TATUNG CO., LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
December 31, 2015 AND 2014

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

REPRESENTATION LETTER

The entities included in the consolidated financial statements as of December 31, 2015 and for the year then ended prepared under the International Financial Reporting Interpretation No. 10 (referred to as “Consolidated Financial Statements”) are the same as the entities to be included in the combined financial statements of the Company, if any to be prepared, pursuant to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises (referred to as “Combined Financial Statements”). Also, the footnotes disclosed in the Consolidated Financial Statements have fully covered the required information in such Combined Financial Statements. Accordingly, the Company did not prepare any other set of Combined Financial Statements than the Consolidated Financial Statements.

Very truly yours,

Tatung Co., Ltd.

Chairman: Wei-Shan Lin

March 23, 2016

Report of Independent Auditors

English Translation of a Report Originally Issued in Chinese

The Board of Directors and Shareholders

We have audited the accompanying consolidated balance sheets of Tatung Co., Ltd. and its subsidiaries as of December 31, 2015 and 2014, the related consolidated statements of comprehensive income, and the related consolidated statements of changes in equity and cash flows for the years ended December 31, 2015 and 2014. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statement based on our audits. Certain consolidated subsidiaries were audited by the other auditors. Our audit insofar as it related to the total assets amounted to NT$3,378,482 thousand and NT$3,712,148 thousand, which represented 2% and 2% of total consolidated assets as of December 31, 2015 and 2014, respectively; and the related net operation revenue amounted to NT$2,659,774 thousand and NT$2,293,717 thousand, which represented 3% and 2% of net consolidated operation revenue for the years ended December 31, 2015 and 2014, respectively; are based solely on the reports of the other auditors. In addition, certain investments, which were accounted for under the equity method based on the financial statements of the investees as of December 31, 2015 and 2014, were audited by the other auditors. Our audit insofar as it related to the related investment amounted to NT$4,543,167 thousand and NT$5,159,890 thousand, which represented 2% and 2% of the total consolidated assets as of December 31, 2015 and 2014, respectively, and the related shares of investment income (loss) from the associates and joint ventures amounted to NT$(25,936) thousand and NT$628,801 thousand, which represented 0% and (26)% of the consolidated net loss before income tax for the years ended December 31, 2015 and 2014, respectively; and the related share of other comprehensive income (loss) from the associates and joint ventures amounted to NT$691,897 thousand and NT$126,320 thousand, which represented (52)% and 5% of consolidated other comprehensive income (loss), net of tax, for the years ended December 31, 2015 and 2014, respectively; are based solely on the reports of the other auditors.

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

In our opinion, based on our audits and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tatung Co. and its subsidiaries as of December 31, 2015 and 2014, and the consolidated results of their operations and their cash flows for the years ended December 31, 2015 and 2014, were in conformity with requirements of the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards, interpretations developed by the International Financial Reporting Interpretations Committee which are endorsed by Financial Supervisory Commission of the Republic of China.

We have also audited the parent company only financial statements of Tatung Co. as of and for the years ended December 31, 2015 and 2014, on which we have issued a modified unqualified opinion.

Ernst & Young
Taipei, Taiwan
Republic of China
March 23, 2016

Notice to Readers

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

English Translations of Consolidated Financial Statements Originally Issued in Chinese

TATUNG CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2015 and December 31, 2014
(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2015		December 31, 2014	
Contents	Notes	Amount	%	Amount	%
Current assets					
Cash and cash equivalents	4,6	$27,131,458	13	$30,140,282	14
Financial assets at fair value through profit or loss, current	4,6,8	2,362,506	1	2,168,532	1
Available-for-sale financial assets, current	4,6	394,114	-	505,530	-
Financial assets in held-to-maturity, current	4,6	20,000	-	-	-
Financial assets carried at cost, current	4,6	29,238	-	29,238	-
Debt instrument investments for which no active market exists, current	4,6,8	18,144,386	9	6,799,213	3
Notes receivable, net	4,6	644,925	-	583,004	-
Accounts receivable, net	4,6,8	11,345,663	6	15,464,179	8
Accounts receivable - related parties, net	4,6,7	80,303	-	134,191	-
Construction receivables	4,6,7	384,583	-	1,593,709	1
Other receivable	4	2,367,700	1	1,731,792	1
Other receivables - related parties	4,7	2,248	-	53,308	-
Current tax asset	4,6	51,033	-	65,196	-
Inventories	4,6,8	19,108,788	9	21,735,744	10
Prepayments	8	3,192,691	2	4,699,395	2
Non-current assets held for sale (net)		207,235	-	57,536	-
Other current assets		1,494,080	1	245,889	-
Total current assets		86,960,951	42	86,006,738	40
Non-current assets					
Financial assets at fair value through profit or loss, non-current	4,6	-	-	10,646	-
Available-for-sale financial assets, non-current	4,6,8	3,429,937	2	3,315,642	2
Financial assets in held-to-maturity, non-current	4,6	-	-	20,000	-
Financial assets carried at cost, non-current	4,6	329,311	-	362,163	-
Debt instrument investments for which no active market exists, non-current	4,6,8	3,783,020	3	8,766,678	4
Investments accounted for under the equity method	4,6,8	6,586,038	3	6,386,011	3
Property, plant and equipment	4,5,6,8	77,800,166	39	86,205,789	40
Investment property, net	4,5,6	14,070,026	7	13,926,074	7
Intangible assets	4,6	1,792,921	1	2,113,480	1
Deferred tax assets	4,6	2,741,597	1	2,876,938	1
Other non-current assets	6,8	4,286,943	2	3,535,224	2
Long-term receivables	4,6,7	137,708	-	301,935	-
Total non-current assets		114,957,667	58	127,820,580	60
Total assets		$201,918,618	100	$213,827,318	100

English Translations of Consolidated Financial Statements Originally Issued in Chinese

TATUNG CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2015 and December 31, 2014
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity		December 31, 2015		December 31, 2014	
Contents	Notes	Amount	%	Amount	%
Current liabilities					
Short-term loans	6,8	$45,426,925	23	$39,656,537	19
Short-term notes and bills payable	6	1,607,115	1	5,759,166	3
Financial liabilities at fair value through profit or loss, current	4,6	932,686	-	863,846	-
Notes payable		689,685	-	337,673	-
Accounts payable		17,060,930	9	21,412,527	10
Accounts payable - related parties	7	17,853	-	18,033	-
Other payables	7	9,696,310	5	9,292,393	4
Current tax liabilities		379,112	-	417,869	-
Provision, current	4,6	116,496	-	157,033	-
Advanced receipts		2,442,510	1	4,013,833	2
Current portion of bonds payable	6	600,000	-	600,000	-
Current portion of long-term loans	6,8	23,498,617	12	9,730,713	5
Other current liabilities - others		1,549,205	1	1,542,168	1
Total current liabilities		104,017,444	52	93,801,791	44
Non-current liabilities					
Bonds payable	6	-	-	600,000	-
Long-term loans	6,8	35,285,477	17	42,570,753	20
Provision, non-current	4,6	499,478	-	536,128	-
Deferred tax liabilities	4,6	7,072,175	4	7,745,505	4
Long-term payables		27,228	-	38,399	-
Long-term deferred revenues	4,6	356,902	-	263,409	-
Net defined benefit liability	4,6	5,186,102	3	5,687,737	3
Deposits in		510,134	-	496,509	-
Deferred credit for investments accounted for under the equity method	4,6	19,970	-	21,547	-
Other non-current liabilities, others		31,849	-	195,016	-
Total non-current libilities		48,989,315	24	58,155,003	27
Total liabilities		153,006,759	76	151,956,794	71
Equity attributable to shareholders of the parent					
Capital stock					
Common stock	6	23,395,367	12	23,395,367	11
Capital reserve	6	785,376	-	750,641	-
Retained earnings	6				
Legal reserve		36,354	-	-	-
Special reserve		10,047,053	5	9,975,000	5
Unappropriated earnings (Accumulated deficits)		(3,100,268)	(2)	160,587	-
Total retained earnings		6,983,139	3	10,135,587	5
Other equities	4				
Exchange differences on translation of foreign operation		8,114	-	329,756	-
Unrealized gain or loss on available-for-sale financial instruments		235,469	-	562,106	-
Non-current assets held for sale and equity directly associated		(1,439)	-	-	-
Total other equities		242,144	-	891,862	-
Treasury stock	4,6	(806,870)	-	(806,870)	-
Equity attributable to shareholders of the parent		30,599,156	15	34,366,587	16
Non-controlling interests	4,6	18,312,703	9	27,503,937	13
Total equity		48,911,859	24	61,870,524	29
Total liabilities and equity		$201,918,618	100	$213,827,318	100

English Translations of Consolidated Financial Statements Originally Issued in Chinese

TATUNG CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2015 and 2014
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		2015		2014	
Contents	Notes	Amount	%	Amount	%
Operating revenues	4,6,7	$96,736,477	102	$114,650,347	102
Less: Sales returns	5,6	(924,111)	(1)	(912,784)	(1)
Less: Sales allowances	5,6	(1,068,013)	(1)	(1,128,285)	(1)
Net operating revenues		94,744,353	100	112,609,278	100
Operating costs	6,7	(88,699,937)	(94)	(96,725,204)	(86)
Net gross profit		6,044,416	6	15,884,074	14
Operating expenses	6				
Sales and marketing		(5,132,741)	(5)	(5,846,189)	(5)
General and administrative		(5,383,026)	(6)	(5,281,119)	(5)
Research and development		(4,903,160)	(5)	(5,490,646)	(5)
Total operating expense		(15,418,927)	(16)	(16,617,954)	(15)
Operating loss		(9,374,511)	(10)	(733,880)	(1)
Non-operating income and expense					
Other income	4,6,7	2,688,777	3	3,140,050	3
Other gains and (losses)	6	642,680	1	(1,834,973)	(2)
Finance costs	4,6	(4,283,530)	(5)	(3,598,543)	(3)
Share of profits of associates and joint ventures	6	667,618	1	622,182	1
Total Non-operating expense		(284,455)	-	(1,671,284)	(1)
Loss before income tax		(9,658,966)	(10)	(2,405,164)	(2)
Income tax expense	4,5,6	(1,135,553)	(1)	(581,885)	-
Net Loss		(10,794,519)	(11)	(2,987,049)	(2)
Other comprehensive (loss) income	4,6				
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans		(62,040)	-	24,150	-
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method, not to be reclassified to profit or loss		(1,382)	-	-	-
Income tax expense related to components of other comprehensive income, not to be reclassified to profit or loss		7,306	-	-	-
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation		(1,592,691)	(2)	1,602,931	1
Unrealized gain (loss) from available-for-sale financial assets		174,063	-	839,544	1
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method, to be reclassified to profit or loss		(29,252)	-	171,493	-
Income tax expense related to components of other comprehensive income, to be reclassified to profit or loss		170,952	-	(274,474)	-
Total of other comprehensive income, net of income tax		(1,333,044)	(2)	2,363,644	2
Total comprehensive (loss) income		$(12,127,563)	(13)	$(623,405)	-
Net (loss) income attribute to:					
Shareholders of the parent		$(3,075,015)		$363,539	
Non-controlling interests		(7,719,504)		(3,350,588)	
		$(10,794,519)		$(2,987,049)	
Total comprehensive income (loss) attribute to:					
Shareholders of the parent		$(3,750,958)		$1,288,947	
Non-controlling interests		(8,376,605)		(1,912,352)	
		$(12,127,563)		$(623,405)	
Loss per share	6				
Basic (loss) earnings per share (NT$)		$(1.35)		$0.16	
Diluted (loss) earnings per share (NT$)		$(1.35)		$0.16	

English Translations of Financial Statements Originally Issued in Chinese

TATUNG CO., LTD.AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2015 and 2014
(Expressed in Thousands of New Taiwan Dollars)

	Attributed to Equity Holders of the Parent											
			Retained Earnings			Other Capital Reserves						
Contents	Capital Stock	Capital Reserve	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operation	Unrealized Gain or Loss on Financial Instruments	Equity Related to Non-current Assets Held for Sale	Treasury Stock	Total	Non-controlling Interests	Total Equity
Balance as of January 1, 2014	$23,395,367	$767,970	$-	$15,894,690	$(5,919,690)	$(188,770)	$158,498	$-	$(806,870)	$33,301,195	$28,948,525	$62,249,720
Special reserve used to cover accoumulated defitcits	-	-	-	(5,919,690)	5,919,690	-	-	-	-	-	-	-
Net Income (loss) in 2014	-	-	-	-	363,539	-	-	-	-	363,539	(3,350,588)	(2,987,049)
Other comprehensive income (loss) in 2014	-	-	-	-	3,274	518,526	403,608	-	-	925,408	1,438,236	2,363,644
Total comprehensive income (loss)	-	-	-	-	366,813	518,526	403,608	-	-	1,288,947	(1,912,352)	(623,405)
Change in subsidiaries' ownersihp	-	(17,329)	-	-	(206,226)	-	-	-	-	(223,555)	467,764	244,209
Balance as of December 31, 2014	$23,395,367	$750,641	$-	$9,975,000	$160,587	$329,756	$562,106	$-	$(806,870)	$34,366,587	$27,503,937	$61,870,524
Balance as of January 1, 2015	$23,395,367	$750,641	$-	$9,975,000	$160,587	$329,756	$562,106	$-	$(806,870)	$34,366,587	$27,503,937	$61,870,524
Legal reserve	-	-	36,354	-	(36,354)	-	-	-	-	-	-	-
Special reserve	-	-	-	124,233	(124,233)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(52,180)	52,180	-	-	-	-	-	-	-
Change in share of other associates and joint ventures accounted for using the equity method	-	(747)	-	-	(49,175)	-	-	-	-	(49,922)	-	(49,922)
Net loss in 2015	-	-	-	-	(3,075,015)	-	-	-	-	(3,075,015)	(7,719,504)	(10,794,519)
Other comprehensive income (loss) in 2015	-	-	-	-	(25,980)	(321,665)	(326,859)	(1,439)	-	(675,943)	(657,101)	(1,333,044)
Total comprehensive income (loss)	-	-	-	-	(3,100,995)	(321,665)	(326,859)	(1,439)	-	(3,750,958)	(8,376,605)	(12,127,563)
Acquisition or disposal of subsidiary shares	-	-	-	-	(3,005)	23	222	-	-	(2,760)	-	(2,760)
Change in subsidiaries's ownership	-	35,482	-	-	727	-	-	-	-	36,209	99,668	135,877
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(914,297)	(914,297)
Balance as of December 31, 2015	$23,395,367	$785,376	$36,354	$10,047,053	$(3,100,268)	$8,114	$235,469	$(1,439)	$(806,870)	$30,599,156	$18,312,703	$48,911,859

English Translations of Consolidated Financial Statements Originally Issued in Chinese

TATUNG CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2015 and 2014
(Expressed in Thousands of New Taiwan Dollars)

Contents	For the Year Ended December 31, 2015 Amount	For the Year Ended December 31, 2014 Amount
Cash flows from operating activities:		
Net loss before income tax	$(9,658,966)	$(2,405,164)
Adjustments to reconcile consolidated net loss to net cash provided by operating activities:		
Depreciation expense	10,917,161	10,558,621
Amortization expense	454,241	555,416
Allowance for long-term receivables	200,108	308,864
Income from financial asset or financial liability at fair value through profit or loss	(272,996)	(220,810)
Interest expenses	4,283,530	3,598,543
Interest income	(921,594)	(434,967)
Dividends income	(59,003)	(65,267)
Share of profit of associates and joint ventures	(667,618)	(622,182)
Gain on disposal of property, plant and equipment	(1,788,850)	(172,838)
Gain on disposal of investments	(122,383)	(419,229)
Impairment loss on financial assets	-	18,285
Impairment loss on non-financial assets	484,336	427,005
Changes in assets and liabilities from operating activities:		
Notes receivable	(61,921)	126,809
Accounts receivable	4,118,785	(1,008,961)
Accounts receivable - related parties	32,496	98,607
Construction receivables	1,209,126	611,430
Other receivables (include related parties)	86,977	700,042
Inventory	2,043,885	59,613
Prepayments	460,755	(547,300)
Other current assets	(1,249,735)	355,317
Acquisition of financial assets at fair value through profit or loss	110,452	(555,479)
Other non-current assets	291,427	1,012,796
Notes payable	352,012	138,236
Accounts payable	(3,223,704)	44,476
Accounts payable - related parties	14,039	(457,289)
Other payables	482,045	(431,229)
Provision	(77,187)	(57,378)
Advanced receipts	(1,571,262)	(803,469)
Financial liabilities at fair value through profit or loss	911	(199)
Other current liabilities - others	7,037	(56,274)
Net defined benefit liability	(526,232)	(519,810)
Long-term deferred revenues	93,493	(2,776)
Other liabilities	(163,167)	(740,701)
Cash generated from operations	5,278,198	9,092,738
Interest received	474,258	347,162
Dividend received	54,310	668,661
Interest paid	(4,269,825)	(3,527,207)
Income taxes paid	(570,167)	(776,896)
Net cash provided by operating activities	966,774	5,804,458

Contents	For the Year Ended December 31, 2015 Amount	For the Year Ended December 31, 2014 Amount
Cash flows from investing activities：		
Acquisition of available-for-sale financial assets	(7,529)	(242,293)
Disposal of available-for-sale financial assets	197,347	727,899
Acquisition of investment in debt security with no active accounted	(11,836,654)	(18,387,215)
Disposal of investment in debt security with no active accounted	5,214,023	10,508,760
Acquisition of financial assets carried at cost	-	(232,358)
Disposal of financial assets carried at cost	-	42,576
Acquisition of subsidiaries (deducted the cash received)	(505,498)	-
Cash returns from capital reduction of investments accounted for under the equity method	4,672	530,348
Disposal of non-current assets held for sale	61,640	121,730
Acquisition of property, plant and equipment	(6,386,992)	(4,797,792)
Disposal of property, plant and equipment	3,292,953	1,402,661
Acquisition of intangible assets	(229,868)	(466,134)
Disposal of intangible assets	71,925	2,496
Acquisition of investment property	(218,277)	(1,628)
Increase in long-term receivables	(35,881)	(27,404)
Cash outflow from de-consolidation of subsidiaries	(72,899)	(94,814)
Net cash used in investing activities	(10,451,038)	(10,913,168)
Cash flows from financing astivities ：		
Increase in short-term loans	5,461,872	-
Decrease in short-term loans	-	(1,665,771)
Increase in short-term notes and bills payable	-	545,692
Decrease in short-term notes and bills payable	(4,152,051)	-
Proceeds from issuance of bonds	-	1,500,000
Repayment of bonds	(600,000)	(6,254,746)
Proceeds from long-term loans	19,095,210	30,166,171
Repayment of long-term loans	(12,689,779)	(13,379,541)
Increase in deposits-in	13,625	378,407
Increase in long-term payable	-	38,185
Decrease in long-term payable	(11,171)	-
Acquisition of shares of subsidiaries' equity	-	138,457
Disposal of shares of subsidiaries' equity (not loss of control)	40,625	468,708
Change in non-controlling interests	(737,875)	(286,446)
Net cash generated from financing astivities	6,420,456	11,649,116
Effects of exchange rate changes on cash and cash equivalents	54,984	406,771
Net (decrease) increase in cash and cash equivalents	(3,008,824)	6,947,177
Cash and cash equivalents at the beginning of periods	30,140,282	23,193,105
Cash and cash equivalents at the end of periods	$27,131,458	$30,140,282

1. Organization Operations

Established in 1918, Tatung Company (the "Company") was incorporated under the Company Act of the Republic of China ("R.O.C.") and underwent reorganization in 1939. The total capital at that time was Taiwan Yuan $180,000, later increased to Taiwan Yuan $20,000,000 after several capital injections. After the reformation of monetary system in 1949, the total capital was converted to the equivalent of New Taiwan dollars ("NTD") 200,000. As of December 31, 2015, the issued and registered capital was NTD 23,395,367 thousand. The main activities of the Company are as follows:

(1) The design, manufacture, sale, installation, network system, automation system, lease, service maintenance, import and export as agency of the following products:

①Steel manufacturing machinery
②Industrial appliances
③Household appliances
④Refrigerators
⑤Air conditioners
⑥Metal processing machinery
⑦Electronic products
⑧Wire and cable
⑨Chemical industry
⑩Cookware
⑪Wood-made products
⑫Plastic products
⑬Office equipment
⑭Audio products
⑮Precision meters
⑯Transmission equipment
⑰Transportation facilities
⑱Healthcare products
⑲Microbe fermentation
⑳Construction
㉑Furniture
㉒Solar wafers
㉓Water treatment engineering
㉔Telecommunication equipment
㉕Parking facilities
㉖Automation machinery
㉗Semiconductors
㉘Real estate development and leasing

(2) Magazine publishing

(3) Customs brokerage

(4) General import/export (excluding permitted business)

(5) Development and leasing (excluding construction industry) of industrial parks on behalf of the competent authority.

The investment plans should be approved by the Board of Directors; however, the total investment amount is not limited to the amount provided by Article 13 of Company Act, which states that the total investment amount shall not exceed 40% of the amount of its own paid-in capital.

The Company's common shares were publicly listed on the Taiwan Stock Exchange (TWSE) on 9 February 1962. The Company's registered office and the main business location locate at No. 22, Zhongshan North Road, Section 3, Taipei, Republic of China (R.O.C.).

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended December 31, 2015 and 2014 were authorized for issue in accordance with a resolution of the Board of Directors' meeting on March 23, 2016.

3. Newly issued or revised standards and interpretations

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

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

IAS 19 *Employee Benefits*

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

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

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

(c) The revised IAS 19 required more disclosure; please refer to Note 6 for more details.

IFRS 12 *Disclosure of Interests in Other Entities*

IFRS 12 *Disclosure of Interests in Other Entities* sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The requirements in IFRS 12 are more comprehensive than the previously existing disclosure requirements, for example, summarized financial information about the associate or disclosure on subsidiaries with material non-controlling interests. Please refer to Note 6 for more details.

IFRS 13 *Fair Value Measurements*

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

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

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

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

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

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

(2) Standards or interpretations issued by IASB but not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue are listed below:

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

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

(b) *IFRIC 21 "Levies"*

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

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

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

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

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

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

IFRS 2 "Share-based Payment"

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

IFRS 3 "Business Combinations"

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

IFRS 8 "Operating Segments"

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

IFRS 13 "Fair Value Measurement"

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

IAS 16 "Property, Plant and Equipment"

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

IAS 24 "Related Party Disclosures"

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

IAS 38 "Intangible Assets"

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

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

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

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

IFRS 3 "Business Combinations"

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

IFRS 13 "Fair Value Measurement"

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

IAS 40 "Investment Property"

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

(g) *IFRS 14 "Regulatory Deferral Accounts"*

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

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

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

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

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

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

The core principle of the new Standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods or services. The new Standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements. The Standard is effective for annual periods beginning on or after January 1, 2018.

(k) *IAS 16 "Property, Plant and Equipment and IAS 41 "Agriculture"* — Agriculture: Bearer Plants

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

(l) *IFRS 9 "Financial Instruments"*

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

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

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

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

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

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

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

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

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

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated *Financial Statements and IAS 28 Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full. IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture. The effective date of this amendment has been postponed indefinitely, but early adoption is allowed.

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

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

The amendment clarifies that a change of disposal method of assets (or disposal groups) from disposal through sale or through distribution to owners (or vice versa) should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. The amendment also requires identical accounting treatment for an asset (or disposal group) that ceases to be classified as held for sale or as held for distribution to owners. The effective date of this amendment has been postponed indefinitely, but early adaption is allowed.

