank of Communications Co., Ltd.	-	Available-for-sale financial assets - current	69,000	2,171	-	2,171	
	Bank of Beijing Co., Ltd.	-	Available-for-sale financial assets - current	47,000	2,094	-	2,094	
	Luzhou Laojiao Co., Ltd.	-	Available-for-sale financial assets - current	18,800	1,998	-	1,998	
	Sichuan Yibin Wuliangye Group Co.	-	Available-for-sale financial assets - current	12,000	1,598	-	1,598	
	Ningbo Boway Alloy Material Co., Ltd.	-	Available-for-sale financial assets - current	17,000	1,336	-	1,336	
	Agricultural Bank of China Limited	-	Available-for-sale financial assets - current	72,000	1,129	-	1,129	
	China Petrochemical Co., Ltd.	-	Available-for-sale financial assets - current	42,000	1,030	-	1,030	
	Zhejiung Guyuelongshan Shaoxing Co., Ltd.	-	Available-for-sale financial assets - current	22,000	1,005	-	1,005	
	Bank of China Limited	-	Available-for-sale financial assets - current	50,000	962	-	962	
	Anhui Gujing Distillery Co., Ltd.	-	Available-for-sale financial assets - current	6,000	848	-	848	
	Industrial and Commercial Bank of China Limited	-	Available-for-sale financial assets - current	37,000	827	-	827	
	China Construction Bank Corporation	-	Available-for-sale financial assets - current	27,000	724	-	724	
	Tsingtao Brewery Co., Ltd.	-	Available-for-sale financial assets - current	210	35	-	35	
					<u>24,047</u>		<u>24,047</u>	
					<u>\$ 29,118</u>		<u>\$ 29,118</u>	

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Transaction Details				Non-arm's Length Transaction		Notes/Accounts (Payable) or Receivable		Note
			Purchases/Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Term	Ending Balance	% to Total	
Genius (HK)	The Company	Subsidiary	Sales	\$ 336,989 (HK\$ 83,011 thousand) (Note 1)	40	120 days after monthly closing	No comparable transactions with those in the market	No comparable transactions with those in the market	\$ 152,912 (HK\$ 36,047 thousand) (Note 1)	39	Note3
GEM (Dongguan)	Genius (HK)	Affiliate	Sales	823,261 (HK\$170,370 thousand and US\$4,646 thousand) (Note 1)	59	120 days after monthly closing	No comparable transactions with those in the market	No comparable transactions with those in the market	267,528 (HK\$52,039 thousand and US\$1,413 thousand) (Note 1)	45	Note3
GEM (Suzhou)	Global (HK)	Affiliate	Sales	199,339 (HK\$7,419 thousand and US\$5,484 thousand) (Note 1)	12	120 days after monthly closing	No comparable transactions with those in the market	No comparable transactions with those in the market	61,011 (HK\$2,935 thousand and US\$1,475 thousand) (Note 1)	8	Note3
GEM (Suzhou)	GEM (Dongguan)	Affiliate	Sales	365,720 (RMB \$72,760 thousand) (Note 1)	22	120 days after monthly closing	No comparable transactions with those in the market	No comparable transactions with those in the market	241,562 (RMB\$ 46,684 thousand) (Note 1)	33	Note3

Note 1: The average conversion rates for the nine months ended September 30, 2015 were HK\$1 : NT\$4.059 and US\$1 : NT\$31.449.

Note 2: The conversion rates on September 30, 2015 were HK\$1 : NT\$4.242, US\$1 : NT\$32.86 and RMB\$1 : NT5.1745.

Note 3: It was eliminated on consolidation.

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

SEPTEMBER 30, 2015

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance (Notes 1 and 2)	Turnover Rate	Overdue		Amounts Received in Subsequent Year	Allowance for Impairment Loss
					Amount	Actions Taken		
Genius (HK)	The Company	Subsidiary	\$ 152,912 (HK\$ 36,047 thousand)	2.66	\$ -	-	\$ 27,971	\$ -
GEM (Dongguan)	Genius (HK)	Affiliate	267,528 (HK\$ 52,039 thousand and US\$ 1,413, thousand)	5.53	-	-	90,224	-
GEM (Suzhou)	GEM (Dongguan)	Affiliate	241,562 (RMB 46,684 thousand)	3.20	-	-	55,885	-

Note 1: The conversion rates on September 30, 2015 were HK\$1 : NT\$4.242, US\$1 : NT\$32.86 and RMB\$1 : NT\$5.1745.

Note 2: It was eliminated on consolidation.