IFRS 7 "Financial Instruments: Disclosures"

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

IAS 19 "Employee Benefits"

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

IAS 34 "Interim Financial Reporting"

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

(p) *Disclosure Initiative — Amendment to IAS 1 "Presentation of Financial Statements":*

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

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

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

(r) *IFRS 16 "Leases"*

The new standard requires lessees to account for all leases under a single on-balance sheet model (subject to certain exemptions). Lessor accounting still uses the dual classification approach: operating lease and finance lease. The Standard is effective for annual periods beginning on or after January 1, 2019.

(s) *IAS 12 "Income Taxes" — Recognition of Deferred Tax Assets for Unrealized Losses*

The amendment clarifies how to account for deferred tax assets for unrealized losses. The amendment is effective for annual periods beginning on or after January 1, 2017.

(t) *Disclosure Initiative — Amendment to IAS 7 "Statement of Cash Flows":*

The amendment relates to changes in liabilities arising from financing activities and to require a reconciliation of the carrying amount of liabilities at the beginning and end of the period. The amendment is effective for annual periods beginning on or after January 1, 2017.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the standards and interpretations listed under (a), (c)~(f), (i)~(j), (l)~(t), it is not practicable to estimate their impact on the Group at this point in time. All other standards and interpretations have no material impact on the Group.

4. Summary of significant accounting policies

(1) Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2015 and 2014 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and International Financial Reporting Standards, International Accounting Standards, and interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by the FSC.

(2) Basis of preparation

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

(3) Basis of consolidation

<u>Preparation principle of consolidated financial statement</u>

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
(b) exposure, or rights, to variable returns from its involvement with the investee, and
(c) the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee
(b) rights arising from other contractual arrangements
(c) the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Company loses control of a subsidiary, it:

(a) derecognizes the assets (including goodwill) and liabilities of the subsidiary;
(b) derecognizes the carrying amount of any non-controlling interest;
(c) recognizes the fair value of the consideration received;
(d) recognizes the fair value of any investment retained;
(e) recognizes any surplus or deficit in profit or loss; and
(f) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss.

a. The consolidated entities are listed as follows:

Investor	Subsidiary	Main businesses	December 31, 2015	December 31, 2014
The Company, Chunghwa Electronics Development Co., Ltd., Green Energy Technology Inc., Chih Sheng Realty Co., Ltd. and Tatung Global Strategy Investment and Trading (BVI) Inc.	Chunghwa Picture Tubes, Ltd. ("CPT")	Manufacture and sale of picture tubs and TFT-LCD products	24.22%	24.22%
The Company, Shan-Chih Investment Co., Ltd. and Shan-Chih Asset Development Co.	Tatung System Technologies Inc. ("TSTI")	Manufacture of data storage	54.40%	54.40%
The Company, Chunghwa Picture Tubes, Ltd., San-Chih Semiconductor Co., Ltd. and Chunghwa Electronics Development Co., Ltd	Forward Electronics Co., Ltd. ("FD")	Manufacture and sale of electronics	40.75%	41.30%
The Company	Taiwan Telecommunication Industry Company Ltd.	Telecommunication devices.	100.00%	100.00%
The Company and Chunghwa Electronics Development Co., Ltd.	San-Chih Semiconductor Co., Ltd.("SCSC")	Manufacture and sales of semiconductors and chips	58.20%	58.20%
The Company	Central Research Technology	EMCIRF testing and	100.00%	100.00%

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Investor	Subsidiary	Main businesses	December 31, 2015	December 31, 2014
	Co.	certification services		
The Company	Tatung Consumer Products (Taiwan) Co., Ltd.	Sales, installation and service of home appliances and digital computer products	99.10%	99.10%
The Company	Tatung SM-Cycle Co.	Manufacture of speed reducers, speed variators	85.33%	85.33%
The Company, Chunghwa Electronics Development Co., Ltd. and Chih-Sheng Investment Co., Ltd.	Tatung Fine Chemicals Co., Ltd.	Industrial coatings, electrocution coatings resistor coatings, photo-catalyst, inkjet ink	54.63%	54.63%
The Company	Shan-Chih Asset Development Co. (“SCAD”)	Development and leasing of real estate	100.00%	100.00%
The Company, Shan-Chih Asset Development Co. and Chih Sheng Investment Co., Ltd.	Chunghwa Electronics Development Co., Ltd.	Investment holding	99.86%	99.86%
The Company	Tatung DIE Casting Co.	Manufacture and sales of zinc /aluminum parts and mold.	51.00%	51.00%
The Company	Tatung (Thailand) Co., Ltd.	Manufacturing of IT products	100.00%	100.00%
The Company	Tatung Co. of Japan, Inc.	Sales and purchase of electronic parts	100.00%	100.00%
The Company	Tatung Electronics(S) Pte. Ltd.	Sales and services of Tatung products in Singapore	90.00%	90.00%
The Company	Tatung Wire & Cable (Thailand) Co., Ltd.	Manufacture and sales of wire and cable	100.00%	100.00%
The Company	Tatung Information (Singapore) Pte. Ltd.	Investment holding	100.00%	100.00%
The Company	Tatung Electric (Singapore) Pte. Ltd.	Investment holding	100.00%	100.00%
The Company	Tatung Co. of America Inc.	Sales and service of IT and household electronics products in the US	50.00%	50.00%
The Company	Tatung Mexico S.A de C.V.	Manufacture of IT products	100.00%	100.00%
The Company	Tatung Science and Technology, Inc.	Sale and purchase of IT products	100.00%	100.00%
The Company	Tatung Electric Company of America, Inc.	Manufacture and sales of motor products in America	100.00%	100.00%
The Company	Tatung Netherlands B.V.	Sales of digital information	100.00%	100.00%

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Investor	Subsidiary	Main businesses	December 31, 2015	December 31, 2014
		products		
The Company	Tatung (U.K.) Ltd.	Sales of digital consumer products.	-	100.00%
The Company	TATUNG CZECH s.r.o	Manufacture of IT products	100.00%	100.00%
The Company	Tatung Medical Healthcare Technologies Co., Ltd.	Design and sales of medical instruments.	95.02%	95.41%
The Company	Toes Opto-Mechatronics Co.	Manufacture of data storage and process equipment	85.00%	85.00%
The Company	Tatung Vietnam Co., Ltd.	Manufacture and sales of home appliances	100.00%	100.00%
The Company	Tatung Electric Technology (VN) Co., Ltd.	Manufacture and sales of wire and cable	100.00%	100.00%
The Company	Chih Sheng Investment Co., Ltd.	Investment holding	100.00%	100.00%
The Company and Chunghwa Electronics Development Co., Ltd.	Shan Chih Investment Co., Ltd.	Investment holding	100.00%	100.00%
The Company and Chunghwa Electronics Development Co., Ltd.	Tisnet Technology Inc.	Design and development of computer software and equipment	-	100.00%
The Company	Tatung Global Strategy Investment and trading (BVI) Inc.	Investment holding	100.00%	100.00%
The Company	Absolute Alpha Limited	Investment holding	100.00%	100.00%
The Company	Tatung Forever Energy Co., Ltd.	Solar energy related business	100.00%	-
CPT	Giantplus Technology Co., Ltd. (“Giantplus”)	Research, development, production and sales of LCD.	53.67%	53.67%
CPT	Chunghwa Picture Tubes (Bermuda) Ltd. (“CPTB”)	Investment holding	100.00%	100.00%
CPT and CPTB	Chunghwa Picture Tubes (Labuan) Ltd. (“CPTL”)	Investment holding and sales of TFT-LCD	100.00%	100.00%
CPTB and CPTL	Chunghwa Picture Tubes Technology (Group) Co., Ltd. (“CPTTG”)	Investment holding	67.49%	67.49%
CPTB	Dalemont Investment Ltd.	Investment holding	100.00%	100.00%
CPTB	Daliant Investment Ltd.	Investment holding	100.00%	100.00%
CPTB	Bangalor Investment Ltd.	Investment holding	100.00%	100.00%

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Investor	Subsidiary	Main businesses	December 31, 2015	December 31, 2014
CPTB	Bensaline Investment Ltd.	Investment holding	100.00%	100.00%
CPTB	New Kingston Enterprises Limited (“NKEL”)	Investment holding	100.00%	100.00%
CPTB, CPTL,CPTM and CPTTG	Chunghwa Picture Tubes (Wujiang) Ltd. (“CPTW”)	Assembly final module of TFT-LCD	100.00%	100.00%
CPTB, CPTL and CPTTG	Chunghwa Pictures Display Technology (Fujian) Ltd.(“FDT”)	Assembly final module of TFT-LCD	100.00%	100.00%
CPTB, CPTL and CPTTG	CPTF Optronics Co., Ltd.	Assembly final module of TFT-LCD	100.00%	100.00%
CPTB	Chunghwa Picture Tubes (Malaysia) Sdn. Bhd. (“CPTM”)	Manufacture and sale of CRT	100.00%	100.00%
CPTF Optronics Co., Ltd., NKEL, and Forward Development Co., Ltd.	CPTF Visual Display (Fuzhou) Ltd.(“FVD”)	Manufacture components of TFT-LCD	100.00%	100.00%
CPTF Optronics Co., Ltd.	Huallar Optronics (Fuzhou) Co. Ltd.	Manufacture components of TFT-LCD	51.00%	51.00%
CPTTG	Chunghwa Picture Tubes (Labuan) Ltd. (“CPTL”)	Investment holding and sales of TFT-LCD	100.00%	100.00%
CPTTG	Fuzhou YingYuan Equity Investment Management Co., Ltd.	Investment	100.00%	-
CPTTG	Vibrant Display Technology CO., Ltd.	R&D, design and manufacture components of TFT-LCD	100.00%	-
CPTB and CPTTG	CPT TPV Optical (Fujian) Co., Ltd.	Manufacture components of TFT-LCD	80.00%	80.00%
CPTB	CPTF Optronics (Shen-Zhen) Co., Ltd.	Sales and service of flat-panel display	100.00%	100.00%
CPTTG, CPTF Optronics Co., Ltd., and Goldmax Asia Pacific Ltd	Kornerstone Materials Technology Co. Ltd.	R&D, design and manufacture components of TFT-LCD	100.00%	100.00%
CPTF Optronics Co., Ltd	CPTF Optronics (HK) Co., Ltd.	Sales of TFT-LCD	100.00%	100.00%
Giantplus Technology Co., Ltd.	Giantplus (Samoa) Holding Co., Ltd.	Investment	100.00%	100.00%
Giantplus Technology Co., Ltd.	Hsh Heng Investment Co., Ltd.	Investment	100.00%	100.00%
Giantplus (Samoa) Holding Co., Ltd.	Giantplus Holding L.L.C	Investment	100.00%	100.00%
Giantplus Holding L.L.C	Kunshan Giantplus	Manufacture components of	100.00%	100.00%

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Investor	Subsidiary	Main businesses	December 31, 2015	December 31, 2014
	Optoelectronics Technology Co., Ltd.	LCD display		
Giantplus Holding L.L.C	Shenzhen Giantplus Optoelectronics Display Co., Ltd.	Manufacture components of LCD display	100.00%	100.00%
Giantplus Holding L.L.C	Kunshan Giantplus Optronics Display Technology Co., Ltd	Sales of touch panel	100.00%	100.00%
Forward Electronics Co., Ltd.	Forward Development Co., Ltd.	Investment holding	100.00%	100.00%
Forward Electronics Co., Ltd., Green Energy Technology Inc. and Toes Opto-Mechatronics Co.	Gintung Energy Co., Ltd.	Manufacture and sale of solar module and related component	45.82%	45.82%
Forward Development Co., Ltd.	Forward Electronics Equipment (Dong Guan) Co., Ltd	Manufacture and sale of tuner, keyboard, mouse, remote controller, switch, socket and potentiometer.	100.00%	100.00%
Forward Development Co., Ltd.	Suzhou Forward Electronics Technology Co., Ltd.	Manufacture and sale of backlight unit for TFT-LCD, driving board, tuner, keyboard, mouse, switch, socket and connector.	100.00%	100.00%
Taiwan Telecommunication Industry Company Ltd.	Taiwan Telecommunication Investments Limited.	Investment holding	-	100.00%
Taiwan Telecommunication Investments Limited.	Taiwan Telecommunication (Fujian) Company Ltd.	Manufacture of fax machine and printers	-	60.00%
Taiwan Telecommunication Investments Limited.	Shan Chih (Hong Kong) Co., Ltd.	International trading.	-	100.00%
San Chih Semiconductor Co., Ltd., Shan Chih Investment Co., Ltd .and Shan-Chih Asset Development Co., Chih Sheng Investment Co., Ltd.	Green Energy Technology Inc. (“GET”)	Manufacture and sales of electronic parts and devices.	36.57%	33.00%
San Chih Semiconductor Co., Ltd.	Greater Power Limited	Investment holding	100.00%	100.00%
San Chih Semiconductor Co., Ltd.	Chih De Investment Co., Ltd.	Investment holding	100.00%	100.00%
Green Energy Technology Inc.	Energy Well International Limited	Investment holding	100.00%	100.00%
Green Energy Technology Inc.	Green Energy Global Investment	Investment holding	100.00%	100.00%
Greater Power Limited and Energy	Ultra Energy Holdings Limited	Investment holding	100.00%	100.00%

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Investor	Subsidiary	Main businesses	December 31, 2015	December 31, 2014
Well International Limited				
Energy Well International Limited	Golden Sunny Limited	Investment holding	100.00%	100.00%
Ultra Energy Holdings Limited	Ultra Energy (WEIFANG) Technology Co. Ltd	Solar silicon wafer slicing.	100.00%	100.00%
Tatung Fine Chemicals Co., Ltd.	Tatung Coatings (Kunshan) Co., Ltd.	Manufacture and sale of industry coating and electro-deposition coating.	100.00%	100.00%
Tatung Fine Chemicals Co., Ltd.	Huaian Tatung Advanced Technology Materials Co., Ltd.	Manufacture and sale of positive material of lithium battery, printer ink, electro-deposition high performance coating.	100.00%	100.00%
Tatung Fine Chemicals Co., Ltd.	Shang Chih International Chemical Industry Co., Ltd.	Investment holding	100.00%	100.00%
Tatung Fine Chemicals Co., Ltd.	Wujiang Shang Huah Plastic Co., Ltd.	ABS plastic, color dyes	100.00%	100.00%
Shang Chih International Chemical Industry Co., Ltd.	Wujiang Shanghua Material Technology Co., Ltd	Manufacture and sale of ABS plastic.	100.00%	100.00%
Shang Chih International Chemical Industry Co., Ltd.	Dongguan Tongli Trading Co., Ltd.	Wholesale of painting, coating and chemical products.	100.00%	100.00%
Tatung Information (Singapore) Pte. Ltd.	Tatung Information Technology (Jiangsu) Co., Ltd.	Manufacture and sales of TV, monitor and PCs.	100.00%	100.00%
Tatung Information (Singapore) Pte. Ltd.	Tatung Wire And Cable Technology (Wujiang) Co., Ltd.	Manufacture and sales of wire and cable	100.00%	100.00%
Tatung Information (Singapore) Pte. Ltd. and Shan-Chih International Holding Corporation	Tatung Compressors (ZHONGSHAN) Co., Ltd.	Manufacture and sales of reciprocating compressors.	100.00%	100.00%
Tatung Electric (Singapore) Pte. Ltd. and Shan-Chih International Holding Corporation	Tatung (Shanghai) Co., Ltd	Manufacture and sales of motors, generators, diesel engine generators, variable speed motors, inverters and PLCs, transformers and switchboards.	100.00%	100.00%
Tatung Mexico S.A de C.V.	TMX Logistics, Inc.	Hub service	100.00%	100.00%

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Investor	Subsidiary	Main businesses	December 31, 2015	December 31, 2014
Tatung Mexico S.A de C.V.	TMX Technologies Inc.	Technologies & business development	100.00%	100.00%
Shan Chin Investment Co.Ltd	Shan-Chih International Holding Corporation	Investment holding	100.00%	100.00%
Shan-Chih International Holding Corporation	Shan-Chih Wire&Cable Technology (Wujiang) Co. , Ltd.	Manufacture and sales of wire and cable	100.00%	100.00%
Tatung System Technologies Inc.	Chyun Huei Business Technology Inc.	Information software Service	100.00%	100.00%
Tatung System Technologies Inc.	Tatung System Technologies Holding Ltd.	Investment holding	100.00%	100.00%
Tatung System Technologies Inc.	Tisnet Technology Inc.	Software design and development	100.00%	-
Tatung System Technologies Holding Ltd.	TSTI Technologies (Shanghai) Co., Ltd.	Information software Service	94.00%	94.00%
Chih Sheng Investment Co., Ltd.	Chih Sheng Investment (BVI)	Investment holding	100.00%	100.00%
Chih Sheng Investment Co., Ltd.	HEDA Biotechnology Co., Ltd.	Produce, food retail and wholesale industry	52.17%	52.17%
Chih Sheng Investment (BVI) Co., Ltd	Chih Sheng Holding Co., Ltd.	Investment holding	100.00%	100.00%
Chih Sheng Holding Co., Ltd.	Goldmax Asia Pacific Ltd	Investment holding	51.26%	55.05%
Chih Sheng Holding Co., Ltd.	Chih Sheng Holding HK Limited	Investment holding	100.00%	100.00%
Absolute Alpha Limited	Tatung Information Technologies Corp.	Sales of electronic products	100.00%	100.00%
Chih Sheng Holding HK Limited	Wu-jiang Tatung Electronics Trading Co. LTD	Sales of information products	100.00%	100.00%
Shan-Chih Asset Development Co. and Taipei Industry Corporation	Tatung Forestry and Construction Co.	Design and construction of structural engineering.	99.87%	99.87%
Shan-Chih Asset Development Co.	Taipei Industry Corporation	Production and sales of mixing concrete.	50.61%	50.61%
Shan-Chih Asset Development Co.	Chih Sheng Realty Co., Ltd.	Realty management	100.00%	100.00%
Shan-Chih Asset Development Co.	Shan-Chih Asset International Holding Corporation	Investment Holding	100.00%	100.00%
Shan-Chih Asset International	Tatung Management Consultant	Realty and Leasing Service	100.00%	100.00%

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Investor	Subsidiary	Main businesses	December 31, 2015	December 31, 2014
Holding Corporation	(Shanghai) Co., Ltd.			
Shan-Chih Asset International Holding Corporation	Shan-Chih Asset International (Hong Kong) Holding Limited	Realty and Leasing Service	100.00%	100.00%
Shan-Chih Asset International (Hong Kong) Holding Limited	Suqian Zhiwei Real Estate Co., Ltd.	Realty management	100.00%	100.00%
Tatung Forever Energy Co., Ltd.	Sheng Yang Energy Co., Ltd.	Battery Material Retail	100.00%	-

In the first half of 2015, Chunghwa Electronics Development Co., Ltd disposed of partial shareholdings of FD for 874,000 shares. Therefore, the shareholding percentage was decreased to 40.75%.

Tatung (U.K.) Ltd. was liquidated in December 2015.

The Group did not participate in the capital injections of Tatung Medical Healthcare Technologies Co., Ltd. in August 2015. Therefore, the Group’s shareholding percentage in this company has dropped to 95.02%

In order to establish an overall investment strategy framework, on May 26, 2015, the board of directors of TSTI resolved to purchase the shares of Tisnet Technology Inc. held by the Company and Chunghwa Electronics Development Co. This resolution made TSTI the parent company of Tisnet Technology Inc., with a shareholding percentage of 100%. The consolidation date was June 30, 2015. This transaction was an organizational restructure in the Group and thus Tisnet Technology Inc. remained a subsidiary of the Group.

The Group invested NTD 100,000 thousand in February 2015 to establish Tatung Forever Energy Co., Ltd., as a 100% shareholder.

In the second quarter of 2015, CPTTG invested RMB 10,000 thousand and RMB 1,000 thousand to establish Fuzhou YingYuan Equity Investment Management Co., Ltd. and Vibrant Display Technology CO., Ltd., respectively. In the third quarter of 2015, CPTTG invested RMB 36,500 thousand to increase the capital of Vibrant Display Technology CO., Ltd.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

The Group participated in the private placement of Green Energy Technology Inc. in the second quarter of 2015. In addition, the Group disposed of partial shares of Green Energy Technology Inc. starting from the third quarter of 2015. The total shareholding percentage as of balance sheet date was 36.57%.

The Group disposed of all the shares of Taiwan Telecommunication Investments Limited in December 2015. Therefore, Taiwan Telecommunication Investments Limited and its subsidiaries, Taiwan Telecommunication (Fujian) Company Ltd. and Shan Chih (Hong Kong) Co. Ltd, were not included in the consolidated financial statements of the Group in 2015. Please refer to Note 6 (11) and 35 for more details.

The Group did not participate in the capital injections of Goldmax Asia Pacific Ltd in July 2015. Therefore, the shareholding percentage has dropped to 51.26%

The Group invested NTD 60,000 thousand in September 2015 to establish Sheng Yang Energy Co., Ltd., as sole owner.

b. Although the percentages of ownership interests in some companies, such as CPT, FD, Gintung Energy Co., Ltd., are less than 50%, the Group determined that it has control over these companies. This is due to a combination of factors including the fact that the Group has been the single largest shareholder of these companies since the inception of the investment; the remaining shareholding of other shareholders is dispersed; in the absence of contractual arrangement, the Group could obtain proxies to achieve relative majority and the Group is able to appoint or approve the key management personnel of these companies who have the ability to direct the relevant activities.

c. Subsidiaries that are not included in the consolidated financial statement are as follows:

			Percentage of ownership	
Investor	Subsidiary	Business nature	December 31, 2015	December 31, 2014
The Company, Shan-Chih Asset Development Co., Tatung Forestry and Construction Co. and Tatung Fine Chemicals Co., Ltd.	Hsieh Chih Industrial Library Publishing Co.	The publishing and sales of Hsieh Chih Industrial Library	98.80%	98.80%
The Company	Lansong International Co., Ltd	Forestry	98.33%	98.33%

All the above subsidiaries were of insignificant percentage to the Company’s total assets and operating revenue and therefore not consolidated by the Company.

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in NTD, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured by the functional currency.

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

All exchange differences arising from the settlement or translation of monetary items are taken into profit or loss in the period which they arise except for the following:

(a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset. If the differences are regarded as an adjustment to interest costs, which will be capitalize and take as part of the cost of the borrowing.

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

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

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

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign entities are translated into NTD at the closing exchange rate at the balance sheet date. Income and expenses are translated at an average rate within the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized.

The following are accounted for as disposals even if an interest in the foreign operation is retained by the Group: the loss of control over a foreign operation, the loss of significant influence over a foreign operation, or the loss of joint control over a foreign operation.

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

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

(6) Current and non-current distinction for assets and liabilities

An asset is classified as current when:

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

All other assets are classified as non-current.

A liability is classified as current when:

(a) The Group expects to settle the liability in its normal operating cycle
(b) The Group holds the liability primarily for the purpose of trading
(c) The liability is due to be settled within twelve months after the reporting period
(d) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 12 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Financial instruments

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

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

(a) Financial assets

The Group accounts for regular may purchase or sales of financial assets on the trade date.

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

Financial assets at fair value through profit or loss

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

A financial asset is classified as held for trading if:

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

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

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

Financial assets at fair value through profit or loss are measured at fair value with changes in fair value recognized in profit or loss. Dividends or interests on financial assets at fair value through profit or loss are recognized in profit or loss (including those received during the period of initial investment). If financial assets do not have quoted prices in an active market and their fair value cannot be reliably measured, then they are classified as financial assets measured at cost on balance sheet and carried at cost net of accumulated impairment losses, if any, as at the reporting date.

Available-for-sale financial assets

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

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

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

Held-to-maturity financial assets

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold it to maturity, other than those that are designated as available-for-sale, classified as financial assets at fair value through profit or loss, or meet the definition of loans and receivables.

After initial measurement held-to-maturity financial assets are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or transaction costs. The effective interest method amortization is recognized in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets that quoted without active market and with fixed or determinable amounts. Moreover, the following conditions must be met: the initial recognition not designates as available for sale, classified as at fair value through profit or loss, or those for which the holder may not recover substantially all of its initial investment.

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

Impairment of financial assets

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

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

Other loss events include:

- **j** significant financial difficulty of the issuer or obligor; or
- **k** a breach of contract, such as a default or delinquency in interest or principal payments; or
- **l** it becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- **m** the disappearance of an active market for that financial asset because of financial difficulties.

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

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

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

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

Derecognition of financial assets

A financial asset is derecognized when:

j The rights to receive cash flows from the asset have expired;
k The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred;
l The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Once the financial asset are derecognized entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

(b) Financial liabilities and equity

Classification between liabilities and equity

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Compound instruments

The Group evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Group assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IAS 39 Financial Instruments: Recognition and Measurement.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

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

Financial liabilities at fair value through profit or loss

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

A financial liability is classified as held for trading if:

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

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

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

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

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

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

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

Derecognition of financial liabilities

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

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

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Derivative financial instrument

The Group uses derivative financial instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss (held for trading) except for derivatives that are designated effective hedging instruments which are classified as derivative financial assets or liabilities for hedging.

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in equity.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss.

(10) Fair value measurement

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

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

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

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

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

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

(11) Inventories

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

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

Raw materials – purchase cost on weighted average cost formula.

Work in progress and finished goods – cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity on weighted average cost formula.

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

(12) Construction contract

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract shall be recognized as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period. The recognition of revenue and expenses by reference to the stage of completion of a contract is often referred to as the percentage of completion method. Under this method, contract revenue is matched with the contract costs incurred in reaching the stage of completion, resulting in the reporting of revenue, expenses and profit which can be attributed to the proportion of work completed.

When the outcome of a construction contract cannot be estimated reliably, revenue shall be recognized only to the extent of contract costs.

When it is probable that total contract costs will exceed total contract revenue, the expected loss shall be recognized as an expense immediately.

(13) Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction that is highly probable within one year from the date of classification and the asset or disposal group is available for immediate sale in its present condition. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

In the consolidated statement of comprehensive income of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the statement of comprehensive income.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

(14) Investments under equity method

The Group’s investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

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

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

When the associate or joint venture issues new stock, and the Group's interest in an associate or joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in additional paid in capital and investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes the associate or joint venture.

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

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

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

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

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(15) Property, plant and equipment

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

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

Buildings	3～50 year
Machinery and equipment	1～35 year
Transportation equipment	2～10 year
Office equipment	2～10 year
Leased assets	3～50 year
Leasehold improvements	The shorter of lease terms or economic useful lives
Other equipment	2～10 year

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

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year-end and adjusted prospectively, if appropriate.

(16) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are measured using the cost model in accordance with the requirements of IAS 16 for that model, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

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

Buildings	30～50 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Assets are transferred to or from investment properties when there is a change in use.

(17) Leases

<u>Group as a lessee</u>

Finance leases which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Rental revenue generated from operating lease is recognized over the lease term using the straight line method. Contingent rents are recognized as revenue in the period in which they are earned.

(18) Intangible assets

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

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

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

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is disposed.

Research and development costs

Research costs are expensed as incurred. Development expenditures, on an individual project, are recognized as an intangible asset when the Group can demonstrate:

(a) The technical feasibility of completing the intangible asset so that it will be available for use or sale
(b) Its intention to complete and its ability to use or sell the asset
(c) How the asset will generate future economic benefits
(d) The availability of resources to complete the asset
(e) The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. During the period of development, the asset is tested for impairment annually. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit.

Patents

The patent is amortized over the period of useful life.

Technology cooperation costs

Technical cooperation costs have been granted the use of right 3 to 10 years depending on different project.

Computer software

The cost of computer software is amortized on a straight-line basis over the estimated useful life (3 years).

A summary of the policies applied to the Group's intangible assets is as follows:

	Patents	Technology Cooperation Costs	Computer software
Useful lives	Finite	Finite	Finite
Amortization method used	Amortized on a straight-line basis over the period of the patent	Amortized on a straight-line basis over the period of the technology cooperation terms	Amortized on a straight- line basis over the estimated useful life
Internally generated or acquired	Acquired	Acquired	Acquired

(19) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(20) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for decommissioning, restoration and rehabilitation costs

The provision for decommissioning, restoration and rehabilitation costs arose on construction of a property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Maintenance warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgment and other known factors.

Sales returns and allowances

A provision has been recognized for sales returns and allowances based on past experience and other known factors.

(21) Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

(22) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

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

(a) the significant risks and rewards of ownership of the goods have passed to the buyer;
(b) neither continuing managerial involvement nor effective control over the goods sold have been retained;
(c) the amount of revenue can be measured reliably;
(d) it is probable that the economic benefits associated with the transaction will flow to the entity; and
(e) the costs incurred in respect of the transaction can be measured reliably.

Rendering of Services

Revenue from Information systems integration services is recognized by reference to the stage of completion. Stage of completion is measured by reference to the proportion that contract cost incurred for work performed to date bear to the estimated total contract costs. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are eligible to be recovered.

Interest income

For all financial assets measured at amortized cost (including loans and receivables and held-to-maturity financial assets) and available-for-sale financial assets, interest income is recorded using the effective interest rate method and recognized in profit or loss.

Dividends

Revenue is recognized when the Group’s right to receive the payment is established.

Rent Income

Rental income from operating lease is accounted by straight-line basis on the period of lease.

(23) Borrowing costs

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

(24) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(25) Post-employment benefits

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

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

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

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

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

(26) Share-based payment transactions

The cost of equity-settled transactions between the Group and its employees is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share

The cost of restricted stocks issued is recognized as salary expense based on the fair value of the equity instruments on the grant date, together with a corresponding increase in other capital reserves in equity, over the vesting period. The Group recognized unearned employee salary which is a transitional contra equity account; the balance in the account will be recognized as salary expense over the passage of vesting period.

(27) Income taxes

Income tax expense (revenue) is the aggregate amount of current and deferred taxes which included in the determination of current profit or loss.

<u>Current income tax</u>

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

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

<u>Deferred tax</u>

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

(a) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
(b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

(a) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
(b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

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

(28) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IAS 39 Financial Instruments: Recognition and Measurement either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the cash-generating unit retained.

5. Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements require management to make judgments, estimates and assumptions that affect the reporting amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the balance sheet date. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgment

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(a) Investment properties

Certain properties of the Group comprise a portion that is held to earn rentals or for capital appreciation and another portion that is owner-occupied. If these portions could be sold separately, the Group accounts for the portions separately as investment properties and property, plant and equipment. If the portions could not be sold separately, the property is classified as investment property in its entirety only if the portion that is owner-occupied is under 10% of the total property.

(b) Operating lease commitment-Group as the lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

(c) De facto control without a majority of the voting rights in subsidiaries

The Company does not have majority of the voting rights in certain subsidiaries. However, after taking into consideration factors such as absolute size of the Company's holding, relative size of the other shareholdings, how widely spread is the remaining shareholding, contractual arrangements between shareholders, potential voting rights, etc., the Company reached the conclusion that it has de facto control over these subsidiaries. Please refer to Note 4 for further details.

(2) Estimates and assumptions

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

(a) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

(b) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm’s length transaction of similar assets or observable market prices less incremental costs that would be directly attributable to the disposal of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset’s performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Please refer to Note 6 for more details.

(c) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and future salary increases. Please refer to Note 6 for more details.

(d) Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees based on reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

(e) Revenue recognition - sales returns and allowance

The Group estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. Please refer to Note 6.

(f) Income tax

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

Deferred tax assets are recognized for all carryforward of unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies. Please refer to Note 6 for more details on unrecognized deferred tax assets as of December 31, 2015.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(g) Property, Plant and Equipment

The Group inspected the estimated useful lives of its property, plant and equipment on balance sheet date. At the end of 2013, Green Energy Technology Inc. determined that the real economic lives of underlying property, plant and equipment had exceeded its original estimated useful lives. Therefore, Green Energy Technology Inc. appointed an appraisal company to conduct comprehensive industrial, functional, and economic analysis. The management of Green Energy Technology Inc. decided to extend part of the economic lives of equipment from 2~8 years to 6~12 years, and part of economic lives of leasehold improvements from 8 to 14 years since 1 January 2014.

Green Energy Technology Inc. estimated the depreciation effects resulting from above changes in estimated economic lives of property, plant and equipment for 2014 and the coming five years as follows:

Year 2014	$590,110
Year 2015	563,984
Year 2016	458,228
Year 2017	314,412
Year 2018	242,175
Year 2019	106,220

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of December 31,	
	2015	2014
Cash on hand & petty cash	$390,197	$439,205
Cash in banks	24,804,170	26,385,651
Time deposits	1,931,403	3,309,048
Cash in transit	5,688	6,378
Total	$27,131,458	$30,140,282

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

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

	As of December 31,	
	2015	2014
Held for trading:		
Derivatives not designated as hedging instruments		
Forward foreign exchange contracts	$26,235	$86,767
Swaps	-	5,018
Subtotal	26,235	91,785
Non-derivative financial assets		
Capital-Guaranteed financial products	404,398	602,586
Open-end funds	104,337	30,254
Stock (Note)	1,827,536	1,454,553
Subtotal	2,336,271	2,087,393
Total	$2,362,506	$2,179,178
Current	$2,362,506	$2,168,532
Non-current	-	10,646
Total	$2,362,506	$2,179,178

(Note: Please refer to Note 6 (20) for more details)

Please refer to Note 8 for more details on financial assets at fair value through profit or loss under pledge.

(3) Available-for-sale financial assets

	As of December 31,	
	2015	2014
Stocks	$3,824,051	$3,821,172
Current	$394,114	$505,530
Non-current	3,429,937	3,315,642
Total	$3,824,051	$3,821,172

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(a) The Group disposed of 633,000 common shares of Crystal Applied Technology Inc. in 2014, and recognized gain on disposal of investments in the amount NTD 8,012 thousand.

(b) Formosa Epitaxy Incorporation merged with Epistar Corporation by share exchange at the end of June 2014 and Epistar Corporation was the surviving company. Therefore, the Group had converted all shares of Formosa Epitaxy Incorporation, totaling 12,121,000 shares, to 3,364,140 shares of Epistar Corporation in December 2014.

(c) The Group recognized impairment losses amounted to NTD 8,000 thousand for the year ended December 31, 2014 as a result of impairment assessment on the investees.

(d) Please refer to Attachment 3 of Note 13 and Note 8 for more details on available-for-sale financial assets under pledge.

(4) Held-to-maturity financial assets

	As of December 31,	
	2015	2014
Bonds	$20,000	$20,000
Current	$20,000	$-
Non-current	-	20,000
Total	$20,000	$20,000

Held-to-maturity assets were not pledged.

(5) Financial assets measured at cost

	As of December 31,	
	2015	2014
Stocks	$358,549	$391,401
Current	$29,238	$29,238
Non-current	329,311	362,163
Total	$358,549	$391,401

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Financial assets measured at cost were not pledged. Please refer to Attachment 3 of Note 13 for the breakdown.

CPTTG established Huachuang (Fujian) Equity Investment Enterprise (Limited Partnership) in 2014. CPTTG planned to invest RMB 100,000 thousand. CPTTG had paid RMB 40,000 thousand as of December 31, 2015.

The above investments in the equity instruments of unlisted entities are measured at cost as the fair value of these investments are not reliably measurable due to the fact that the variability in the range of reasonable fair value measurements is significant for that investment and that the probabilities of the various estimates within the range cannot be reasonably assessed and used when measuring fair value.

The Group recognized impairment losses amounted to NTD 10,285 thousand for the year ended December 31, 2014 as a result of impairment assessment on the investees.

(6) Debt instrument investments for which no active market exists

	As of December 31,	
	2015	2014
Cash in banks-Reserve Account	$844,089	$177,497
Time deposits (Note)	21,083,317	15,388,394
Total	$21,927,406	$15,565,891
Current	$18,144,386	$6,799,213
Non-current	3,783,020	8,766,678
Total	$21,927,406	$15,565,891

Please refer to Note 8 for more details on debt instrument investments for which no active market exists that were pledged as collateral.

Note: Chunghwa Electronics Development Co., Ltd. transferred its shares of CPT to Credit Suisse in January 2010 and acquired proceeds of NTD 1,047,800 thousand, which was recognized in other current liabilities – other. The Group then pledged the above amount to Credit Suisse, which was recognized in bonds investments for which no active market exists – current. The Group guaranteed to buy-back the above shares in a certain period. The above transactions had remained unchanged as of December 31, 2015 and 2014.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(7) Notes receivables

	As of December 31, 2015	As of December 31, 2014
Notes receivables arising from operating activities	$644,968	$583,058
Less: allowance for doubtful debts	(43)	(54)
Subtotal	644,925	583,004
Notes receivables-related parties	-	-
Less: allowance for doubtful debts	-	-
Subtotal	-	-
Total	$644,925	$583,004

Notes receivables were not pledged.

(8) Accounts receivable and Accounts receivable-related parties

	As of December 31, 2015	As of December 31, 2014
Accounts receivable	$11,656,116	$15,761,219
Less: allowance for doubtful debts	(859,477)	(866,470)
Allowance for sales returns and discounts	(23,248)	(12,725)
Net	10,773,391	14,882,024
Installment accounts receivable	576,049	585,461
Less: allowance for doubtful debts	-	-
Unrealized interest revenue - trade receivables from installment sales	(3,777)	(3,306)
Net	572,272	582,155
Subtotal	11,345,663	15,464,179
Accounts receivable-related parties	81,216	135,520
Less: allowance for doubtful debts	(913)	(1,329)
Net	80,303	134,191
Total	$11,425,966	$15,598,370

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

The expected recovery of the accounts receivables from installment sales is as follows:

	As of December 31,	
	2015	2014
Not later than one year	$221,123	$273,841
Later than one year and not later than two years	182,870	145,357
Later than two years	172,056	166,263
Total	$576,049	$585,461

Due to the contracts of accounts receivable factoring with recourse, account receivables amounted NTD 18,873 thousand and 49,452 thousand were pledged as collateral for the years ended December 31, 2015 and 2014, respectively. As of the years ended December 31, 2015 and 2014, the Group offered USD 2,000 thousand as secured promissory notes.

Please refer to Note 8 for pledged trade receivables.

The Group's credit terms are generally 30-180 day. The movements in the provision for impairment of accounts receivable and accounts receivable-related parties are as follows:

	Individually impaired	Collectively impaired	Total
As of January 1, 2015	$843,310	$24,489	$867,799
Charge (reversal) for the current period	(129,735)	131,256	1,521
Write off	(5,906)	(7,919)	(13,825)
Other	45	6,712	6,757
Effect of exchange rate changes	(760)	(1,102)	(1,862)
As of December 31, 2015	$706,954	$153,436	$860,390

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

	Individually impaired	Collectively impaired	Total
As of January 1, 2014	$343,482	$222,292	$565,774
Charge (reversal) for the current period	549,847	(194,321)	355,526
Write off	(52,148)	(5,881)	(58,029)
Effect of exchange rate changes	2,129	2,399	4,528
As of December 31, 2014	$843,310	$24,489	$867,799

Impairment loss, that was individually determined for the years ended December 31, 2015 and 2014, arose due to the fact that the counterparty was in financial difficulties. The amount of impairment loss recognized was the difference between the carrying amount of the trade receivable and the present value of its expected recoverable amount. The Group did not hold any collateral for such trade receivables.

Ageing analysis of account receivables and account receivables-related parties that were past due as at the balance sheet date but not impaired is as follows:

		Past due but not impaired			
As of	Neither past due nor impaired	1 to 6 months	6 months to 1 year	More than 1 year	Total
December 31, 2015	$10,267,833	$1,107,785	$19,327	$31,021	$11,425,966
December 31, 2014	14,194,793	1,299,004	74,156	30,417	15,598,370

(9) Construction receivables

	As of December 31,	
	2015	2014
Accumulated cost incurred	$3,755,603	$4,174,530
Accumulated recognized project profit (loss)	229,176	382,543
Accumulated billed amounts based on construction progress	(3,600,196)	(2,963,364)
Construction receivables	$384,583	$1,593,709

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

As of December 31, 2015

Items (Note 1)	Contract proceeds	Contract costs incurred	Accumulated recognized total project profit(loss)	Percentage of completion (Note 2)	Amounts billed based on Construction progress	Construction contracts receivable
Percentage of completion method						
Category A	$82,700	$67,012	$7,045	25%~100%	$52,703	$21,354
Category B	174,979	136,933	9,905	0%~100%	42,760	104,078
Category C	5,322,993	3,551,658	212,226	0%~100%	3,504,733	259,151
Total	$5,580,672	$3,755,603	$229,176		$3,600,196	$384,583

As of December 31, 2014

Items (Note 1)	Contract proceeds	Contract costs incurred	Accumulated recognized total project profit(loss)	Percentage of completion (Note 2)	Amounts billed based on construction progress	Construction contracts receivable
Percentage of completion method						
Category A	$585,406	$490,850	$43,746	0%~100%	$291,458	$243,139
Category B	759,656	561,303	65,150	0%~100%	309,847	316,605
Category C	4,709,007	3,101,896	263,551	20%~100%	2,362,059	1,003,388
Category D	40,000	20,481	10,096	76%	-	30,577
Total	$6,094,069	$4,174,530	$382,543		$2,963,364	$1,593,709

(Note 1: Projects involving similar products have been combined as a single item.)
(Note 2: The percentage of completion varied in each project, it is therefore presented as a range.)

As of December 31, 2015 and 2014, the above construction projects had not generated construction retainage of construction contracts.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(10) Inventory

(a) The details of inventories are as follows:

	As of December 31, 2015	As of December 31, 2014
Raw materials	$3,529,820	$4,145,973
Work in progress	4,226,182	4,892,169
Finished good	7,476,755	9,740,224
Inventories in transit	103,722	240,654
Buildings and land held for sale	518,564	1,161,390
Property under construction	2,801,880	1,555,334
Property used for construction	451,865	-
Total	$19,108,788	$21,735,744

(b) Property under construction:

Name of developing projects	As of December 31, 2015	As of December 31, 2014
Project D	$1,202,129	$131,738
Project F1	1,599,751	1,423,596
Total	$2,801,880	$1,555,334

December 31, 2015

Projects	Total value of contract	Total estimated costs	Completed percentage	Scheduled year of completion	Advanced receipts
Project D	$6,640,970	$4,767,753	12.69%	107	$1,026,027

According to domestic regulations, the installments of advance payments received from buyers should be deposited in related trust accounts and used according to construction progress. As of December 31, 2015, the above advance payments were still deposited in the trust accounts and recognized as other current assets – other financial assets.

Project F1 has not yet started preselling as of December 31, 2015.

(c) The cost of inventories recognized in expenses amounted to NTD 84,584,815 thousand and NTD 92,627,916 thousand, including the gain from price recovery of inventory amounted to NTD 675,181 thousand and NTD 535,733 thousand for the years ended December 31, 2015 and 2014, respectively.

As the cause that led to the net realizable value of inventory to be lower than the cost had vanished, the cost of goods sold also decreased due to the gain from price recovery of inventory.

(d) Please refer to Note 8 for pledged inventories.

(11) Non-current assets held for sale

On October 1, 2015, Green Energy Technology Inc. ("GET") entered into an equity transfer agreement with a joint venture partnership in Thailand. GET planned to sell 50% of Green Energy Technology Holding Co., Ltd. shares to said joint venture partnership. The disposal transaction was completed in January 2016, and the selling price was THB 130,000 thousand. As of December 31, 2015, the remaining balance resulted from the book value of NTD 129,651 thousand, less impairment loss of NTD 10,946 thousand, was NTD 118,705 thousand which was reclassified from investment under equity method to non-current assets held for sale.

Taiwan Telecommunication Industry Company Ltd, a subsidiary of the Group, sold all of its shares in Taiwan Telecommunication Investments Limited to a non-related party, Sunway Information Technology Company Limited. The selling price was USD 2,650 thousand and the share transfer was completed in the first quarter of 2016. According to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the Group reclassified the net amount of NTD 111,857 thousand to non-current assets held for sale after deducting the impairment loss of NTD 24,871 thousand from the carrying value of its subsidiaries, Taiwan Telecommunication (Fujian) Company Ltd. and Shan Chih (Hong Kong) Co., Ltd.

The FD Group agreed to dispose of 35% shares of its related party, Hefei Fuying Opto-electronic Co., Ltd., to Highbroad Science & Technology (Beijing) Co., Ltd. The total amount of this transaction was RMB 12,000 thousand. According to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the Group reclassified the carrying amount of NTD 57,536 thousand (RMB 11,124 thousand) of investment under equity method to non-current assets held for sale.

On December 25, 2013, the board of directors of Ultra Energy (WEIFANG) Technology Co. Ltd resolved to dispose of 24% shares in ShiLin Energy Development Co. Since the selling price was higher than the book value, the Group reclassified the carrying amount of NTD 109,784 thousand of investment under equity method to non-current assets held for sale. The transaction was completed in January 2014, and the disposal price was RMB 24,600 thousand (NTD 121,730 thousand), generating gain on disposal in the amount of NTD 10,602 thousand.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(12) Investments under equity method

(a) The following table lists the investments under equity method of the Group:

	As of December 31,			
	2015		2014	
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in associates:				
Listed companies				
Elitegroup Computer Systems Co., Ltd.	$4,543,168	27.35	$5,017,072	27.38%
Unlisted companies				
Tatung Okuma Co., Ltd.	956,486	49.00	867,278	49.00
Kuender Co., Ltd.	439,824	50.00	219,572	50.00
Hsieh-Chih Industrial Library Publishing Co.	12,715	98.80	12,378	98.80
Chung-Tai Technology Development Engineering Co.	14,646	22.00	15,669	22.00
Lansong International Co., Ltd.	-	98.23	-	98.33
Tatung Telecom Corporation	-	-	(1,577)	55.00
Tatung Cranes (Shanghai) Co., Ltd	30,777	45.00	30,354	45.00
Taiwan Nissei Display System Co., Ltd	46,637	20.00	43,495	20.00
Ufeco (Wujiang) Technology Inc.	34,288	40.00	37,375	40.00
Nature Worldwide Technology Corp. (Note 3)	(19,970)	85.36	(19,970)	85.36
D&Y Intelligent Co., Ltd. (Note 4)	-	23.27	-	23.27
Hefei Fuying Opto-electronic Co., Ltd. (Note 5)	-	-	-	35.00
Yunbao Co., Ltd	1,999	40.00	-	-
Subtotal	1,517,402		1,204,574	
Jointly Controlled Entity:				
Green Energy Technology Holding Co., Ltd.(GETH) (Note 5)	-	50.00	142,818	50.00
Panshiyiyuant Mgmt. Investment (Fuzhou) Co. (Note 6)	505,498	50.00	-	-
Net of long-term investments accounted for under equity method	6,566,068		6,364,464	
Add: Long-term equity investments, credit balance	19,970		21,547	
Total	$6,586,038		$6,386,011	

Note 1: The liquidation process of Tatung Telecom Corporation has been completed in 2015.