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2015			Net Income (Loss) of the Investee	Share of profit (Loss)	Earnings Appropriation		Note
				September 30, 2015 (Foreign Currencies in Thousands)	December 31, 2014 (Foreign Currencies in Thousands)	Shares / Units	%	Carrying Amount			Stock	Cash	
The Company	Global (Cayman)	Grand Cayman, Cayman Islands	International investment	\$ 1,295,208 (US\$ 40,137)	\$ 1,295,208 (US\$ 40,137)	40,137,184	100	\$ 3,189,382	\$ 8,202	\$ 8,202	\$ -	\$ -	Note 1
	Genius Terminal	British Virgin Islands	International investment and trading, etc.	23,282 (US\$ 750)	23,282 (US\$ 750)	750,000	100	59,346	(7,170)	(7,170)	-	-	Note 1
	GEM Terminal (Cayman)	Grand Cayman, Cayman Islands	International investment	258,738 (US\$ 8,498)	210,367 (US\$ 7,010)	8,498,000	100	254,279	(5,182)	(5,182)	-	-	Note 1
								<u>\$ 3,503,007</u>	<u>\$ (4,150)</u>	<u>\$ (4,150)</u>			
Genius Terminal	Genius (HK)	Hong Kong	International trading	90,134 (HK\$ 22,000)	90,134 (HK\$ 22,000)	21,999,998	100	<u>\$ 82,418</u>	<u>\$ (7,106)</u>	<u>\$ (7,165)</u>	-	-	Notes 1 and 2
Global (Cayman)	Vibo	Hong Kong	Investment and trading	1,541,063 (HK\$ 359,973)	1,541,063 (HK\$ 359,973)	359,972,616	100	\$ 3,279,371	\$ 6,421	\$ 6,421	-	-	Note 1
	Global (HK)	Hong Kong	International trading	3,747 (HK\$ 1,000)	3,747 (HK\$ 1,000)	1,000,000	100	8,512	1,250	3,087	-	-	Notes 1 and 2
								<u>\$ 3,287,883</u>	<u>\$ 7,671</u>	<u>\$ 9,508</u>			
GEM Terminal (Cayman)	GEM (VN)	Vietnam	Production of hardware; machine processing; electroplating for hardware processing; production and processing of molds and related accessories; plastic products and related plastic accessory production;	256,134 (US\$ 7,898)	207,763 (US\$ 6,410)	-	100	<u>\$ 254,094</u>	<u>\$ (5,071)</u>	<u>\$ (5,071)</u>	-	-	Note 1

Note 1: It was eliminated on consolidation.

Note 2: Net of unrealized profits.

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (RMB in Thousands)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2015	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2015	Net Income of the Investee	% of Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 1 and 3)	Carrying Amount as of September 30, 2015 (Notes 1 and 3)	Accumulated Repatriation of Investment Income as of September 30, 2015
					Outward	Inward						
GEM (Dongguan)	Production of hardware; machine processing; electroplating for metal processing; production and processing of molds and related accessories; plastic products and related plastic accessory production.	\$ 876,907 (RMB 169,467 thousand)	The investment was made through a corporation established in a third country to invest in companies located in Mainland China.	\$ 452,130 (US\$ 14,159 thousand)	\$ -	\$ -	\$ 452,130 (US\$ 14,159 thousand)	\$ 16,597	100	\$ 7,138 (US\$ 232 thousand)	\$ 1,147,950 (US\$ 34,935 thousand)	\$ -
GEM (Suzhou)	Production of hardware; machine processing; electroplating for metal processing; production and processing of molds and related accessories; plastic products and related plastic accessory production.	1,297,138 (RMB 250,679 thousand)	The investment was made through a corporation established in a third country to invest in companies located in Mainland China.	741,320 (US\$ 23,000 thousand)	-	-	741,320 (US\$ 23,000 thousand)	7,128	100	5,575 (US\$ 225 thousand)	2,173,349 (US\$ 66,140 thousand)	-
							\$ 1,193,450 (US\$ 37,159 thousand)					

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2015	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 2)
\$1,193,450 (US\$37,159 thousand)	\$1,863,162 (US\$56,700 thousand)	\$1,856,664

Note 1: Amount was recognized based on the reviewed financial statement.

Note 2: Under the "Principles Governing the Review of Investments or Technical Cooperation in Mainland China" issued by the Investment Commission on August 29, 2008, the maximum amount that can be invested in companies located in mainland China is 60% of the Company's net value.

Note 3: It was eliminated on consolidation.