Note 2: San Chih Investment Co., Ltd., the subsidiary of the Company, did not intend to support Nature Worldwide Technology Corp. from April 2010. Nature Worldwide Technology Corp. was still under liquidation process as of December 31, 2015.

Note 3: Giantplus Technology Co., Ltd. expected the recoverable amount of D&Y Intelligent Co., Ltd. shares was lower than the book value of the investment, therefore Giantplus Technology Co., Ltd. recognized an impairment loss of NTD 9,975 thousand in 2014. In addition, D&Y Intelligent Co., Ltd. wrote off its treasury stocks in September 2014, thus, the shareholding ratio of Giantplus Technology Co., Ltd. increased from 18.35% to 23.27%.

Note 4: The Group reached an agreement with other shareholders of Hefei Fuying Opto-electronic Co., Ltd. (“Hefei”). In the agreement, other shareholders of Hefei would appoint the major management members, including the chairman and the chief financial officer, to control the operation and finance of Hefei from January 16, 2014. Therefore, the Group had lost the substantial control over Hefei, however still has significant influence over Hefei. Starting from January 2014, Hefei becomes an associate of the Group and the investment was accounted under the equity method. As of December 31, 2015, the Group had disposed of all of its shareholding in Hefei. Please refer to Note 6 (35) for the more details.

Note 5: In September 2011, to engage in the operations of solar power plants in Thailand, GET co-founded GETH, which was defined as a joint-venture company, with other investors through its subsidiary, Green Value Investment Co., Ltd. As of December 31, 2015 and 2014, GET invested THB 147,862 thousand (equivalent to NTD 146,470 thousand, including other necessary expenditures) in GETH. In addition, prepayments for long-term investment in GETH amounting to NTD 2,140 thousand in 2012 were recognized as other non-current assets since the issuance date of the new common stocks had not been resolved by GETH as of December 31, 2015. GET disposed of 50% of GETH shares along with the prepayment for long-term investment in January 2016, therefore, GET reclassified its shares of GETH as non-current assets held for sale on December 31, 2015. Please refer to Note 6(11).

Note 6: Panshiyiyuant Mgmt. Investment (Fuzhou) Co. is a limited partnership co-founded by Fuzhou YingYuan Equity Investment Management Co., Ltd., CPTF Optronics Co., Ltd. and ZhongHengYiYuan Co. Its business scope includes consulting services of non-security investments and security related investments. Fuzhou YingYuan Equity Investment Management Co., Ltd. and CPTF Optronics Co., Ltd. invested RMB 10,000 thousand and RMB 90,000 thousand from their own funds, respectively. ZhongHengYiYuan Co. invested 100,000 from its own funds or from funds of specific investors. There were five members in the investment decision committee, consisting of 3 members assigned by the CPT group and 2 members assigned by ZhongHengYiYuan Co. All decisions must be agreed by two thirds of the committee members, and ZhongHengYiYuan Co. has one veto vote. Therefore, PanShiYiYuan Mgmt. Investment (Fuzhou) Co. is a joint venture controlled by the CPT group and ZhongHengYiYuan Co.

(b) Investments in associates:

j Information on the material associate of the Group:

Company name: Elitegroup Computer Systems Co., Ltd.

Nature of the relationship with the associate: Elitegroup Computer Systems Co., Ltd. is engaged in manufacturing and selling related products in the Group’s industry chain. The Group invested in Elitegroup Computer Systems Co., Ltd. for the purpose of upstream/downstream integration.

Principal place of business (country of incorporation): Taiwan

Fair value of the investment in the associate when there is a quoted market price for the investment: Elitegroup Computer Systems Co., Ltd. is a listed entity on the Taiwan Stock Exchange (TWSE). The fair value of the investment in Elitegroup Computer Systems Co., Ltd. was NT$3,087,627 thousand and NT$4,063,469 thousand, as of 31 December 2015 and 2014, respectively.

Reconciliation of the associate’s summarized financial information presented to the carrying amount of the Group's interest in the associate:

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

The summarized financial information of the associate is as follows:

	As of December 31,	
	2015	2014
Current assets	$19,240,314	$24,728,602
Non-current assets	7,003,961	7,744,389
Current liabilities	(11,158,840)	(15,644,972)
Non-current liabilities	(631,634)	(610,010)
Equity	14,453,801	16,218,009
Proportion of the Group's ownership	27.35%	27.38%
Subtotal	3,953,115	4,440,491
Goodwill	614,638	614,638
Other adjustments	(24,585)	(38,057)
Carrying amount of the investment	$4,543,168	$5,017,072

	For the years ended December 31,	
	2015	2014
Operating revenue	$48,386,567	$55,895,307
Profit from continuing operations	1,111,205	1,302,128
Other comprehensive income, net of income tax	(95,198)	470,897
Total comprehensive income	1,016,007	1,773,025

k Except the associate mentioned above, other associates were not individually material. The aggregate carrying amount of the Group's interests in other associates was NT$1,517,402. The aggregate financial information based on Group's share of other associates is as follows:

	For the years ended December 31,	
	2015	2014
Profit or loss from continuing operations	$72,031	$189,050
Other comprehensive income (post-tax)	-	-

Total comprehensive income	72,031	189,050

l The associates had no contingent liabilities or capital commitments as of December 31, 2015 and 2014, nor did the associates provide collaterals.

m The investments in associates of the Group were not pledged as collateral.

(c) Investments in jointly controlled entities

Investments in jointly controlled entities are not individually material. The aggregate financial information of the Group's investments in jointly controlled entities is as follows:

	As of December 31,	
	2015	2014
Profit from continuing operations	$7,075	$(6,992)
Other comprehensive income, net of income tax	(6,257)	16,090
Total comprehensive income	$818	$9,098

The investments in jointly controlled entities were not pledged as collateral.

(d) The balances of certain investments accounted for under the equity method that were audited by other independent accountants were NTD 4,543,168 thousand and NTD 5,159,890 thousand as of December 31, 2015 and 2014, respectively. The balances of share of profit of associates accounted for using equity method that were audited by other independent accountants were NTD 691,897 thousand and NTD 628,801 thousand for the years ended December 31, 2015 and 2014, respectively. The balances of share of other comprehensive income (loss) of associates and joint ventures that were audited by other independent accountants were NTD (25,936) thousand and NTD 126,320 thousand as of December 31, 2015 and 2014, respectively.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(13) Property, plant and equipment

(a) The details of property, plant and equipment are as follows:

	Land and land Improvements	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Leased assets	Leasehold improvements	Other Equipment	Construction in progress and equipment awaiting examination	Total
Cost:										
As of January 1, 2015	$22,699,989	$47,850,764	$166,026,752	$3,453,696	$444,755	$217,727	$5,067,122	$48,488,055	$3,961,281	$298,210,141
Additions	236	39,444	713,815	246,767	17,095	107,202	94,775	947,176	4,220,482	6,386,992
Disposals	(864,236)	(3,825,177)	(2,049,617)	(124,531)	(26,323)	(9,974)	(20,695)	(847,439)	(90)	(7,768,082)
Other changes (Note)	(973,883)	(3,835)	2,365,201	(217,185)	(5,420)	162,421	25,002	127,777	(3,900,706)	(2,420,628)
As of December 31, 2015	$20,862,106	$44,061,196	$167,056,151	$3,358,747	$430,107	$477,376	$5,166,204	$48,715,569	$4,280,967	$294,408,423
As of January 1, 2014	$25,339,779	$48,969,483	$165,127,863	$3,326,564	$439,217	$194,696	$4,616,996	$48,112,661	$5,223,788	$301,351,047
Additions	79,898	96,793	1,108,732	84,795	13,857	-	112,646	203,483	3,097,588	4,797,792
Disposals	-	(1,274,171)	(4,906,986)	(148,284)	(22,467)	(2)	(37,220)	(999,844)	(3,870)	(7,392,844)
Other changes (Note)	(2,719,688)	58,659	4,697,143	190,621	14,148	23,033	374,700	1,171,755	(4,356,225)	(545,854)
As of December 31, 2014	$22,699,989	$47,850,764	$166,026,752	$3,453,696	$444,755	$217,727	$5,067,122	$48,488,055	$3,961,281	$298,210,141
Depreciation and impairment:										
As of January 1, 2015	$(7,348)	$(18,587,590)	$(146,105,452)	$(2,857,496)	$(356,680)	$(168,184)	$(2,234,375)	$(41,687,227)	$-	$(212,004,352)
Depreciation	-	(1,553,010)	(6,018,681)	(186,286)	(25,249)	(45,655)	(406,438)	(2,613,021)	-	(10,848,340)
Disposals	-	3,158,305	1,883,775	103,776	23,971	9,974	19,698	640,214	-	5,839,713
Other changes (Note)	396	133,024	113,701	91,297	897	(86,625)	55,371	96,661	-	404,722
As of December 31, 2015	$(6,952)	$(16,849,271)	$(150,126,657)	$(2,848,709)	$(357,061)	$(290,490)	$(2,565,744)	$(43,563,373)	$-	$(216,608,257)
As of January 1, 2014	$-	$(17,695,707)	$(144,391,264)	$(2,750,944)	$(337,558)	$(121,115)	$(1,794,744)	$(39,638,490)	$-	$(206,729,822)
Depreciation	-	(1.658,380)	(5,442,319)	(206,014)	(30,461)	(33,613)	(385,963)	(2,742,567)	-	(10,499,317)
Disposals	-	573,533	4,601,439	128,119	17,015	2	22,174	820,739	-	6,163,021
Other changes (Note)	(7,348)	192,964	(873,308)	(28,657)	(5,676)	(13,458)	(75,842)	(126,909)	-	(938,234)
As of December 31, 2014	$(7,348)	$(18,587,590)	$(146,105,452)	$(2,857,496)	$(356,680)	$(168,184)	$(2,234,375)	$(41,687,227)	$-	$(212,004,352)
Net carrying amount as at:										
December 31, 2015	$20,855,154	$27,211,925	$16,929,494	$510,038	$73,046	$186,886	$2,600,460	$5,152,196	$4,280,967	$77,800,166
December 31, 2014	$22,692,641	$29,263,174	$19,921,300	$596,200	$88,075	$49,543	$2,832,747	$6,800,828	$3,961,281	$86,205,789

Note: Other changes including transfer from advance payments of equipment, changes in exchange rates, reclassification, impairment losses and effects on the changes of consolidated entities.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

j Capitalized borrowing costs of property, plant and equipment are as follows:

Item	For the years ended December 31,	
	2015	2014
Construction in progress	$39,239	$86,917
Capitalization rate of borrowing costs	5.30%~5.50%	5.51%~8.00%

k Components of buildings, including main building structure, electronic engineering, electrical engineering, fire engineering, air conditioning units and elevators were depreciated by useful lives.

l Leased assets under finance leases were pledged solely as security for the bank loans.

m Please refer to Note 8 for more details on property, plant and equipment under pledge.

n Certain consolidated subsidiaries of the Group located in Wujiang, Jiansu entered into agreements and property demolition resettlement compensation contracts with Development General Company of Wujiang Economic Technological Development Zone (“Headquarters”) and agreed to relocate to other places by 2014 and 2015, while the Headquarters would compensate each subsidiary for the resettlement. Pursuant to the agreement, the Group could receive RMB 503,812 thousand. As of December 31, 2015, the Group had received the full amount, RMB 503,812 thousand, for compensation. Additionally, the related relocation expenses and losses were recognized as non-operating expense of each year, respectively.

o The Group entered into a realty transaction contract with Toppan Chunghwa Electronics Co., Ltd. on December 23, 2013 to sell part of its Taoyuan plant and land to Toppan Chunghwa Electronics Co., Ltd. and Gi-Jin Construction Co., Ltd. The assets were transferred in 2015, and the selling price of the transaction was NTD 2,799,567 thousand. The Group recognized gain on disposal for NTD 1,433,557 thousand as gain on disposal of property, plant and equipment in 2015.

p Some subsidiaries of the Group has written down the carrying value of property, plant and equipment, patents, and prepaid equipment to the recoverable amount. The recoverable amount was based on net realizable value and was determined at the level of the cash generating unit. The projected cash flows that were used to calculate value in use reflected the demand for products and services. In determining value in use for the cash-generating unit, the cash flows were discounted at a rate of 12.40~15.06% on a pre-tax basis. The net realizable value was determined by referencing the appraisal reports from external independent professional associations. The appraisal uses cost method to evaluate the fair value of asset by taking into account factors such as physical depreciation, functional depreciation and economic depreciation (depreciated by 85%~90% from approximate estimates). As of December 31, 2015 and 2014, the Group recognized the impairment loss of NTD 458,346 thousand and NTD 427,005 thousand for non-financial assets, respectively.

q Assets related to Tatung University are described as follows:
As of December 31, 2015, the carrying amount of Hsin-She-Gong Building (“the Building”) was NTD 145,051 thousand. As of the audit report date of these consolidated financial statements, the ownership registration was still in progress, however, pursuant to R.O.C. Civil Code, the ownership of the Building belongs to the Company.

Execution of specific development plan for the Building
Hsin-She-Gong Building is located within the Company’s premises. The overall development plan involved the registration of land use change and urban planning, thus the long-term plans are still in the communication and planning stage. Hsin-She-Gong Building will continue to be used as it is. In addition, the Company had conducted building safety inspections and fire inspections according to the relevant laws in order to maintain the safety and the optimum utilization of the Building.

⑨ Due to other unnamed reasons, partial land and prepayment for land purchases owned by the Group are held in others’ names for the time being. Related asset protection measures have been taken.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(14) Investment property

	Land	Buildings	Total
Cost:			
January 1, 2015	$12,280,535	$2,081,426	$14,361,961
Additions	81,943	136,334	218,277
Reclassification (Note)	(37,036)	73,062	36,026
Exchange differences	-	(491)	(491)
December 31, 2015	$12,325,442	$2,290,331	$14,615,773
January 1, 2014	$9,564,653	$1,268,129	$10,832,782
Additions	-	432,631	432,631
Reclassification (Note)	2,715,882	380,666	3,096,548
December 31, 2014	$12,280,535	$2,081,426	$14,361,961
Depreciation and impairment:	$-	$(435,887)	$(435,887)
January 1, 2015	-	(68,821)	(68,821)
Depreciation	-	(41,332)	(41,332)
Transfer (Note)	-	293	293
December 31, 2015	$-	$(545,747)	$(545,747)
January 1, 2014	$-	$(329,914)	$(329,914)
Depreciation	-	(59,304)	(59,304)
Transfer	-	(46,669)	(46,669)
December 31, 2014	-	$(435,887)	(435,887)
Net carrying amount as at:			
December 31, 2015	$12,325,442	$1,744,584	$14,070,026
December 31, 2014	$12,280,535	$1,645,539	$13,926,074

Note: Reclassification including transfer in (out) from inventory, property, plant and equipment.

	For the years ended December 31,	
	2015	2014
Rental income from investment property	$411,377	$303,250
Less: Direct operating expenses from investment property generating rental income (not including depreciation)	(84,147)	(84,439)
Direct operating expenses from investment property not generating rental income (not including depreciation)	-	-
Total	$327,230	$218,811

No investment property was pledged.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

The fair values of investment properties were NTD 22,326,370 thousand and NTD 23,070,291 thousand as of December 31, 2015 and 2014, respectively. The fair value was been determined based on valuations performed by an independent appraiser. The valuation method used is direct capitalization, and the parametersused are as follows:

	December 31, 2015	December 31, 2015
Discount rate	1.985%~2.878%	2.125%~3.53%
Growth rate	1%~5%	0.75%~5%

(15) Intangible assets

	Goodwill	Patents and licenses	Computer software	Others Intangible asset	Total
Cost:					
January 1, 2015	$314,781	$4,528,318	$692,406	$322,671	$5,858,176
Addition-acquired separately	-	111,427	111,698	6,743	229,868
Deduction-tax refund	-	(71,925)	-	-	(71,925)
Disposals	-	-	(75,660)	-	(75,660)
Effect of exchange rate changes	-	(246)	(1,783)	(410)	(2,439)
Other	-	486	(4,597)	-	(4,111)
December 31, 2015	$314,781	$4,568,060	$722,064	$329,004	$5,933,909
Cost:					
January 1, 2014	$314,781	$4,407,298	$458,194	$289,172	$5,469,445
Addition-acquired separately	-	120,400	311,563	34,171	466,134
Disposals	-	-	(82,990)	(1,206)	(84,196)
Effect of exchange rate changes	-	620	4,415	534	5,569
Other	-	-	1,224	-	1,224
December 31, 2014	$314,781	$4,528,318	$692,406	$322,671	$5,858,176
Amortization and impairment:					
January 1, 2015	$-	$3,290,993	$383,642	$70,061	$3,744,696
Amortization	-	231,040	196,728	26,473	454,241
Impairment	-	16,897	-	-	16,897
Disposals	-	-	(75,660)	-	(75,660)
Effect of exchange rate changes	-	2	815	(3)	814
December 31, 2015	$-	$3,538,932	$505,525	$96,531	$4,140,988
Amortization and impairment:					
January 1, 2014	$-	$2,958,997	$282,878	$19,785	$3,261,660
Amortization	-	331,996	180,095	43,325	555,416
Impairment	-	-	8	-	8
Disposals	-	-	(81,700)	-	(81,700)
Effect of exchange rate changes	-	-	2,361	6,951	9,312
December 31, 2014	$-	$3,290,993	$383,642	$70,061	$3,744,696
Net carrying amount as at:					
December 31, 2015	$314,781	$1,029,128	$216,539	$232,473	$1,792,921
December 31, 2014	$314,781	$1,237,325	$308,764	$252,610	$2,113,480

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

	For the years ended December 31,	
	2015	2014
Operating costs	$55,076	$79,613
Operating expense (including research and development costs)	$399,165	$475,803

The above patents include the patent license agreement between LiFeP04+C Licensing AG and Tatung Fine Chemicals Co., Ltd to produce Lithium iron phosphate material. The cost for Tatung Fine Chemicals Co., Ltd ("TFC") to obtain the patent was NTD 359,625 thousand and will be amortized during the license period (from July 1, 2011 to April 9, 2023).

Additionally, according to the agreement, when TFC sells the licensed products, it shall allocate certain portions of the gross sales of those products as royalties for the patent. Even if the actual sale does not meet the minimum quantity sold, TFC still has to pay the minimum royalty. As of the end of the years, 2015 and 2014, TFC had recognized NTD 15,449 and NTD 30,460 thousand in 2015 and 2014, respectively, as the current expense. The unpaid balance of royalty as of December 31, 2015 and 2014 were NTD 5,047 and NTD 25,464 thousand, respectively.

When TFC paid the aforementioned royalties at the first time, it also paid the related withholding tax in accordance with the tax regulation effective then. Later, in accordance with the amended tax rules pursuant to Ministry of Finance Letter Tai-Cai-Shui-Zi-No. 10304503280 issued on January 29, 2014, TFC applied for tax refund of the first payment of royalties. The total amount applied for refund was NTD 71,925 thousand, which were collected on February 2, 2015 and booked as the deduction of the cost of intangible assets.

(16) Other non-current assets

	As of December 31,	
	2015	2014
Long-term prepaid rent	$885,804	$845,296
Advance payments in equipment	227,261	619,809
Advance payments in materials	1,986,287	1,091,250
Refundable deposits	609,132	539,910
Other non-current assets - other	578,459	438,959
Total	$4,286,943	$3,535,224

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

As of December 31, 2015 and 2014, long-term prepaid rents are for land use rights.

Please refer to Note 9 (7) for prepayment from purchases reclassification to long-term prepayment of materials.

With respect to the above other non-current assets – other, part of the lands and land prepayment in the amount of NTD 105,828 thousand and NTD 4,669 thousand were held temporarily under third parties' names because of regulatory requirements or other reasons as of December 31, 2015 and 2014. In order to secure the Group's right over the lands, the Group has adopted relevant security measures, including having the lands pledged to the Group. Yet, there are still some pieces of land that the Group has not secured its right over them. The Group continues handling the issue eagerly.

Please refer to Note 8 for more details on other non-current assets – other that were pledged as collateral.

(17) Long-term receivables-net

	As of December 31,	
	2015	2014
Tatung InfoComm Co., Ltd.	$632,972	$591,367
Loss: Allowance for bad debts	(508,972)	(308,864)
Others	13,708	19,432
Total	$137,708	$301,935

On March 30, 2012, the Company entered into a share purchase contract with Vee Telecom Multimedia Co., Ltd. Under the contract, the Company would sell all of its shares of its subsidiary, Tatung InfoComm Co., Ltd., to Vee Telecom Multimedia Co., Ltd. Moreover, the Company's financing to Tatung InfoComm Co., Ltd in the amount of NTD 557,980 thousand would be repaid by Tatung InfoComm Co., Ltd. However, Tatung InfoComm co., Ltd. was not able to repay the Company as contracted. In addition to taking measures to secure creditor rights, the Company evaluated the financial condition of Tatung InfoComm co., Ltd. and the likelihood to recover, to recognize allowance for bad debts.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(18) Short-term loans

	Interest Rates (%)	As of December 31, 2015	As of December 31, 2014
Unsecured bank loans	0.76%~8.50%	$29,141,024	$32,348,381
Secured bank loans	2.00%~5.34%	16,267,637	7,289,737
Subtotal		45,408,661	39,638,118
Due to employees	0.17%~0.17%	18,264	18,419
Total		$45,426,925	$39,656,537

The Group's unused short-term lines of credits amounted to NTD 21,772,035 thousand and NTD 23,389,374 thousand, as of December 31, 2015 and 2014, respectively.

Please refer to Note 8 for more details on available-for-sale financial assets and property, plant and equipment pledged as security for short-term borrowings.

(19) Short-term notes and bills payable

Guarantors	Interest Rates (%)	As of December 31, 2015	As of December 31, 2014
Unsecured domestic bills payable	0.85%~8.00%	$1,610,996	$5,772,410
Less: Unamortized discount		(3,881)	(13,244)
Net		$1,607,115	$5,759,166

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

	As of December 31, 2015	As of December 31, 2014
Designated financial liabilities at fair value through profit or loss:		
Derivatives financial liabilities	$931,102	$849,059
Subtotal	931,102	849,059
Held for trading:		
Derivatives not designated as hedging Instruments		
Foreign currency option	$806	$14,400
Foreign exchange forward contracts	778	387
Subtotal	1,584	14,787
Total	$932,686	$863,846
Current	$932,686	$863,846

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

CPT entered into a voting trust agreement with Xiamen Xinhui Co. Ltd (hereinafter referred to as Xiamen Xinhui Co. Ltd) on November 6, 2013 to entrust Xiamen Xinhui Co. Ltd to exercise voting rights of the 41,977,943 shares of Xiamen Overseas Chinese Electronic Co., Ltd. ("XOCE") it holds. In addition, to implement risk management, CPT also entered into a shareholding cooperation agreement with Xiamen Xinhui Co. Ltd. Pursuant to the agreement, Xiamen Xinhui Co. Ltd provided market value management services based on XOCE's underlying 104,761,903 shares. On December 31, 2015, if the projected market value of the underlying shares is higher than the target value of the shares, CPT shall pay Xiamen Xinhui Co. Ltd 40% of the total difference as service fee; and CPT charges Xiamen Xinhui Co. Ltd 40% of the total difference as compensation if vice versa. As of December 31, 2015 and 2014, the shares CPT entrusted Xiamen Xinhui Co. Ltd to exercise voting rights were recognized under financial assets at fair value through profit or loss in the amount of NTD 1,827,022 thousand and NTD 1,454,552 thousand. An amount of NTD 931,102 thousand and NTD 849,059 thousand, respectively, resulting from the derivatives factor embedded in the market value management service agreement was recognized under financial liabilities at fair value through profit or loss as of December 31, 2015 and 2014.

(21) Long-term deferred revenue

(a) Government grants

	As of December 31,	
	2015	2014
Beginning balance	$263,409	$266,185
Received during the period	106,751	77,524
Released to the statement of comprehensive income	(92,363)	(94,638)
Exchange differences	(5,895)	14,338
Ending balance	$271,902	$263,409

Government grants had been received for the purchase of particular items of property, plant and equipment which were amortized during the useful life of the acquired assets.

	As of December 31,	
	2015	2014
Unearned rent from operating lease	$85,000	$-

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

	As of December 31,	
	2015	2014
Non-current deferred revenue	$356,902	$263,409

(21) Bonds payable

CPT

Liability component:

	As of December 31,	
	2015	2014
Domestic secured Corporate Bond	$600,000	$1,200,000
Less: current portion	(600,000)	(600,000)
Bonds payable, net of current portion	$-	$600,000

CPT

Domestic secured bonds payable

On July 22, 2014, CPT issued domestic secured bonds with total par value of NTD 1,500,000 thousand. The duration is 26 months from issuance. The first payment of NTD 300,000 thousand was made on September 22, 2014, and the remaining amount will be paid every six month on installment basis after the first payment date.

The interest is 3.30% per annum. Interest payment will be made semi-annually. The interest rate resets every six months.

The bonds are secured by CPT’s property, plant and equipment. Refer to Note 8 for more details.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(22) Long-term loans

Details of long-term loans as of December 31, 2015 and 2014 are as follows:

(a) The Company

December 31, 2015

Lenders	As of December 31, 2015	As of December 31, 2014	Interest rate (%)(Note)	Maturity date and terms of repayment
Secured Long-term loans from King's Town Bank	$800,000	$135,000	0.81	Effective from December 30, 2015 to December 30, 2017. The principal will be repaid upon maturity.
Secured long-Term loans from Bank of Taiwan	150,000	300,000	2.30	Effective from August 4, 2011 to July 28, 2016. The first repayment date is 2 years after the date of this loan agreement effective; and interest is paid monthly. Principal is repaid in 6 semi-annually payments.
Secured Long-term loans from Bank SinoPac	96,749	57,466	1.94~2.94	Effective July 9, 2014 to July 9, 2023. Since the first use date, principal is repaid in 36 quarterly payments.
Secured Long-term loans from Bank SinoPac	317,208	-	1.94~2.94	Effective April 27, 2015 to April 27, 2027. Since the first use date, principal is repaid in 48 quarterly payments.
Unsecured long-term loans from Bank SinoPac	500,000	10,590	2.00~2.85	Effective December 31, 2015 to December 31, 2017. The principal will be repaid upon maturity.
Unsecured long-term loans from Mega International Commercial Bank	1,200,000	1,400,000	2.53~2.60	Effective January 12, 2014 to January 11, 2016. The principal will be repaid upon maturity.
Unsecured long-term loans from Taishin International Bank	200,000	200,000	2.55~2.68	Effective April 3, 2014 to April 3, 2016. The principal will be repaid upon maturity.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

	As of December 31,		Interest rate	
Lenders	2015	2014	(%)(Note)	Maturity date and terms of repayment
Unsecured long-term loans from Taishin International Bank	$3,000,000	$-	1.80	Effective December 29, 2015 to December 30, 2019. The 1st repayment of principal is in 6 months after first draw. The remaining principal is repaid in 8 semi-annual payments. The credit will be decreased by 12.5% in each repayment.
Unsecured long-term loans from Chang Hwa Bank	800,000	800,000	2.27~2.34	Effective December 21, 2015 to December 21, 2017. The principal will be repaid upon maturity.
Unsecured long-term loans from Hua Nan Bank	1,740,000	1,840,000	1.80~2.37	Effective May 22, 2015 to May 22, 2017. The principal will be repaid upon maturity.
Unsecured long-term loans from Taiwan Cooperative Bank	1,300,000	1,300,000	2.28~2.35	Effective December 1, 2015 to December 1, 2017. The principal will be repaid upon maturity.
Unsecured long-term loans from Far Eastern International	962,685	961,056	2.15~2.19	Effective December 10, 2015 to December 10, 2018. The principal will be repaid upon maturity.
The Export-Import Bank Of the ROC	60,000	180,000	2.41~2.50	Effective December 11, 2013 to May 13, 2016. The 1st repayment of principal is in 6 months after first draw. The remaining principal is repaid in 5 semi-annually payments. The last repayment is no longer than 2 year and 6 months after execution date of the loan agreement.
Unsecured long-term loans from EnTie Commercial Bank	200,000	-	2.75	Effective November 24, 2015 to November 24, 2017. Since the first use date principal is repaid in 10 quarterly payments.
Secured Syndicated loans from Taishin International Bank	4,400,000	4,400,000	2.63	Effective June 13, 2014 to June 13, 2018. The 1st repayment of principal is in 36 months after first draw. The remaining principal is repaid in 3 semi-annually payments. The 1st and 2nd repayments will be both at 20% and the remaining 60% will be repaid in the 3rd repayment.
Secured Syndicated loans from First Bank	2,200,000	2,750,000	2.63	Effective September 16, 2013 to September 16, 2018. The 1st repayment of principal is in 18 months after first draw. The remaining principal is repaid in 4 semi-annually repayments. The 1st to 3rd payments will be 10% and the remaining 70% will be repaid in the 4th repayment.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Lenders	As of December 31, 2015	As of December 31, 2014	Interest rate (%)(Note)	Maturity date and terms of repayment
Secured Syndicated loans from Bank SinoPac	$1,000,000	$700,000	2.64	Effective September 30, 2015 to September 30, 2017. The 1st repayment of principal is in 18 months after first draw. The remaining principal is repaid in 3 quarterly payments. The 1st and 2nd repayments will decrease the credit by 30% each, and the remaining 40% will be repaid in the 3rd repayment.
Secured Syndicated loans from Bank of Taiwan	800,000	800,000	2.38~2.49	Effective March 31, 2014 to March 31, 2017. The 1st repayment of principal is in 24 months after first draw. The remaining principal is repaid in 2 semi-annually payments. The 1st and 2nd repayments will decrease the credit by 20% each, and the remaining 60% will be repaid in the 3rd repayment.
Secured Syndicated loans from Bank of Taiwan	480,000	800,000	2.49	Effective March 31, 2014 to March 31, 2017. Only one withdraw is allowed. The loan should be withdraw in the first six months of the effective period. The credit period should be twelve months after withdraw. The 1st repayment of principal is in 12 months after first draw. The remaining principal is repaid in 5 semi-annually payments.
Hua Nan Bank L/C loans (USD)	197,806	300,835	1.80~2.27	Principal is repaid in 180 days after first draw. The maturity date is June 28, 2016.
Hua Nan Bank L/C loans (EUR)	-	30,771	1.53~1.66	Principal is repaid in 180 days after first draw. The maturity date is June 21, 2016.
Hua Nan Bank L/C loans (SEK)	4,184	4,390	5.40~5.80	Principal is repaid in 180 days after first draw. The maturity date is June 28, 2016.
Chang Hwa Bank L/C loans (USD)	169,640	348,301	1.48~1.94	Principal is repaid in 180 days after first draw. The duration of the loan is two years.
Chang Hwa Bank L/C loans (EUR)	67,960	15,004	1.02~1.22	Principal is repaid in 180 days after first draw. The duration of the loan is two years.
Mega Bank L/C loans (USD)	369,378	487,779	2.11~2.91	Principal is repaid in 180 days after first draw. The maturity date is January 11, 2016.
Chang Hwa Bank secured loans in a foreign currency (USD)	37,339	44,641	1.50~1.94	Principal is repaid in 180 days after first draw. The maturity date is May 7, 2016.
Hua Nan Bank secured loans in a foreign currency (USD)	179,116	47,365	1.69~2.27	Principal is repaid in 180 days after first draw. The maturity date is January 11, 2016.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

	As of December 31,		Interest rate	
Lenders	2015	2014	(%)(Note)	Maturity date and terms of repayment
Mega Bank secured loans in a foreign currency (USD)	$61,152	$199,995	2.33~2.38	Principal is repaid in 180 days after first draw. The duration of the loan is two years.
Two-year loans due to stockholders and employees	17,453	17,801		
Subtotal	21,310,670	18,130,994		
Less: unamortized issuing cost	(56,891)	(61,318)		
	21,253,779	18,069,676		
Less: current portion	(3,321,520)	(1,885,579)		
Total	$17,932,259	$16,184,097		

Shan-Chih Asset Development Co. guaranteed the Company’s long-term loans. As of December 31, 2015 and 2014, the balance of guarantees was NTD 12,950,000 thousand and NTD 10,600,000 thousand, respectively; the Company’s Chairman, W.S. Lin, guaranteed some of the Company’s bank loans.

For the years ended December 31, 2015 and 2014, certain long-term loans of the Company included debt covenants requiring minimum levels of liquidity ratio, liability to equity ratio, and net assets value. For the years ended December 31, 2015 and 2014, the Company did not breach any such covenants, therefore there was no immediate repayment of the loans triggered by breach of covenants.

Please refer to Note 8 for assets pledged as collateral for long-term loans.

(Note: Interest rates are rounded off to the second decimal place.)

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(b) CPT and its subsidiaries

Lenders	As of December 31, 2015	2014	Interest rate (%)(Note)	Maturity date and terms of repayment
Administered by Bank of Taiwan(syndicated loans)	$3,619,255	$6,425,834	3.04~3.34	The first repayment date is six months after the date of this agreement, and each of the thirteen successive semi-annual dates thereafter. The repayment percentages are 5% for the first repayment, 7.5% for the second and third repayments, 10% for the fourth and the fifth repayments, 12% for the sixth and seventh repayments, 3.6% for the eighth and ninth repayments, 6.3% for the tenth and eleventh repayments, and 8.1% for the twelfth and thirteenth repayments.
Secured long-term loan from Mega Bills Finance Co. Ltd.	48,207	85,557	2.69~2.69	Extend annually beginning one year after the first use day. Credit limit is gradually reduced on a semi-annual basis beginning six months after the first use day. Credit limit is reduced by 5% first six months after the first use day, then 7.5% for the second and third six months periods, 10%, for the fourth and fifth six months periods, 12% for the sixth and seventh six months periods, 3.6% for the eighth and ninth six months periods, 6.3% for the tenth and eleventh six months periods, and 8.1% for the twelfth and thirteenth six months period.
Secured long-term loan from King’s Town bank	1,829,375	913,680	2.86~3.47	The first repayment date is six months after the drawdown date, and the rest of the repayments will be made on each of the nineteen successive quarterly dates thereafter. From September 30, 2015 to June 30, 2016, the repayment is NTD 50,000 thousand every quarter. From September 30, 2016 to June 30, 2019, the repayment is NTD 100,000 thousand every quarter. From September 30, 2019 to June 30, 2020, the repayment is NTD 150,000 thousand every quarter.
Secured long-term loan from King’s Town bank	483,000	-	2.9300	The first repayment date is six months after the drawdown date, and the rest of the repayments will be made on each of the eighteen successive quarterly dates thereafter. From April 7, 2016 to July 7, 2020, the repayment is NTD 8,000 thousand every quarter. NTD 339,000 thousand will be repaid on October 7, 2020.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Lenders	As of December 31, 2015	As of December 31, 2014	Interest rate (%)(Note)	Maturity date and terms of repayment
Secured long-term loan from China Development Bank	$-	$439,302	5.51	The repayment is divided into nine successive dates. USD 0.6 million will be repaid on November 9, 2013. USD 0.21 million will be repaid on April 30, 2014. USD 0.31 million will be repaid on October 30, 2014. USD 1.49 million will be repaid on April 30, and October 30, 2015. USD 2.37 million will be repaid on April 30, and October 30, 2016. USD 3.08 million will be repaid on April 30, and November 8, 2017.
Secured long-term loan from Agricultural Bank of China	556,048	879,311	6.00~8.00	The repayment is divided into six successive dates. RMB 30 million will be repaid per six months from July 31, 2016 to January 31, 2017. RMB 40 million will be repaid on July 31, 2016 to January 16, 2017, respectively.
Secured long-term loan from China Everbright Bank	-	51,724	7.68	The repayment is divided into five successive dates. RMB 5 million will be repaid before September 20, and December 20, 2013. RMB 15 million will be repaid before June 20, 2014. RMB 15 million will be repaid before December 20, 2014. RMB 10 million will be repaid before January 19, 2015.
Secured long-term loan from China Minsheng Bank	-	129,310	7.07	The repayment is divided into six successive dates. RMB 2.5 million will be repaid before January 25, and April 25, 2013. RMB 5 million will be repaid before October 25, 2013 and April 25, 2014. RMB 10 million will be repaid before October 25, 2014. RMB 25 million will be repaid before March 25, 2015.
Secured Long-term loan from China Merchant Bank	342,922	434,746	7.00~8.00	The repayment is divided into ten successive dates. 5% will be repaid for the 1st to 4th six months periods, 10% will be repaid for the 5th to 8th six months periods, and 20% will be repaid for the 9th to 10th six months periods. The maturity date is July 31, 2017.
Secured long-term loan from Export-Import Bank of China Fujian branch	309,769	446,276	6.72	The repayment is divided into eight successive dates. RMB 5 million will be repaid on June 21, and December 21, 2014. RMB 12.5 million will be repaid on June 21, and December 21, 2015. RMB 15 million will be repaid on June 21, and December 21, 2016. RMB 17.5 million will be repaid on June 21, 2017. RMB 13.78 million will be repaid on December 17, 2017.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Lenders	As of December 31, 2015	As of December 31, 2014	Interest rate (%)(Note)	Maturity date and terms of repayment
Secured long-term loan from Bank of Communications Financial Leasing Co., Ltd.	$183,383	$286,597	6.00	The repayment is divided into twelve installments. The first payment RMB 5,421 thousand was made on December 15, 2014. From March 15, 2015 to September 15, 2015, the repayment of RMB 5,514 thousand will be made every quarter. From December 15, 2015 to September 15, 2016, the repayment of RMB 5,445 thousand will be made every quarter. From December 15, 2016 to September 15, 2017, the repayment of RMB 5,436 thousand will be made every quarter. Total amount of the repayments will be RMB 65,488 thousand, including principal of RMB 60,000 thousand and interest of RMB 5,488 thousand.
Administered by Mega International Commercial Bank (syndicated loans)	-	249,891	1.98~2.01	Started from April 2012, principal is repaid in 8 semi-annually payments in the amount of NTD125,000 thousand each payment.
Unsecured long-term loan from Taiwan Cooperative Bank	-	68,495	1.80	Started from October 2011, principal is repaid in 60 monthly payments in the amount of NTD3,262 thousand each payment.
Secured long-term loan from Taiwan Cooperative Bank	216,667	26,005	1.80~1.93	Started from July 2015, principal is repaid in 36 monthly payments in the amount of NTD7,222 thousand each payment.
Secured long-term loan from Mega International Commercial Bank	83,100	149,900	2.15~2.16	The repayment is divided into twelve installments. NTD16.7 million will be repaid each of the first eleven quarters starting in May 2014. The final repayment is NTD16.3 million.
Secured long-term loan from Taishin International Bank	200,000	200,000	2.07~2.54	The repayment is divided into five installments. NTD 44 million will be paid every quarter starting in April 2016.
Secured long-term loan from China Development Bank	357,792	-	5.60	The repayment is divided into nine successive dates. USD 0.6 million will be repaid on November 9, 2013. USD 0.21 million will be repaid on April 30, 2014. USD 0.31 million will be repaid on October 30, 2014. USD 1.49 million will be repaid on April 30, and October 30, 2014. USD 2.37 million will be repaid on April 30, and October 30, 2016. USD 3.08 million will be repaid on April 30, and November 8, 2017.
Unsecured long-term loan from Ta Chong Bank	167,000	-	2.13	The repayment is divided into six installments. NTD 33,000 thousand will be paid semi-annually starting in August 2015. The last repayment will be NTD 35,000 thousand.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

	As of December 31,		Interest rate	
Lenders	2015	2014	(%)(Note)	Maturity date and terms of repayment
Unsecured long-term loan from Chang Hwa Bank	$75,572	$-	1.96	The repayment is divided into twelve installments. NTD 8,095 to 8,562 thousand will be paid quarterly starting in June 2015.
Secured long-term loan from Chang Hwa Bank	400,000	-	1.81	The repayment is divided into twelve installments. NTD 33,333 thousand will be paid quarterly starting in February 2016.
Secured long-term loan from King’s Town Bank	315,000	-	2.88	The repayment is divided into twenty installments. NTD 15,750 thousand will be paid quarterly starting in March 2016.
Secured long-term loan from Quanzhou Rural Commercial Bank	-	724,137	7.90	The repayment is divided into three installments. RMB 60 million was repaid in September 2015 and March 2016, respectively. RMB 80 million will be repaid in September 2016.
Secured long-term loan from Ping An Bank, Shanghai branch	-	4,086,204	9.50	The one-time repayment will be due on March 18, 2016.
Secured long-term loan from China Construction Bank	-	1,862,068	9.00	The one-time repayment will be due on September 30, 2016.
Secured long-term loan from Ping An Bank, Offshore business services	3,282,500	3,165,000	3.00~3.56	The one-time repayment will be due on March 10, 2016.
Secured long-term loan from China Construction Bank	1,576,092	1,519,675	2.00~2.24	The one-time repayment will be due on September 15, 2016
Secured long-term loan from China Construction Bank	-	2,586,205	7.50	The one-time repayment will be due on December 10, 2016
Secured long-term loan from China Construction Bank	-	724,137	7.50	The one-time repayment will be due on December 10, 2016.
Secured long-term loan from China Construction Bank	3,072,584	3,165,222	2.00~2.24	The one-time repayment will be due on December 12, 2016.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

	As of December 31,		Interest rate	
Lenders	2015	2014	(%)(Note)	Maturity date and terms of repayment
Secured long-term loan from China Fortune International Trust	$3,993,434	$-	9.50	The one-time repayment will be due on April 18, 2016.
Secured long-term loan from China Fortune International Trust	1,213,195	-	9.00	The one-time repayment will be due on October 29, 2016.
Secured long-term loan from China Fortune Securities	3,235,179	-	7.50	The one-time repayment will be due on January 10, 2017.
Secured long-term loan from China Construction Bank	210,146	-	2.00	The one-time repayment will be due on September 15, 2016.
Secured long-term loan from China Fortune Securities	1,010,996	-	7.50	The one-time repayment will be due on February 18, 2017.
Secured long-term loan from China Construction Bank	955,208	-	2.00	The one-time repayment will be due on January 30, 2017.
Secured long-term loan from China Minsheng Bank	1,516,494	-	9.00	The one-time repayment will be due on January 13, 2017.
Secured Long-term loan from China Merchant Bank	1,395,063	-	1.94	The one-time repayment will be due on January 13, 2017.
Secured Long-term loan from China Railway Trust	1,516,494	-	8.90	The one-time repayment will be due on January 27, 2017.
Secured Long-term loan from China Merchant Bank	1,477,125	-	1.80	The one-time repayment will be due on January 20, 2017.
Subtotal	33,641,600	28,619,276		
Less: current portion	(18,799,551)	(5,075,334)		
Total	$14,842,049	$23,543,942		

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(c) SCSC and its subsidiaries

Lenders	As of December 31, 2015	As of December 31, 2014	Interest rate (%)(Note)	Maturity date and terms of repayment
Unsecured long-term loan from Bank of Taiwan	$30,000	$70,000	1.76~1.90	Started from December 31, 2011, principal is repaid in 20 quarterly payments in the amount of NTD10,000 thousand per payment.
Secured syndicated Loans from King's Town Financial Bank	500,000	390,000	2.66~3.00	Started from March 17, 2015, principal is repaid in 24 monthly payments in the amount of NTD 15,000 thousand.
Secured syndicated Loans from Fubon Financial Bank	296,550	-	2.62	The principal of the syndicated loans from Fubon Financial Bank which are originally due on December 2015 and June 2016 has been extended for two years from the original due date. 30% will be repaid on the due dates mentioned above. Starting from the due dates mentioned above, principal is repaid in 4 semi-annual payments. 10% will be repaid on the first three payments, while 40% will be repaid on the last payment.
〃	444,826	-	3.71	The principal of the syndicated loans from Fubon Financial Bank which are originally due on December 2015 and June 2016 has been extended for two years from the original due date. 30% will be repaid on the due dates mentioned above. Starting from the due dates mentioned above, principal is repaid in 4 semi-annual payments. 10% will be repaid on the first three payments, while 40% will be repaid on the last payment.
〃	81,406	-	2.62	The principal of the syndicated loans from Fubon Financial Bank which are originally due on December 2015 and June 2016 has been extended for two years from the original due date. 30% will be repaid on the due dates mentioned above. Starting from the due dates mentioned above, principal is repaid in 4 semi-annual payments. 10% will be repaid on the first three payments, while 40% will be repaid on the last payment.
〃	122,109	-	3.71	The principal of the syndicated loans from Fubon Financial Bank which are originally due on December 2015 and June 2016 has been extended for two years from the original due date. 30% will be repaid on the due dates mentioned above. Starting from the due dates mentioned above, principal is repaid in 4 semi-annual payments. 10% will be repaid on the first three payments, while 40% will be repaid on the last payment.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