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

INTERCOMPANY BUSINESS RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions			Percentage of Consolidated Total Gross Sales or Total Assets	Note
				Financial Statement Item	Amount	Terms		
0	The Company	Genius (HK)	1	Sales	\$ 10,300	Payment terms are four months	-	Note 1
		Genius (HK)	1	Property, plant and equipment for sale - current	857	Payment terms are four months	-	Note 1
		Genius (HK)	1	Accounts receivable	1,263	Payment terms are four months	-	Note 1
		GEM (Suzhou)	1	Sales	18,217	Payment terms are four months	1	Note 1
		GEM (Suzhou)	1	Property, plant and equipment for sale - current	32,316	Payment terms are four months	1	Note 1
		GEM (Suzhou)	1	Expense of patent right	750	Payment terms are four months	-	Note 1
		GEM (VN)	1	Other receivable	33,074	According to working capital conditions to change payment heading	1	Note 1
		GEM (VN)	1	Interest income	214	Interest rates P.A. 2.1%	1	Note 1
		GEM (Dongguan)	1	Property, plant and equipment for sale - current	1,505	Payment terms are four months	-	Note 1
		Global (HK)	1	Sales	16,477	Payment terms are four months	1	Note 1
Global (HK)	1	Property, plant and equipment	543	Payment terms are four months	-	Note 1		
1	GEM (Dongguan)	GEM Terminal	2	Sales	20	Payment terms are four months	-	Note 1
		Genius (HK)	3	Sales	823,261	Payment terms are four months	30	Note 1
		Genius (HK)	3	Accounts receivable	267,528	Payment terms are four months	4	Note 1
		GEM (Suzhou)	3	Sales	45,162	Payment terms are four months	2	Note 1
		GEM (Suzhou)	3	Accounts receivable	96,586	Payment terms are four months	2	Note 1
		GEM (Suzhou)	3	Property, plant and equipment	82,243	Payment terms are four months	3	Note 1
		GEM (Suzhou)	3	Other income	1,350	Payment terms are four months	-	Note 1
2	Genius (HK)	GEM Terminal	2	Sales	336,989	Payment terms are four months	12	Note 1
		GEM Terminal	2	Accounts receivable	152,912	Payment terms are four months	2	Note 1
		GEM Terminal	2	Other receivable	18,141	Payment terms are four months	-	Note 1
		GEM (Dongguan)	3	Sales	11,487	Payment terms are four months	-	Note 1
		GEM (Dongguan)	3	Accounts receivable	387	Payment terms are four months	-	Note 1
		GEM (Dongguan)	3	Other receivable	455	Payment terms are four months	-	Note 1
3	Global (HK)	GEM Terminal	2	Sales	45,996	Payment terms are four months	2	Note 1
		GEM Terminal	2	Accounts receivable	6,342	Payment terms are four months	-	Note 1
		GEM (Suzhou)	3	Sales	17,343	Payment terms are four months	1	Note 1
		GEM (VN)	3	Sales	6,714	Payment terms are four months	-	Note 1
		GEM (VN)	3	Accounts receivable	6,901	Payment terms are four months	-	Note 1
4	GEM (Suzhou)	GEM Terminal	2	Sales	18,724	Payment terms are four months	1	Note 1
		GEM Terminal	2	Accounts receivable	1,439	Payment terms are four months	-	Note 1
		Global (HK)	3	Sales	199,340	Payment terms are four months	7	Note 1
		Global (HK)	3	Property, plant and equipment	6,479	Payment terms are four months	-	Note 1
		Global (HK)	3	Accounts receivable	61,011	Payment terms are four months	1	Note 1
		GEM (Dongguan)	3	Sales	365,720	Payment terms are four months	13	Note 1
		GEM (Dongguan)	3	Property, plant and equipment	420	Payment terms are four months	-	Note 1
		GEM (Dongguan)	3	Accounts receivable	241,562	Payment terms are four months	4	Note 1

(Continued)

No.	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions			Percentage of Consolidated Total Gross Sales or Total Assets	Note
				Financial Statement Item	Amount	Terms		
5	Vibo	GEM (Dongguan)	2	Other receivable	\$ 33,169	According to working capital conditions to change payment deading Interest rates P.A. 2.8%	1	Note 1
		GEM (Dongguan)	2	Interest income	662		-	Note 1
6	Global (Cayman)	Global (HK)	2	Other receivable	13,220	According to working capital conditions to change payment deading Interest rates P.A. 2.0%	-	Note 1
		Global (HK)	2	Interest income	175		-	Note 1
7	GEM (Cayman)	GEM (VN)	2	Other receivable	33,353	According to working capital conditions to change payment deading Interest rates P.A. 2.1%	1	Note 1
		GEM (VN)	2	Interest income	472		-	Note 1

(Concluded)

Note 1: It was eliminated on consolidation.

Note 2: 1) Parent to subsidiary

2) Subsidiary to parent

3) Subsidiary to subsidiary