	As of December 31,		Interest rate	
Lenders	2015	2014	(%)(Note)	Maturity date and terms of repayment
Secured syndicated Loans from Fubon Financial Bank	$-	$308,572	2.83	Started from July 22, 2012, principal is repaid in 7 semi-annually payments. NTD114,286 thousand will be repaid for the 1st to 4th and 6th periods, NTD34,286 thousand will be repaid for the 5th period, and NTD194,286 thousand will be repaid for the last period.
〃	-	216,000	2.83	Started from July 22, 2012, principal is repaid in 7 semi-annually payments. NTD80,000 thousand will be repaid for the 1st to 4th and 6th periods, NTD24,000 thousand will be repaid for the 5th period, and NTD136,000 thousand will be repaid for the last period.
〃	-	135,000	2.83	Started from July 22, 2012, principal is repaid in 7 semi-annually payments. NTD50,000 thousand will be repaid for the 1st to 4th and 6th periods, NTD15,000 thousand will be repaid for the 5th period, and NTD85,000 thousand will be repaid for the last period.
〃	-	18,312	2.54	Started from July 22, 2012, principal is repaid in 7 semi-annually payments. USD214,285 will be repaid for the 1st to 4th and 6th periods, USD64,285 will be repaid for the 5th period, and USD364,285 will be repaid for the last period.
〃	-	29,299	2.54	Started from July 22, 2012, principal is repaid in 7 semi-annually payments. USD342,857 will be repaid for the 1st to 4th and 6th periods, USD102,857 will be repaid for the 5th period, and USD582,857 will be repaid for the last period.
〃	-	43,948	2.54	Started from July 22, 2012, principal is repaid in 7 semi-annually payments. USD514,285 will be repaid for the 1st to 4th and 6th periods, USD154,285 will be repaid for the 5th period, and USD874,285 will be repaid for the last period.
〃	-	36,624	2.54	Started from July 22, 2012, principal is repaid in 7 semi-annually payments. USD428,571 will be repaid for the 1st to 4th and 6th periods, USD128,571 will be repaid for the 5th period, and USD728,571 will be repaid for the last period.
〃	-	405,843	2.32	Started from June 17, 2013, principal is repaid in 7 semi-annually payments. USD2,914,285 will be repaid for the 1st, 2nd , 5th and 6th periods, USD874,285 will be repaid for the 3rd and 4th periods, and USD6,994,285 will be repaid for the last period.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Lenders	As of December 31, 2015	As of December 31, 2014	Interest rate (%)(Note)	Maturity date and terms of repayment
Secured syndicated Loans from Fubon Financial Bank	$-	$608,765	3.58	Started from June 17, 2013, principal is repaid in 7 semi-annually payments. USD4,371,429 will be repaid for the 1st, 2nd , 5th and 6th periods, USD1,311,428 will be repaid for the 3rd and 4th periods, and USD10,371,428 will be repaid for the last period.
〃	-	111,408	2.32	Started from June 17, 2013, principal is repaid in 7 semi-annually payments. USD800,000 will be repaid for the 1st, 2nd , 5th and 6th periods, USD240,000 will be repaid for the 3rd and 4th periods, and USD1,920,000 will be repaid for the last period.
〃	-	167,112	3.58	Started from June 17, 2013, principal is repaid in 7 semi-annually payments. USD1,200,000 will be repaid for the 1st, 2nd , 5th and 6th periods, USD360,000 will be repaid for the 3rd and 4th periods, and USD2,880,000 will be repaid for the last period.
Secured syndicated Loans from Bank of Taiwan	194,286	-	3.03	The principal of the syndicated loans from Bank of Taiwan which are originally due on April 2016 has been extended for two years from the original due date. 30% will be repaid on the due dates mentioned above. Starting from the due dates mentioned above, principal is repaid in 4 semi-annual payments. 10% will be repaid on the first three payments, while 40% will be repaid on the last payment.
〃	99,571	-	3.03	The principal of the syndicated loans from Bank of Taiwan which are originally due on April 2016 has been extended for two years from the original due date. 30% will be repaid on the due dates mentioned above. Starting from the due dates mentioned above, principal is repaid in 4 semi-annual payments. 10% will be repaid on the first three payments, while 40% will be repaid on the last payment.
〃	123,857	-	3.03	The principal of the syndicated loans from Bank of Taiwan which are originally due on April 2016 has been extended for two years from the original due date. 30% will be repaid on the due dates mentioned above. Starting from the due dates mentioned above, principal is repaid in 4 semi-annual payments. 10% will be repaid on the first three payments, while 40% will be repaid on the last payment.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Lenders	As of December 31, 2015	2014	Interest rate (%)(Note)	Maturity date and terms of repayment
Secured syndicated Loans from Bank of Taiwan	$138,429	$-	3.03	The principal of the syndicated loans from Bank of Taiwan which are originally due on April 2016 has been extended for two years from the original due date. 30% will be repaid on the due dates mentioned above. Starting from the due dates mentioned above, principal is repaid in 4 semi-annual payments. 10% will be repaid on the first three payments, while 40% will be repaid on the last payment.
〃	-	787,571	2.83	Started from April 29, 2013, principal is repaid in 7 semi-annually payments. NTD212,857 thousand will be repaid for the 1st to 3rd , 5th and 6th periods, NTD63,857 thousand will be repaid for the 4th period, and NTD361,857 thousand will be repaid for the last period.
〃	-	422,857	2.83	Started from April 29, 2013, principal is repaid in 7 semi-annually payments. NTD114,286 thousand will be repaid for the 1st to 3rd , 5th and 6th periods, NTD34,286 thousand will be repaid for the 4th period, and NTD194,286 thousand will be repaid for the last period.
Secured long-term loan from EnTie Bank	231,667	525,000	3.33	Started from May 31, 2014, principal is repaid in 15 monthly payments. NTD 29,444 thousand will be repaid for the first fourteen periods. NTD 15,556 thousand will be repaid for the last period.
〃	46,750	84,000	3.57	Started from December 19, 2014, the first payment is on the first six month. Remain paid for NTD13,000 thousand per three month in 6 terms.
Sales with Buyback Agreements with Chailease Finance Co., Ltd.	4,125	31,125	1.38	Started from May 26, 2014, principal is repaid in 8 quarterly payments in the amount of NTD 6,750 per each payment. NTD 4,125 for the last payment.
〃	10,875	37,875	2.50	Started from August 20, 2014, principal is repaid in 8 quarterly payments. NTD 6,750 will be repaid for the 1st to 7th periods and NTD 4,125 will be repaid for the last period.
〃	19,568	-	2.80	Started from May 20, 2015, principal is repaid in 36 monthly payments. NTD 710 will be repaid for the 1st to 27th periods and an additional NTD 500 thousand will be added cumulatively to each repayment for the last five periods.
Unsecured long-term loan from Chailease Finance Co., Ltd.	29,605	-	2.79	Started from May 22, 2015, principal is repaid in 30 monthly payments in the amount of NTD 1,382 thousand per each payment.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Lenders	As of December 31, 2015	As of December 31, 2014	Interest rate (%)(Note)	Maturity date and terms of repayment
Secured long-term loan from Shanghai Commercial and Saving Bank	$-	$18,103	10.53	Started from December 26, 2013, principal is repaid in 8 quarterly payments in the amount of RMB 875,000 per each payment.
Secured long-term loan from First Commercial International Leasing Bank	-	34,345	12.79	Effective from June 10, 2014. Principal is repaid in 18 monthly payments. RMB 560,000 will be repaid for the first 17 repayments and RMB480,000 will be repaid for the last month.
Robina Finance & Leasing Corp.	23,087	75,537	12.87	Effective from June 19, 2014. Principal is repaid in 25 monthly payments. RMB 3,420,278.55 will be repaid for the 1st period. RMB 1,090,000 will be repaid for the 2nd to 13th periods. RMB 790,000 will be repaid for the 14th to 25th periods.
Far Eastern International Bank	130,000	223,000	1.88~1.97	Principal will be repaid upon the maturity date on December 24, 2017.
Subtotal	2,526,711	4,780,296		
Less: current portion	(1,126,752)	(2,680,753)		
Total	$1,399,959	$2,099,543		

Certain long-term loans of SCSC and its subsidiaries included debt covenants requiring minimum levels of liquidity ratio, liability to equity ratio, and net assets value. For the year ended December 31, 2015, there was no immediate repayment of the loans triggered by breach of loan contracts in accordance with the agreement obtained from the banks. Please refer to Note 9 for details of the syndicated loans.

As of December 31, 2015, the Company's Chairman, W.S. Lin, was a joint guarantor of SCSC and its subsidiaries' bank loans, except for unsecured loans amounting to NTD 29,605 thousand, borrowing from sales with buyback agreements for NTD 19,568 thousand and secured loan for 69,837 thousand. Please refer to Note 8 for the guarantee for the long-term loans.

There is no unused long-term lines of credits for the above secured syndicated loans.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(d) FD and its subsidiaries

Lenders	As of December 31, 2015	2014	Interest rate (%)(Note)	Maturity date and terms of repayment
Secured loan from Bank of Panhsin	$580,000	$600,000	2.55~2.85	Effective from October 30, 2014 to October 30, 2019. Principal is repaid in 10 semi-annually payments. NTD 10,000 thousand will be repaid for the first 19 payments. NTD 510,000 thousand will be repaid for the 10th payment. Interest is paid monthly.
Secured loan from Bank of Panhsin	100,000	-	2.90	Effective from July 22, 2015 to January 18, 2016. Principal is repaid at NTD 100,000 thousand per 6 months.
Secured loan from Bank of Panhsin	30,000	-	2.92	Effective from December 28, 2015 to June 24, 2016. Principal is repaid at NTD 30,000 thousand per 6 months.
Secured loan from Bank of Panhsin	30,000	-	2.90	Effective from October 2, 2015 to March 30, 2016. Principal is repaid at NTD 30,000 thousand per 6 months.
Secured loan from Bank of Panhsin	40,000	-	2.92	Effective from November 25, 2015 to May 23, 2016. Principal is repaid at NTD 40,000 thousand per 6 months.
Chaileasing Finance Co., Ltd.	-	3,809	3.05	Effective from March 20, 2013 to March 20, 2014. Principal is repaid in 24 monthly payments. The first 12 repayment is NTD 2,420 thousand per payment, the following 11 repayments is NTD1,495 thousand per payment, and the last repayment is NTD838 thousand.
Robina Finance & Leasing Corp.	-	8,550	3.85~3.09	Effective from October 12, 2013 to September 12, 2014. Principal is repaid in 24 monthly payments. The first repayment is NTD 2,382 thousand, the remaining repayments is decreasing, and the last repayment is NTD903 thousand.
Hotai Finance Co., Ltd.	-	6,416	2.88	Effective from January 24, 2014 to July 24, 2015. Principal is repaid in 18 monthly payments. The first repayment is NTD 1,288 thousand, the remaining repayments is decreasing, and the last repayment is NTD 928 thousand.
Chailease Finance Co., Ltd.	13,454	42,110	3.09	Effective from September 19, 2014 to September 19, 2016. Principal is repaid in 24 monthly payments. The first repayment is NTD 2,630 thousand, the remaining repayments is decreasing, and the last repayment is NTD870 thousand.
Subtotal	793,454	660,885		
Less: current portion	(233,454)	(67,431)		
Total	$56,000	$593,454		

Certain lands, housing and buildings were pledged as first mortgage for secured loans from Bank of Panhsin and Bank of Taiwan. Please refer to Note 8 for assets pledged as collateral for long-term loans.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(e) Tatung Forestry and Development Co.

Lenders	As of December 31, 2015	As of December 31, 2014	Interest rate (%)(Note)	Maturity date and terms of repayment
Secured long-term loan from Sunny Bank	$19,166	$120,000	2.00	Effective from April 2012 to April 2027, with a grace period of 36 months from the effective date. Principal is repaid in 24 semi-annually payments started from April 6, 2015. Interest is paid monthly.
Less: current portion	(1,666)	-		
Total	$17,500	$120,000		

(f) Chih-Sheng Realty Co.

Lenders	As of December 31, 2015	As of December 31, 2014	Interest rate (%)(Note)	Maturity date and terms of repayment
Secured long-term loans from Hua Nan Bank	$120,000	$-	2.75~2.98	Effective May 18, 2015 to May 18, 2018. Principal is repaid in 24 monthly payments with interest payments due monthly.
Secured long-term loans from Bank of Taiwan	245,000	-	2.65	Effective July 20, 2015 to July 20, 2021. Principal is repaid in 24 monthly payments with interest payments due monthly.
Less: current portion	-	-		
Total	$365,000	$-		

Please refer to Note 8 for assets pledged as collateral for long-term loans.

(g) Tatung Precise Meter Co.

Lenders	As of December 31, 2015	As of December 31, 2014	Interest rate (%)(Note)	Maturity date and terms of repayment
Unsecured long-term Loan from Hua Nan Bank	$20,000	$22,333	2.88	Effective November 2014 to November 2019. Principal is repaid in 12 quarterly payments.
Less: current portion	-	-		
Total	$20,000	$22,333		

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(h) Tatung Fine Chemicals Co., Ltd.

Lenders	As of December 31, 2015	As of December 31, 2014	Interest rate (%)(Note)	Maturity date and terms of repayment
Secured long-term loan from Chailease Finance Co., Ltd.	$-	$9,000	2.65	Effective July 28, 2013 to June 28, 2015. Principal is repaid in 24 monthly payments with interest payments due monthly.
Secured long-term loan from Hotai Finance Co., Ltd.	7,384	20,000		Effective December 25, 2014 to December 25, 2016. Principal is repaid in 24 monthly payments with interest payments due monthly.
Less: current portion	(3,674)	(21,616)		
Total	$3,710	$7,384		

Please refer to Note 8 for assets pledged as collateral for long-term loans.

(i) Chunghwa Electronics Development Co., Ltd.

Lenders	As of December 31, 2015	As of December 31, 2014	Interest rate (%)(Note)	Maturity date and terms of repayment
Secured long-term loan from King’s Town Bank.	$157,000	$-	2.66	Effective from September 2015 to September 2017. Principal is repaid in 24-monthly payments with interest payments due monthly.
Less: current portion	(12,000)	-		
Total	$145,000	$-		

Please refer to Note 8 for assets pledged as collateral for long-term loans.

(23) Post-employment benefits

Defined contribution plan

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

Subsidiaries located in the People's Republic of China will contribute social welfare benefits based on a certain percentage of employees' salaries or wages to the employees' individual pension accounts.

Pension benefits for employees of overseas subsidiaries and branches are provided in accordance with the local regulations.

Expenses under the defined contribution plan for the years ended December 31, 2015 and 2014 were NT$644,539 thousand and NT$599,794 thousand, respectively.

Defined benefits plan

The Company and its domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company and its domestic subsidiaries contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company and its domestic subsidiaries assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company and its domestic subsidiaries will make up the difference in one appropriation before the end of March the following year.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandates, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Group expects to contribute NTD 698,407 thousand to its defined benefit plan during the 12 months beginning after December 31, 2015.

As of December 31, 2015 and 2014, the durations of the defined benefits plan obligation of the subsidiaries under the Group were different. The latest years of maturity are 2025 and 2033, respectively.

Pension costs recognized in profit or loss for the years ended December 31, 2015 and 2014:

	For the years ended December 31,	
	2015	2014
Current period service costs	$78,606	$98,760
Interest income or expense	72,323	79,670
Past service cost	(413)	188
Payments from the plan	(58)	(625)
Total	$150,458	$177,993

Changes in the defined benefit obligation and fair value of plan assets are as follows:

	As of		
	2015.12.31	2014.12.31	2014.1.1
Defined benefit obligation	$5,763,237	$6,067,862	$6,642,474
Plan assets at fair value	(613,347)	(385,696)	(454,174)
Subtotal	5,149,890	5,682,166	6,188,300
Other	36,212	5,571	24,252
Other non-current liabilities - Accrued pension liabilities recognized on the consolidated balance sheets	$5,186,102	$5,687,737	$6,212,552

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

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

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
As of January 1, 2014	$6,642,474	$(454,174)	$6,188,300
Current period service costs	98,760	-	98,760
Net interest expense (income)	85,303	(6,360)	78,943
Past service cost and gains and losses arising from settlements	290	-	290
Subtotal	6,826,827	(460,534)	6,366,293
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	5,968	-	5,968
Actuarial gains and losses arising from changes in financial assumptions	(9,033)	-	(9,033)
Experience adjustments	(10,788)	(413)	(11,201)
Return on plan assets	(7,009)	(2,875)	(9,884)
Subtotal	(20,862)	(3,288)	(24,150)
Payments from the plan	(738,103)	738,103	-
Contributions by employer	-	(659,977)	(659,977)
As of December 31, 2014	6,067,862	(385,696)	5,682,166
Current period service costs	78,606	-	78,606
Net interest expense (income)	78,384	(6,043)	72,341
Past service cost and gains and losses arising from settlements	(489)	-	(489)
Subtotal	6,224,363	(391,739)	5,832,624
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	3,635	-	3,635
Actuarial gains and losses arising from changes in financial assumptions	(64,830)	-	(64,830)
Experience adjustments	127,637	-	127,637
Return on plan assets	-	(4,402)	(4,402)
Subtotal	66,442	(4,402)	62,040
Payments from the plan	(520,784)	520,784	-
Contributions by employer	-	(744,774)	(744,774)
As of December 31, 2015	$5,770,021	$(620,131)	$5,149,890

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	As of December 31,	
	2015	2014
Discount rate	0.50%~1.50%	0.75%~2.25%
Expected rate of salary increases	1.00%	1.00%

A sensitivity analysis for significant assumption as at December 31, 2015 and 2014 is, as shown below:

	Effect on the defined benefit obligation			
	2015		2014	
	Increase defined benefit obligation	Decrease defined benefit obligation	Increase defined benefit obligation	Decrease defined benefit obligation
Discount rate increase by 0.5%	$-	$73,375	$-	$88,581
Discount rate decrease by 0.5%	66,375	-	81,124	-

The sensitivity analyses above are based on a change in the actuarial assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(25) Provisions

	Sales returns and allowances	Maintenance warranties	Reserve for lawsuit	Decommissioning reserve	Total
As of January 1, 2015	$-	$157,033	$461,349	$74,779	$693,161
Arising during the period	775	25,973	-	1,368	28,116
Utilized	-	(1,624)	(37,347)	-	(38,971)
Unused provision reversed	-	(65,871)	(16,412)	-	(82,283)
Effect of exchange rate changes	-	210	15,741	-	15,951
As of December 31, 2015	$775	$115,721	$423,331	$76,147	$615,974
Current-December 31, 2015	$775	$115,721	$-	$-	$116,496
Non-current-December 31, 2015	-	-	423,331	76,147	499,478
As of December 31, 2015	$775	$115,721	$423,331	$76,147	$615,974
Current-December 31, 2014	$-	$157,033	$-	$-	$157,033
Non-current-December 31, 2014	-	-	461,349	74,779	536,128
As of December 31, 2014	$-	$157,033	$461,349	$74,779	$693,161

Sales returns and allowances

A provision has been recognized for sales returns and allowances based on other known factors. The provision is recognized and the corresponding entry is made against operating revenue at the time of sales.

Maintenance warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management’s judgment and other known factors.

Litigation reserve

Provisions have been recognized for estimated legal obligations and relevant cost based on past experience. If the existing obligation is mostly likely to incur and the amount may be reasonably estimated, the provisions for legal matters is to be recognized.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Decommissioning, restoration and rehabilitation reserve

A provision has been recognized for decommissioning costs associated with a factory owned by GET. The Group is committed to decommissioning the site as a result of the construction of the factory.

(26) Equities

(a) Common stock

As of December 31, 2015 and 2014, the Company's authorized capital were both NTD 100,000,000 thousand, and issued capital both were NTD 23,395,367 thousand, with a par value of NTD 10 dollar. Each share is entitled to one voting right and the right to receive dividends.

(b) Capital surplus

	As of December 31,	
	2015	2014
Share of changes in net assets of associates and joint ventures under equity method	$680,241	$645,506
Other	105,135	105,135
Total	$785,376	$750,641

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the Company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

(c) Treasury stock

As of December 31, 2015 and 2014 the Company's subsidiaries, CPT and its subsidiaries, and Chunghwa Electronics Investment Co., held 70,598 thousand shares and 333 thousand shares of the Company's stock. The stocks mentioned above were held for financing purpose before the amendments of the Company Act on November 12, 2001. As of December 31, 2015 and 2014, the carrying value of treasury shares is NTD 806,870 thousand.

(d) Retained earnings and dividend policies:

According to the Company’s Articles of Incorporation, current year’s earnings, if any, shall be distributed in the following order:

j Payment of all taxes and dues;
k Offset prior years’ operation losses;
l Appropriate 10% of the remaining amount after deducting items **j** and **k** as a legal reserve;
m Appropriate or reverse special reserve in accordance with relevant laws or regulations, and
n Appropriate no more than 2% and no less than 1% of the remaining amount after deducting items **j**, **k**, **l** and **m** as directors’ remuneration and employee’s bonus, respectively; and
o After deducting items **j**, **k**, **l** and **m** above from the current year’s earnings, the distribution of the remaining portion, if any, will be recommended by the board of directors and resolved in the stockholders’ meeting. The distribution of earnings could not be less than 60% of the accumulated distributable earnings.

However, according to the addition of Article 235-1 of the Company Act announced on May 20, 2015, the Company shall provide a fixed amount or percentage of the actual profit for a year to be distributed as “employees’ compensation”, after deducting and setting aside an amount equal to the cumulative losses (if any). The aforementioned employees’ compensation may be made in the form of stocks or cash, which shall be determined by a resolution adopted by a majority vote at a board of directors meeting attended by two-thirds or more of the directors and be reported at a shareholders’ meeting. Furthermore the Articles of Incorporation may stipulate that the employees’ compensation could be distributed to employees of affiliated enterprises meeting certain criteria. The Articles of Incorporation are to be amended in accordance with the aforementioned recent amendment to the Company Act in the shareholders’ meeting in 2016.

The policy of dividend distribution should reflect factors such as the current operating results and fund requirements. However at least 10% of the dividends must be paid in the form of cash.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

When distributing earnings, the Company has to set aside special reserve, for other net deductions from shareholders' equity of the period. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed.

Following the adoption of T-IFRS, the FSC on April 6, 2012 issued Order No. Jin-Guan-Zheng-Fa-Zi-No. 1010012865, which sets out the following provisions for compliance:

On a public company's first-time adoption of the T-IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside an equal amount of special reserve. Following a company's adoption of the T-IFRS for the preparation of its financial reports, when distributing distributable earnings, it shall set aside special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to "other net deductions from shareholders' equity for the current fiscal year, provided that the company has already set aside special reserve according to the requirements in the preceding point, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed.

As of January 1, 2014, special reserve set aside for the first-time adoption of T-IFRS amounted to NTD 15,894,690 thousand. Moreover, the Company resolved to offset its losses by using special reserves of NTD 5,919,690 thousand in the shareholders meeting on June 6, 2014. The Company resolved to recover the special reserve amounted to NTD 124,233 thousand in the shareholders' meeting on June 15, 2015. In the fourth quarter of 2015, the Company disposed of related assets and reversed special reserves of NTD 52,180 thousand. As of December 31, 2015 and 2014, special reserve set aside for the first-time adoption of T-IFRS amounted to NTD 10,047,053 thousand and 9,975,000 thousand, respectively.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Details of the 2014 deficit compensation as approved by the shareholders' meeting on June 15, 2015 are as follows:

	Appropriation of earnings
	2014
Legal reserve	$36,354
Special reserve	124,233

Please refer to Note 6 (30) for more details about provision for employees' bonuses and compensation for directors and supervisors.

(e) Non-controlling interests:

	2015	2014
Balance as of January 1	$27,503,937	$28,948,525
Loss attributable to non-controlling interests	(7,719,504)	(3,350,588)
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Actuarial gain (loss) from defined benefit plans	(30,136)	14,929
Exchange differences resulting from translating the financial statements of a foreign operation	(1,083,556)	1,050,997
Unrealized gains (losses) from available-for-sale financial assets	459,671	357,676
Other comprehensive income from investment of associates and joint ventures under equity method	(3,080)	14,634
Subsidiaries equity change	99,668	-
Cash dividends distributed by the subsidiaries	(914,297)	467,764
Balance as of December 31,	$18,312,703	$27,503,937

(27) Share-based payment plans

Employees of the Group are entitled to share-based payment as part of their remunerations; employees provide services in consideration of the equity instruments granted. These plans are accounted for as equity-settled share-based payment transactions.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

The expense recognized for employee services received during the years ended December 31, 2015 and 2014, is shown in the following table:

	2015	2014
Total expense arising from equity-settled share-based payment transactions	$-	$27,562

(28) Operating revenue

	2015	2014
Sale of goods	$90,052,110	$103,188,788
Less: sales returns, discounts and allowances	(1,992,124)	(2,041,069)
Subtotal	88,059,986	101,147,719
Revenue from sale of properties (included lands and buildings)	1,857,147	6,563,226
Revenue arising from rendering of services	3,552,519	3,641,378
Other operating revenues	1,274,701	1,256,955
Total	$94,744,353	$112,609,278

(29) Operating leases

Operating lease commitments – the Group as lessee

The Group has entered into commercial leases on certain motor vehicles and items of machinery. These leases have an average life of three to five years with no renewal option included in the contracts. There are no restrictions placed upon the Group by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as of December 31, 2015 and December 31, 2014 are as follows:

	As of December 31,	
	2015	2014
Not later than one year	$341,159	$197,863
Later than one year and not later than five years	509,957	536,014
Later than five years	155,291	266,480
Total	$1,006,407	$1,000,357

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Operating lease expenses recognized are as follows:

	For the years ended December 31,	
	2015	2014
Minimum lease payments	$603,265	$636,452
Contingent rents	-	-
Total	$603,265	$636,452

The commercial leases on items of machinery also contain contingent rent clauses; the lessee has to make contingent rent payment calculated on a basis of a specified percentage over the monthly sales revenue.

Operating lease commitments – the Group as lessor

The Group has entered into commercial property leases with remaining terms of between five and twenty years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases as of December 31, 2015 and December 31, 2014 are as follows:

	As of December 31,	
	2015	2014
Not later than one year	$365,439	$197,379
Later than one year and not later than five years	1,162,787	883,356
Later than five years	1,238,157	1,250,666
Total	$2,766,383	$2,331,401

There was no contingent rent recognized as income for the years ended December 31, 2015 and December 31, 2014, respectively.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(30) Summary statement of employee benefits, depreciation and amortization expenses by function during the years ended December 31, 2015 and 2014:

	2015			2014		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	$8,658,099	$5,149,572	$13,807,671	$8,578,010	$5,245,528	$13,823,538
Labor and health insurance	698,161	444,130	1,142,291	696,823	435,158	1,131,981
Pension	512,999	281,998	794,997	503,846	273,941	777,787
Other employee benefits expense	472,264	359,238	831,502	463,736	230,695	694,431
Depreciation	9,621,741	1,295,420	10,917,161	9,217,445	1,341,176	10,558,621
Amortization	55,090	399,151	454,241	79,613	475,803	555,416

The Company planned to propose in May 2016 to amend the Article of Incorporation in accordance with the addition of Article 235-1 of the Company Act announced on May 20, 2015. The amendment to the Articles of Incorporation will be resolved in the shareholders' meeting in 2016. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

The Company suffered net loss in 2015 and thus did not estimate employee compensation and remuneration for the directors and supervisors.

As of December 31, 2014, there was unrecovered special reserves. Therefore, the Company did not estimate employee compensation and remuneration for the directors and supervisors.

(31) Non-operating income and expenses

(a) Other income

	For the years ended December 31, 2015	For the years ended December 31, 2014
Dividend income	$59,003	$65,267
Interest income	921,594	434,967
Relocation income (Note)	-	1,952,697
Others	1,708,180	687,119
Total	$2,688,777	$3,140,050

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(b) Other gains and losses

	For the years ended December 31, 2015	2014
Gains on disposal of property, plant and equipment	$1,788,850	$172,838
Gains on disposal of investments	122,383	419,229
Foreign exchange gains, net	220,220	(796,381)
Gains (losses) on financial assets / financial liabilities at fair value through profit or loss	272,996	220,810
Impairment losses from non-financial assets	(484,336)	(427,005)
Relocation expense and loss (Note)	-	(349,564)
Excise tax dispute loss	(385,188)	-
Other gains and losses	(892,245)	(1,074,900)
Total	$642,680	$(1,834,973)

(c) Finance costs

	For the years ended December 31, 2015	2014
Interest on borrowings from bank	$4,169,178	$3,445,519
Interest on bonds payable	29,082	153,024
Other	85,270	-
Total finance costs	$4,283,530	$3,598,543

Note: Please refer to Note 6 (13) for detail information of the transaction.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(32) Components of other comprehensive income

For the year ended December 31, 2015:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax benefit (expense) relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$(62,040)	$-	$(62,040)	$7,306	$(54,734)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(1,382)	-	(1,382)	-	(1,382)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	(1,592,691)	-	(1,592,691)	200,338	(1,392,353)
Unrealized gains (losses) from available-for-sale financial assets	187,887	(13,824)	174,063	(29,386)	144,677
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(29,252)	-	(29,252)	-	(29,252)
Total of other comprehensive income	$(1,497,478)	$(13,824)	$(1,511,302)	$178,258	$(1,333,044)

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

For the year ended December 31, 2014:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax benefit (expense) relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$24,150	$-	$24,150	$-	$24,150
Exchange differences resulting from translating the financial statements of a foreign operation	1,602,931	-	1,602,931	(175,590)	1,427,341
To be reclassified to profit or loss in subsequent periods:					
Unrealized gains (losses) from available-for-sale financial assets	1,078,120	(238,576)	839,544	(90,535)	749,009
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	171,493	-	171,493	(8,349)	163,144
Total of other comprehensive income	$2,876,694	$(238,576)	$2,638,118	$(274,474)	$2,363,644

(33) Income tax

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

Income tax expense (income) recognized in profit or loss

	For the years ended December 31,	
	2015	2014
Current income tax expense (income):		
Current income tax charge	$1,600,163	$896,107
Adjustments in respect of current income tax of prior periods	(72,446)	20,677
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	48,993	(77,599)
Deferred tax expense (income) relating to origination and reversal of tax loss and tax credit	(96,499)	(257,380)
Deferred tax liability write-off	(344,658)	-
Other	-	80
Total income tax expense	$1,135,553	$581,885

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Income tax relating to components of other comprehensive income

	For the years ended December 31, 2015	For the years ended December 31, 2014
Deferred tax expense (income):		
Exchange differences resulting from translating the financial statements of a foreign operation	$(200,338)	$175,590
Unrealized gains (losses) from available-for-sale financial assets	29,386	90,535
Actuarial (gains) losses on defined benefits plan	(7,306)	4,216
Other comprehensive income from investment of associates and joints under equity method	-	4,133
Income tax relating to components of other comprehensive income	$(178,258)	$274,474

Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended December 31, 2015	For the years ended December 31, 2014
Accounting loss before tax from continuing operations	$(9,658,966)	$(2,405,164)
Tax at the domestic rates applicable to profits in the country concerned	$(1,544,463)	$(258,706)
Tax effect of revenues exempt from taxation	93,030	(450,163)
Tax effect of expenses not deductible for tax purposes	535,397	243,425
Tax effect of deferred tax assets/liabilities	2,115,474	979,699
10% surtax on undistributed retained earnings	494	1,153
Adjustments in respect of current income tax of prior periods	(72,446)	20,677
Alternative Minimum Tax Act	-	38,737
Others	8,067	7,063
Total income tax expense recognized in profit or loss	$1,135,553	$581,885

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2015:

	Beginning balance	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Exchange differences	Ending balance
Temporary differences					
Deferred tax assets					
Revaluations of available-for-sale investments to fair value	$342,924	$-	$(29,386)	$-	$313,538
Impairment on property, plant and Equipment	207,912	(176,847)	-	-	31,065
Gain on disposal of property, plant and equipment	-	57,774	-	-	57,774
Loss from investment accounted for using the equity method	411,227	20,204	-	-	431,431
Unrealized intragroup profits and losses	19,604	(7,760)	-	-	11,844
Provisions	84,528	(8,454)	-	-	76,074
Accrued pension liabilities	32,249	(170)	6,826	-	38,905
Allowance for doubtful accounts	202,084	(31,852)	-	(4,554)	165,678
Unrealized loss on market decline of inventories	124,707	(30,585)	-	(10,619)	83,503
Employee benefits	4,547	(173)	-	-	4,374
Impairment on prepayments	25,054	(11,020)	-	-	14,034
Impairment on non-current assets held for sale	-	1,861	-	-	1,861
Other	360,658	128	10,047	(6,828)	364,005
Unused tax losses	1,061,444	96,499	-	(10,432)	1,147,511
Subtotal	2,876,938	(90,395)	(12,513)	(32,433)	2,741,597
Deferred tax liabilities					
Profit from investments accounted for using the equity method	(1,039,158)	169,868	-	-	(869,290)
Unrealized (gain) loss on foreign exchange	17,980	(50,223)	-	-	(32,243)
Exchange differences resulting from translating the financial statements of a foreign operation	(756,025)	-	190,771	-	(565,254)
Reserve for land revaluation	(5,765,567)	344,658	-	-	(5,420,909)
Other	(202,735)	18,256	-	-	(184,479)
Subtotal	(7,745,505)	482,559	190,771	-	(7,072,175)
Deferred tax income/ (expense)		$392,164	$178,258	$(32,433)	
Net deferred tax assets/(liabilities)	$(4,868,567)				$(4,330,578)
Reflected in balance sheet as follows:					
Deferred tax assets	$2,876,938				$2,741,597
Deferred tax liabilities	$(7,745,505)				$(7,072,175)

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

For the year ended December 31, 2014

	Beginning balance	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Exchange differences	Ending balance
Temporary differences					
Deferred tax assets					
Revaluations of available-for-sale investments to fair value	$433,459	$-	$(90,535)	$-	$342,924
Impairment on property, plant and Equipment	197,619	10,293	-	-	207,912
Loss from investments accounted for using the equity method	424,389	(13,162)	-	-	411,227
Unrealized intragroup profits and losses	7,231	15,564	(3,191)	-	19,604
Provisions	263,100	(178,572)	-	-	84,528
Accrued pension liabilities	36,808	(197)	(4,362)	-	32,249
Allowance for doubtful accounts	106,692	92,001	-	3,391	202,084
Unrealized loss on market decline of inventories	72,626	48,368	-	3,713	124,707
Employee benefits	4,669	(122)	-	-	4,547
Impairment on prepayments	19,084	5,970	-	-	25,054
Other	276,677	112,899	(30,735)	1,817	360,658
Unused tax losses	774,478	252,254	-	34,712	1,061,444
Subtotal	2,616,832	345,296	(128,823)	43,633	2,876,938
Deferred tax liabilities					
Profit from investments accounted for using the equity method	(586,427)	(452,731)	-	-	(1,039,158)
Unrealized gain (loss) on foreign exchange	(206,241)	224,221	-	-	17,980
Exchange differences resulting from translating the financial statements of a foreign operation	(616,406)	6,032	(145,651)	-	(756,025)
Reserve for land revaluation	(5,765,567)	-	-	-	(5,765,567)
Other	(414,816)	212,081	-	-	(202,735)
Subtotal	(7,589,457)	(10,397)	(145,651)	-	(7,745,505)
Deferred tax income/ (expense)		$334,899	$(274,474)	$43,633	
Net deferred tax assets/(liabilities)	$(4,972,625)				$(4,868,567)
Reflected in balance sheet as follows:					
Deferred tax assets	$2,616,832				$2,876,938
Deferred tax liabilities	$(7,589,457)				$(7,745,505)

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

The following table contains information of the unused tax losses of the Group:

Year	Tax losses for the period	Unused tax losses as of December 31, 2015	Unused tax losses as of December 31, 2014	Expiration year
2015	$10,433,378	$10,433,378	$-	2025
2014	8,031,172	7,695,229	7,291,611	2024
2013	5,430,581	5,202,427	8,678,172	2023
2012	15,042,080	14,486,743	15,084,950	2022
2011	13,765,839	12,791,442	13,772,828	2021
2010	18,740,029	18,202,239	18,301,447	2020
2009	33,354,197	33,199,308	33,440,091	2019
2008	4,446,296	4,446,296	4,446,296	2018
2007	923,774	795,408	766,889	2017
2006	16,289,548	10,404,396	10,850,229	2016
	$126,456,894	$117,656,866	$112,632,513	

Details of the Group’s unused tax credit are as follows:

Laws and regulations	Items	Unused balance as of December 31, 2015	Unused balance as of December 31, 2014	Expiration year
The Act for Upgrading Industries	Investment tax credit relates to investing in certain industries in certain areas	$28,919	$28,919	2017
The Act for Upgrading Industries	Emerging, important and strategic industries	48,299	48,299	2015
	〃	9,449	9,449	2016
		$86,667	$86,945	

Unrecognized deferred tax assets

As of December 31, 2015 and December 31, 2014, the Group’s unrecognized deferred tax assets amounted to NTD 22,374,667 thousand and NTD 20,919,354 thousand, respectively, as the Group may not incur any taxable income in the related period.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Imputation credit information

	As of December 31,	
	2015	2014
Balances of imputation credit amounts	$1,443,132	$1,315,767

The actual creditable ratio for 2015 and 2014 both were 0%.

The Company's earnings generated in the year ended December 31, 1997 and prior years have been fully appropriated.

The assessment of income tax returns

As of December 31, 2015, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	The assessment of income tax returns by tax authorities	Notes
The Company	Assessed and approved up to 2012	2011 has not been assessed or approved.
Subsidiary-SCAD	Assessed and approved up to 2012	2011 has not been assessed or approved.
Subsidiary-CPT	Assessed and approved up to 2012	
Subsidiary-SCSC	Assessed and approved up to 2013	
Subsidiary-FD	Assessed and approved up to 2012	2011 has not been assessed or approved.
Subsidiary-TSTI	Assessed and approved up to 2012	
Subsidiary-TFC	Assessed and approved up to 2012	

(34) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

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

	For the years ended	
	2015	2014
Basic and diluted earnings (loss) per share:		
Income (loss) attributable to ordinary equity holders of the Company (in thousands of NTD)	$(3,075,015)	$363,539
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share (in thousands)	2,268,605	2,268,605
Basic and diluted earnings (loss) per share	$(1.35)	$0.16

There have been no other transactions involving ordinary shares or potential ordinary shares between the balance sheet date and the issuance date of the financial statements.

(35) Changes in parent's interest in subsidiaries

Information of derecognition of subsidiaries:

The Group disposed of all the shares of Taiwan Telecommunication Investments Limited in December 2015. Therefore, Taiwan Telecommunication Investments Limited and its subsidiaries, Taiwan Telecommunication (Fujian) Company Ltd. and Shan Chih (Hong Kong) Co. Ltd, were reclassified to non-current assets held for sale as of December 31, 2015 and the related assets, liabilities and non-controlling interests were derecognized.

The Group failed to acquire the majority of the voting right of Hefei Fuying Opto-electronic Co., Ltd. Therefore, Forward Electronics Co., Ltd. has lost control over the company and the related assets, liabilities and non-controlling interest were excluded from the consolidated financial statements since January 2015. The related assets, liabilities and non-controlling interest were derecognized.

(1) Disposal of consideration

Please refer to Note 6 (11) for estimated consideration regarding the disposal of Taiwan Telecommunication Investments Limited. Additionally, Hefei Fuying Opto-electronic Co., Ltd. did not make any consideration.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(2) Analysis of assets and liabilities of losing control

	As of December 31, 2015	As of January 1, 2014
Current assets		
Cash and equivalents	$72,899	$94,814
Debt instrument investments for which no active market exists	95,675	-
Account receivable	21,123	417,371
Other receivable	1,168	15,379
Inventory	30	98,255
Advanced receipts	793	633
Non-current asset		
Investments accounted for using the equity method	122,010	-
Property, plant and equipment	13,507	63,953
Other	5,178	5,543
Current liabilities		
Short-term borrowings	-	(109,086)
Account payable	(20,377)	(404,104)
Other payables	(168)	(52,087)
Others	2,264	(6,846)
Non-current liabilities		
Deposits received	-	(98)
Net derecognition assets	$314,102	$123,727

(3) Gain on derecognition of subsidiary

	For the years ended	
	2015	2014
Fair value of investment retained	$240,660	$43,305
Less：Book value of investment retained		
Net derecognition assets	314,102	123,727
Non-controlling interest	(73,442)	(80,422)
	240,660	43,305
Gain on derecognition of subsidiary	$-	$-

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(4) Cash flow of derecognition of subsidiary

	As of December 31, 2015	As of January 1, 2014
Balance of Cash and equivalents of derecognition	$72,899	$94,814

Acquisition of new shares in a subsidiary not in proportionate to ownership interest

Kornerstone Materials, a subsidiary of CPT, held a capital injection amounting to RMB 300,000 thousand in 2015. However, CPTF Optronics Co., Ltd and CPTTG failed to acquire new shares proportionate to their ownership interests, which resulted in changes in ownership interest of CPTF Optronics Co., Ltd and CPTTG in its subsidiaries amounting to NTD (53,191) thousand. The change was recognized as a deduction of retained earnings in each company. The Company therefore recognized the change according to the proportion of ownership interest in CPT.

On September 25, 2014, CPTTG increased its capital out of capital reserve. CPT Group did not subscribe the new shares, as a result, decreased their combined ownership interest from 75.06% to 67.49%. As a result, CPT recognized an increase of NTD 952,118 thousand in non-controlling interests. The Company recognized the related non-controlling interests accordingly.

CPTF Optronics Co., Ltd., acquired new shares of Kornerstone Materials Technology Co. Ltd., at RMB50,000 thousand on December 11, 2014. Chunghwa Picture Tubes Technology (Group) Co., Ltd., a subsidiary of CPT, did not subscribe the new shares in proportion to its ownership interest. The CPT Group’s ownership interest increased from 55.88% to 57.82% accordingly. As a result, CPT recognized an increase of NTD 44,903 thousand in non-controlling interests. The Company recognized the related non-controlling interests accordingly.

GET issued new shares of NTD 950,060 thousand in February 2014 and SCSC purchased all of the new shares, which resulted in a difference of NTD (89,310) thousand between the consideration and the carrying value of the interest acquired and were recognized in additional paid-in-capital by SCSC. Then, the Company recognized the related equity in accordance with its combined proportion of ownership interest in SCSC.

Gintung Energy Co., Ltd. issued new shares of NTD 150,000 thousand in June 2014. GET did not acquire new shares in proportion to the ownership interest, therefore, its ownership interest decreased to 30.05%. The net cash inflow increased by NTD 138,457 thousand because of the amount, NTD 138,457 thousand, acquired by non-controlling interest. The difference of NTD 2,754 thousand between the consideration and the carrying value of the interest acquired had been recognized in additional paid-in-capital by GET. Then, the Company recognized the related equity in accordance with its combined proportion of ownership interest in GET.

Acquisition of shares issued by subsidiaries

CPTB and CPTL, subsidiaries of CPT, transferred their shares of Chunghwa Pictures Display Technology (Fujian) to CPTTG in the third quarter of 2015. CPTB and CPTL recognized changes in ownership in subsidiaries amounting to NTD (17,592) thousand in the related equity accounts.

CPTB, subsidiary of CPT, transferred its voting shares of CPTF Optronics Co., Ltd. to Chunghwa Pictures Display Technology (Fujian) and CPTW in the third quarter of 2015. The total equity changes of CPTB, CPTL, Chunghwa Pictures Display Technology (Fujian), CPTW and CPTTG amounted to NTD 82,663 thousand, which was recognized in the related equity accounts.

The changes of retained earnings and additional paid-in capital generated by the acquisition of shares issued by subsidiaries mentioned above are recognized according to its combined proportion of ownership interest.

Disposal shares of subsidiary without losing control

SCSC disposed of shares of GET in 2014. SCSC received consideration of the disposal in the amount of NTD 468,708 thousand. The difference of NTD 107,260 thousand between the consideration and increase of the carrying value of the non-controlling interest had been recognized in equity by SCSC. Then, the Company recognized the related equity in accordance with the combined proportion of ownership interest.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(36) Subsidiaries that have material non-controlling interests

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

		For the years ended December 31,	
Name	Country of Incorporation and operation	2015	2014
CPT Group	Taiwan	76.87%	76.91%
SCSC Group	Taiwan	41.82%	41.82%

Accumulated balances of material non-controlling interest:

	As of December 31,	
	2015	2014
CPT Group	$11,474,904	$18,572,470
SCSC Group	6,054,761	7,498,436

Profit/(loss) allocated to material non-controlling interest:

	For the years ended December 31,	
	2015	2014
CPT Group	$(6,488,217)	$(2,811,181)
SCSC Group	(901,527)	(906,315)

The summarized financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarized information of profit or loss for the year ended December 31, 2015:

	CPT Group	SCSC Group
Operating revenue	$47,319,711	$15,807,590
Profit (loss) for the period from continuing operations	(8,440,495)	(2,155,032)
Total comprehensive income for the period	$(9,306,774)	$(2,434,990)

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Summarized information of profit or loss for the year ended December 31, 2014:

	CPT Group	SCSC Group
Operating revenue	$56,391,377	$15,948,182
Profit or loss for the period from continuing operations	(3,655,057)	(2,167,127)
Total comprehensive income for the period	$(1,970,572)	$(2,065,453)

Summarized information of financial position as of December 31, 2015:

	CPT Group	SCSC Group
Current assets	$46,134,182	$7,788,597
Non-current assets	53,764,886	14,665,754
Current liabilities	68,403,461	12,900,931
Non-current liabilities	19,186,379	1,719,606

Summarized information of financial position as of December 31, 2014:

	CPT Group	SCSC Group
Current assets	$41,224,615	$10,630,648
Non-current assets	64,127,427	15,918,910
Current liabilities	54,348,339	14,162,973
Non-current liabilities	29,387,701	2,448,567

Summarized cash flow information for the year ended December 31, 2015:

	CPT Group	SCSC Group
Operating activities	$(1,948,316)	$3,661,222
Investing activities	(5,981,731)	(344,475)
Financing activities	7,068,072	(2,518,465)
Net increase/(decrease) in cash and cash equivalents	(1,316,489)	781,882

Summarized cash flow information for the year ended December 31, 2014:

	CPT Group	SCSC Group
Operating activities	$2,350,562	$(1,760,165)
Investing activities	(12,614,840)	165,898
Financing activities	16,185,966	815,416
Net increase/(decrease) in cash and cash equivalents	7,024,339	(751,125)

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(37) Significant purchase agreements of technology and materials

Contracting party	The term of the contract	The content of repayment
Technology agreement		
Samsung Display Co., Ltd. (SDC)	January 2014 | December 2023	1. CPT is required to pay licensing fees on installment basis for using the technologies. 2. The Company is required to pay royalty fees during the effective period of the contract.
Mitsubishi Electric Corporation (MELCO)	July 2015 | June 2020	1. CPT is required to pay licensing fees on installment basis for using the technologies. 2. CPT is required to pay royalty fees based on a pre-determined percentage of net sales of the related products for continuing use of exclusive technology.
Sharp Corporation	July 2011 | June 2016	1. CPT is required to pay licensing fees (one-time payment) for using the technologies. 2. The Company is required to pay royalty fees during the effective period of the contract.
Japan Display Inc.	January 2010 | December 2016	1. CPT is required to pay licensing fees on installment basis for using the technologies. 2. The Company is required to pay royalty fees during the effective period of the contract.
Japan Display Inc. (TMD)	March 2012 | February 2017	1. CPT is required to pay licensing fees on installment basis for using the technologies. 2. CPT is required to pay royalty fees based on a pre-determined percentage of net sales of the related products for continuing use of exclusive technology.
LG. Display Co., Ltd.	March 2015 | March 2022	1. CPT is required to pay licensing fees on installment basis for using the technologies. 2. CPT is required to pay royalty fees based on a pre-determined percentage of net sales of the related products for continuing use of exclusive technology.
Semiconductor Energy Laboratory Co., Ltd (SEL)	January 2009 | December 2018	1. CPT is required to pay licensing fees on installment basis for using the technologies. 2. CPT is required to pay royalty fees based on a pre-determined percentage of net sales of the related products for continuing use of exclusive technology.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Contracting party	The term of the contract	The content of repayment
Hydis Technology Co., Ltd.	November 2012 | October 2022	1. CPT is required to pay licensing fees on installment basis for using the technologies. 2. CPT is required to pay royalty fees based on a pre-determined percentage of net sales of the related products for continuing use of exclusive technology.
Industrial Technology Research Institute	August 5, 2015 | August 4, 2030	1. The Company is authorized to use the patent. 2. The Company is required to pay licensing fees on installment basis in the effective period. 3. The Company is required to pay licensing fees according to a specific proportion of the product's selling price.
Purchase agreement of materials		
Corning Display Technologies Taiwan Co., Ltd (Corning Taiwan)	April 2005 | March 2016	1. Corning Taiwan will guarantee to supply materials of TFT-LCD to CPT for the 6th generation fabrication. 2. CPT is required to make prepayments on installment basis to Corning Taiwan to be deducted from subsequent purchase.

Please refer to Note 9 for other purchase agreements.

7. Related party transactions

Significant related party transactions

(1) Sales (including leasing revenue)

	For the years ended	
	2015	2014
Entity with joint control or significant influence over the Company	$41,538	$21,351
Associates	848,238	1,245,315
Other related parties	554,719	176,473
Total	$1,444,495	$1,443,139

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(a) The Company

The sales price to related parties was determined through mutual agreement based on market conditions. The collection terms for domestic related parties were 90 days, equivalent to those for domestic third parties; the collection terms for foreign related parties were 30-180 days, equivalent to these for foreign third parties.

(b) Significant subsidiaries

There were no significant differences between selling prices to related parties and prices to arm's length customers. The comparison of collection terms between related parties and arm's length customers is summarized as follows:

		2015		2014	
Company	Region	Related parties	General supplier	Related parties	General supplier
CPT and its subsidiaries	Oversea	O/A 30-90 days	Cash payment with 120 days	O/A 30-90 days	Cash payment with 120 days
	Internal	O/A 30-90 days	Cash payment with 60 days L/C 30-75 days at sight	O/A 30-90 days	Cash payment with 60 days L/C 30-75 days at sight
SCSC and its sub-subsidiaries	Oversea	O/A 60-90 days	O/A 30-90 days	O/A 60 days	O/A 30-90 days
	Internal	O/A 30-120 days	O/A 45-60 days	O/A 30-120 days	O/A 45-60 days
FD and its subsidiaries	Oversea	O/A 30-150 days	O/A 60-150 days Or L/C SIGHT	O/A 30-150 days	O/A 60-150 days Or L/C SIGHT
	Internal	O/A or TT 30-150 days	O/A 30-120 days	O/A or TT 30-150 days	O/A 30-120 days
Tatung System Technologies Inc. and its subsidiaries	Oversea	O/A 30-120 days	O/A 30-120 days	O/A 30-120 days	O/A 30-120 days
	Internal	O/A 30-120 days	O/A 30-120 days	O/A 30-120 days	O/A 30-120 days

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(2) Purchase

	For the years ended	
	2015	2014
Entity with joint control or significant influence over the Company	$239	$-
Associates	23,905	176,988
Other related parties	36,965	225,495
Total	$61,109	$402,483

(a) The Company

The purchase price from related parties was determined through mutual agreement based on market conditions. The payment terms to related parties and third parties for domestic purchases were both net 30-150 days, while the terms for overseas purchases were both net 30-120 days.

(b) Significant subsidiaries

There are no significant differences between purchasing prices from related parties and prices to arm's length suppliers. The comparison of payment terms between related parties and arm's length suppliers is summarized as follows:

		2015		2014	
Company	Region	Related parties	General supplier	Related parties	General supplier
CPT and its subsidiaries	Oversea	T/T 30-360 days	L/C 30-180 days T/T 30-360 days	T/T 30-360 days	L/C 30-180 days T/T 30-360 days
	Internal	30-90 days after QC	30-210 days after QC	30-90 days after QC	30-210 days after QC
FD and its subsidiaries	Oversea	T/T 30-150 days after QC or DA 120 days	T/T or L/C 30-150 days after QC	T/T 30-150 days after QC or DA 120 days	T/T or L/C 30-150 days after QC
	Internal	30-120 days after QC	30-120 days after QC	30-120 days after QC	30-120 days after QC
Tatung System Technologies Inc. and its subsidiaries	Oversea	30-60 days after QC	30-60 days after QC	30-60 days after QC	30-60 days after QC
	Internal	O/A 60-90 days	O/A 30-120 days	O/A 60-90 days	O/A 30-120 days

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(3) Accounts receivable – related parties

	As of December 31,	
	2015	2014
Entity with joint control or significant influence over the Company	$227	$367
Associates	12,309	103,606
Other related parties	67,767	30,218
Net	$80,303	$134,191

(4) Accounts receivable –construction contract

	As of December 31,	
	2015	2014
Associates	$-	$30,577

(5) Others receivable – related parties (current or non-current)

	As of December 31,	
	2015	2014
Entity with joint control or significant influence over the Company	$7	$33
Associates	2,658	69,739
Other related parties	-	378
Net	2,665	70,150
Non-current portion	(417)	(16,842)
Current portion	$2,248	$53,308

(6) Accounts payable – related parties

	As of December 31,	
	2015	2014
Entity with joint control or significant influence over the Company	$9	$167
Associates	17,844	10,430
Other related	-	7,436
Total	$17,853	$18,033

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(7) Other payable

	As of December 31,	
	2015	2014
Entity with joint control or significant influence over the Company	$653	$1,498
Associates	506,742	2,132
Other related parties	15,004	17,569
Total	$522,399	$21,199

(8) Plants and Office leased – related parties

	For the years ended	
	2015	2014
Entity with joint control or significant influence over the Company	$35,481	$16,941
Associates	12,065	14,273
Other related	10,324	6,220
Total	$57,870	$37,434

(9) Compensation of key management personnel

	For the years ended	
	2015	2014
Short-term employee benefits	$157,816	$145,298
Post-employment benefits	2,417	1,479
Termination benefits	-	-
share-based payment awards	305	7,828
Total	$160,538	$154,605

(10) The chairman of Tatung Company, Wei-Shan Lin, guaranteed part of the bank loans for the Company and its subsidiaries.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

8. Assets pledged as collateral

The following table lists assets of the Group pledged as collateral:

	Carrying amounts as of December 31,		
	2015	2014	Purpose of the pledge
Land	$3,970,213	$3,642,881	Loans
Buildings	19,233,317	19,960,205	Loans
Lease improvement	931,373	1,493,901	Loans
Machines and other Equipment	5,859,586	9,951,474	Loans
Debt instrument investments for which no active market exists	21,763,337	15,215,990	Various guarantees
Financial assets at fair value through profit or loss shares	721,666	549,578	Performance guarantee
Investments accounted using the equity method	2,303,290	-	Loans
Other non-current assets – deposit-out	42,061	33,100	Lawsuit deposits
Rent prepaid (current and non-current)	312,311	326,846	Loans
Available-for-sale financial assets - shares	2,111,302	1,774,905	Loans, performance guarantee
Construction in progress & prepaid for equipment	-	192,464	Various guarantees
Accounts receivable	18,873	49,452	Loans
Inventory	2,049,421	1,455,096	Loans, lawsuits of constructions
Total	$59,316,750	$54,645,892	

As of December 31, 2015 and 2014, part of the Group subsidiaries' shares amounting to NTD 34,596,382 thousand and 1,571,283 thousand, respectively, were pledged for loans. The related amounts of the pledged shares were eliminated during the consolidation process.

9. Commitments and contingencies

(1) Promissory notes issued by the Group and subsidiaries to secure bank loans, construction performance bond and tariff guarantee amounted to USD 2,000 thousand and NTD 21,880,998 thousand.

(2) The Company and its subsidiaries' unused letters of credit for importing raw materials and machinery amounted to USD 16,977 thousand, JPY 28,015 thousand, RMB 39,927 thousand, SEK 498 thousand, EUR 6,721 thousand, NTD 223,086 thousand and CHF 284 thousand.

(3) Performance bond issued by financial institutions amounted to USD 25,880 thousand and NTD 18,515,439 thousand.

(4) Collaterals for account receivable factoring amounted to USD 2,000 thousand. Collaterals for financing amounted to NTD 1,841,981 thousand.

(5) As of December 31, 2015, the Company had commitments and contingencies as follows:

(a) The Company applied to Mega International Commercial Bank and Bank of Taiwan for a credit line to be issued for Tatung Co., of Japan, Inc. The promissory notes of credit amounted to NTD 972,400 thousand and NTD 800,000 thousand.

The Company applied to Industrial Bank of Taiwan, Taipei Fubon Bank and Far Eastern International Bank for credit lines to be issued for CPT, amounting to NTD 1,000,000 thousand, NTD 500,000 thousand and NTD 1,500,000 thousand, respectively.

(b) King Pro Group ("King Pro") and Ka Hung Exhibition Co., Ltd. ("Ka Hung") contracted with the Company as subcontractors to construct part of the Talin Power Plant, for which tender the Company contracted with Kai Yuan Construction Co., Ltd. However, King Pro and Ka Hung failed to complete the construction upon deadline and both parties claimed to terminate the contract. King Pro and Ka Hung claimed that the Company had not paid construction examination fees, prepayments and advances and filed an action against the Company to claim NTD 23,610 thousand. The Court scheduled a preliminary proceeding on April 19, 2016. In addition, the Company filed for provisional seizure against King Pro and Ka Hung on March 21, 2016 and planned to claim indemnities resulted from advances and contract termination after receiving the ruling of the provisional seizure.

(c) United Aerotech System Corporation filed a legal action against the Company on January 6, 2010, claiming payments of consultant fees amounted to NTD 1.49 million. The court of first and second instance ruled in favor of the Company but United Aerotech System Corporation appealed. United Aerotech System Corporation claimed a higher amount of NTD2 million in the oral arguments. This case is now in the remand second instance and the result of the trial is uncertain. United Aerotech System Corporation did not file an action against the remaining balance, and both courts in the first and second instance found the evidence supporting the claim in the amount of NTD 60 million to be invalid. United Aerotech System Corporation filed a legal action of third instance on March 29, 2014. The Company received remand judgment from the Supreme Court on November 5, 2014 and the next court session will be March 24, 2016.

(d) The Company engaged in a construction project with Taiwan Railways Administration, MOTC ("Taiwan Railways"). Taiwan Railways failed to complete the inspection process after the construction was finished. The Company has filed an action against Taiwan Railways to claim payments of NTD 233,888 thousand in January 2013. On October 16, 2014, the action was settled and both parties agreed to inspect the construction quality with qualified tools from March 17 to 26, 2015. On April 20, 2015, Taiwan Railways decided that the rails the Company exchanged the first time were unqualified. On July 3, 2015, Taiwan Railways notified the Company for the second exchange according to the purchase agreement. On November 3, 2015, the Company received a notice from Taiwan Railways agreeing to change suppliers and had contracted with the new suppliers. The new suppliers had finished manufacturing the products and the new rails had arrived in Taiwan on January 11, 2016 and had been delivered to five stations. However two of these stations, Dadu and Fugang, did not receive the rails due to causes attributable to Taiwan Railways. The Company is still negotiating with Taiwan Railways for the delivery process.

(e) Yung Loong Engineering Corp. (Yung Loong) engaged in a construction project, "BI-HAI machinery installing project", with the Company, however, Yung Loong claimed that the Company's power generation set was defective and caused delay in the construction. Therefore, Yung Loong claimed payment of NTD 56,997 thousand from the Company. After failing a mediation on July 22, 2014, the action is pending at the court of first instance. On January 25, 2016, Yung Loong requested for an appraisal for the items in dispute on court and currently the items are appraised by Taiwan

Professional Electrical Engineers Association.

(f) Compal Electronics, Inc. ("Compal") made a public announcement on March 29, 2013 to request the Company to purchase the CPT shares held by Compal and it filed for arbitration to the Arbitration Association of the Republic of China. The Company received the arbitration appeal submitted by Compal from the Association on April 3, 2013. An arbitration tribunal was formed on August 20, 2013.

The Company received the arbitration award 102-Chung-Sheng-He-Zi No. 25 Arbitration Judgment, from the Arbitration Association of the Republic of China on May 19, 2014. The main context is as follows:

j The counterparty ("the Company") shall make a payment to the petitioner ("Compal") for NTD 2,118,607 thousand. The first payment of NTD 718,604 thousand shall be paid within a month after the arbitration award is delivered to the counterparty. The second payment of NTD 700,000 thousand shall be paid within four months after the arbitration award is delivered to the counterparty. The third payment of NTD 700,000 thousand shall be paid within seven months after the arbitration award is delivered to the counterparty. In addition, the Company shall pay the interest at an annual rate of 5% from April 3, 2013 to full repayment day.

k Petitioner shall deliver the private shares for the corresponding payment for 374,274,704 shares, 364,583,334 shares and 364,583,333 shares.

l Other claims from Compal are dismissed

m Two thirds of the arbitration fees shall be borne by the petitioner while the rest is borne by the counterparty.

The Company issued requests to Compal for acknowledging the payments (i.e., NTD718,607 thousand, NTD700,000 thousand and NTD700,000 thousand) and meanwhile delivering the corresponding numbers of shares (374,274,704 shares, 364,583,334 shares and 364,583,333 shares) on June 17, 2014, September 12, 2014 and December 14, 2014. However, as of the financial statement date, Compal neither accepted the payment nor handed over the shares. In addition, Compal has filed an action at Taiwan Taipei District Court to compulsory enforce the the arbitration mentioned above. On July 31, 2014, the Company had received 2014 Zhong-Zhi-Zi No. 3 Civil Judgment, which granted the compulsory enforcement of the arbitration award on July 28, 2014. The Company has not received the order of the compulsory enforcement from Taiwan Taipei District Court.

On June 13, 2014, Compal has filed an action at Taiwan Taipei District Court to revoke the unfavorable part of the arbitration award. The case was ruled by Taiwan Taipei District Court in 2014 Zhong-Zhi-Zi No. 4 Civil Judgment which revoked Compal's filing and demanded Compal to pay all the litigation costs. Compal appealed and the case was handled by their attorneys. The case is ruled by Taiwan High Court and the oral arguments had been ended on March 8, 2016. The judgment will be made on March 29, 2016.

(6) As of December 31, 2015, CPT and its subsidiaries had commitments and contingencies as follows:

Material litigation

Lawsuits related to patent

Eidos Display, LLC and Eidoes III, LLC filed a patent infringement action in the United States District Court of Texas against the Company and three other Taiwanese LCD companies. The Company has engaged United States attorneys to defend the case.

Other litigations

Regarding violation of antitrust laws, CPT has paid fines with respect to the verdicts of the US Department of Justice (DOJ), European Commission (EC) and the Korean Fair Trade Commission (KFTC) from 2008 to 2012. Japan Fair Trade Commission (JFTC), Canadian Competition Bureau (CCB), and the Taiwan Fair Trade Commission terminated investigations after 2009. Regarding civil actions, CPT settled with HP, Bestbuy, Costco, Home Depot, Target, TracFone, and nine plaintiffs represented by Boise Schiller, in the opt-out action and civil class action filed by state prosecutors in the U.S. In addition, CPT also settled the civil class actions filed by state prosecutors in Oklahoma and South Carolina. The Company has engaged professional attorneys to handle other litigations prudently.

The Company received civil class action complaints with respect to LCD products from the consumer groups in the U.S. and Canada. The civil class action in the U.S. and Canada had been settled out of court. In addition, opt-out action and civil class action filed by state prosecutors in the U.S. are in the process of settlement. The Fair Trading Commission, Executive Yuan, R.O.C. made a request in December 2008 to the Company for additional information on the matter. The Company cooperated with the request. The Commission has notified the Company that the investigation on this claim was terminated.

Regarding the antitrust cases under the official investigation in various countries, including Japanese Fair Trade Commission, Korean Fair Trade Commission ("KFTC") and European Commission, CPT had been cooperative with the investigations. The Company has not been subject to any fines. The Czech Republic had reached a final judgment and the fines were paid on 2011. The government of Hungry had finished its investigation in August 2014 and concluded that CPT did not engaged in any illegal activities. Regarding the opt-out action under civil action, CPT settled with the plaintiffs, Target, Sears and K-mart. CPT also settled with nine plaintiffs represented by Boise Schille in the opt-out action. The Company has retained professional attorneys to handle other litigations prudently.

(7) As of December 31, 2015, SCSC and its subsidiaries had commitments and contingencies as follows:

(a) To secure an ample supply of silicon raw material to produce diodes, SCSC has entered into a silicon raw material supply contract with Cargill in December 2007, which was amended in December 2013 with the contract term starting from April 1, 2013 to March 31, 2020. Under the contract, Cargill has made commitment to providing certain quantity of silicon raw material to Green Energy Technology Inc. during the contract period and at the total contract price of JPY 4,268,592 thousand. In addition, SCSC is required to pay a minimum purchase amount of JPY 275,724 thousand. As of December 31, 2015, the amount of prepayment was JPY 76,140 thousand (or the equivalent of approx. NTD 21,966 thousand), which was classified under the prepayments and long-term prepayments.

(b) As of December 31, 2015, the significant unfinished or undelivered contracts of SCSC were related to crystal growth furnace equipment. As of the audit report date of these consolidated financial statements, the function and quality of those equipment had not yet meet the purchasing standard of SCSC. Therefore, SCSC could not inspect nor utilize those equipment. The total amount of purchasing price was NTD 799,701 thousand, of which NTD 486,880 thousand has been paid. The payment was recorded as prepayments. Considering that the prepayments will be used for manufacturing in the future, SCSC classified the impairment of the prepayments under property, plant and equipment. Please refer to Note 6 (13) for further details.

(c) Hemlock Semiconductor Corporation, a supplier of silicon raw material, has filed an action against GET and Tatung Co. of America Inc. ("TUS"). GET and TUS have denied all causes of actions, and the litigation is in the early stages of discovery. Currently, the legal proceeding is suspended. Hemlock proposed that both sides hold a meditation in New York with a meditator at around June 16. According to the attorney of Hemlock, they proposed a settlement because verdicts in the US are difficult to carry out in Taiwan, and thus they hope to reach a solution by negotiation. In order to secure the position in terms of litigation, this disclosure does not comply with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets Issued". GET and TUS have engaged legal counsel for the legal matter.

(d) As of December 31, 2015, a supplier of silicon raw material sent a notice of interest payable amounting to USD 26,067 thousand (or the equivalent of NTD 855,664 thousand) to GET for interests resulting from overdue advances and payments. GET has assessed that the possibility of paying the interest payable is low, based on the ongoing business nature with both parties. Therefore, GET did not recognize the payable.

(e) On June 26, 2015, GET amended the long-term purchase contract for materials with one of its suppliers. The amendment was to extend the contract period from 2009 to 2016 to July 2015 to 2025. With respect to the insufficient purchase as of June 30, 2015, both parties modified the minimum amount and purchase price each year according to the extended term. In addition, both parties increased the total purchase amount and set amounts that could be deducted from advance payments each year. Thus, GET recognized advance payments that would be deducted in one year as prepayments under current assets, while the remaining amount was recognized as long-term prepaid materials. As of the second quarter in 2015, the amount was USD 60,160 thousand and thus was classified to long-term prepaid materials.

(f) As of December 31, 2015, GET and its subsidiaries signed a purchase contract for materials and paid USD 63,614 thousand and EUR 19,366 thousand (or the equivalent of approx. NTD 2,808,062 thousand), which was classified under prepayments and long-term prepayments. Additionally, as of December 31, 2015, GET and its subsidiaries had recognized loss provision for prepayment of NTD 82,552 thousand.

(g) GET, in a move to expand their long-term business, have cooperated with downstream clients in Taiwan through long-term strategic alliance by entering into contracts with them to supply multi-crystalline wafer. A total of USD 1,448 thousand (or the equivalent of NTD 47,736 thousand) was accounted for under the advance receipts (current and non-current) resulting from the cooperation as of December 31, 2015.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(h) In order to fund the plant construction in Luzhu, Southern Taiwan Science Park, purchase the equipment in Luzhu plant and improve working capital, GET resolved at its board meeting held on January 25, 2011 to borrow syndicated loans from Bank of Taiwan, Cathay United Bank, Land Bank, Agriculture Bank, HSBC Taiwan, Industrial Bank of Taiwan and Yuanta Bank. The amount of the 5-year loan was NTD 3.2 billion and the loan agreement was signed on February 1, 2011. The line of credit and the purpose of use of every item are listed as follows:

Item	Line of Credit	Purpose
Item A	NTD 0.8 billion	to construct the Luzhu plant
Item B	NTD 1.7 billion	to construct the Luzhu plant
Item C-1(Note)	USD 22 million	to develop foreign credit
Item C -2 (Note)	USD 22 million	to improve working capital

Note: The total balance of the credit line drawn from Item C-1 and Item C-2 cannot exceed the principal, NTD 0.7 billion or USD 22 million (lower of the two).

As of December 31, 2015, each line of credit had been fully drawn.

(i) In order to provide financing to purchase equipment and improve working capital, GET resolved at its board meeting on May 19, 2011 to borrow syndicated loans from Fubon Bank, Mega Bank, First Bank, Far Eastern International Bank, Chang Hwa Bank and Taiwan Business Bank. The amount of the 5-year loan was USD 70 million and the loan agreement was signed on May 30, 2011. The line of credit and the purpose of use of every item are listed as follows:

Item	Line of Credit	Purpose
Item A	USD 56 million	to purchase equipment or improve working capital.
Item B	USD 14 million	to purchase equipment or improve working capital.

As of December 31, 2015, each line of credit had been fully drawn.

10. Significant disaster loss

None.

11. Significant subsequent events

(1) On February 16, 2016, the board of directors of the Company resolved to invest in Chunghwa Picture Tubes (Labuan) Ltd. for NTD 968,560 thousand.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(2) On March 23, 2016, the Company's board of directors resolved to purchase secured corporate bonds of Chunghwa Picture Tubes (Bermuda) Ltd. for USD 25,000 thousand.

(3) In March 2016, CPTF Optronics (Shen-Zhen) Co., Ltd., a subsidiary of CPT, acting as a proxy for Chunghwa Picture Tubes (Bermuda) Ltd., entered into a liability investment trust agreement with Electronic Information Industry (Fujian) Venture Capital Partnership Co., Ltd. and Xing Ye Zheng Quan Co., Ltd. The trust is to be purchased by Electronic Information Industry (Fujian) Venture Capital Partnership Co., Ltd. for a duration of one year in the amount of NTD 8,000,000 thousand.

(4) In 2016, the board of directors of Shan-Chih Asset Co., a subsidiary of the Company, resolved to authorize the chairmen to purchase two pieces of lands in Zhongshan district, Taipei City. The amount of the transaction was NTD 1,084,948 thousand.

12. Other

(1) Categories of financial instruments

Financial assets

	As of December 31,	
	2015	2014
Financial assets at fair value through profit or loss:		
Held for trading (including the non - current)	$2,362,506	$2,179,178
Available-for-sale financial assets (including Financial assets measured at cost) ($358,549, $391,401) (including non-current)	4,182,600	4,212,573
Held-to-maturity financial assets	20,000	20,000
Loans and receivables:		
Cash and cash equivalents(without cash on hand)	26,741,260	29,701,077
Debt instrument investments for which no active market exists (including non - current)	21,927,406	15,565,891
Notes receivable (including related parties)	644,925	583,004
Accounts receivable (including related parties) (including the construction receivable)	11,810,549	17,192,079
Other receivables (including related parties) (including the non - current)	2,507,656	2,087,035
Other non - current assets－deposits-out	609,132	539,910
subtotal	64,240,928	65,668,996
Total	$70,806,034	$72,080,747

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Financial liabilities

	As of December 31,	
	2015	2014
Financial liabilities at amortized cost:		
Short-term loan	$45,426,925	$39,656,537
Short-term notes and bills payable	1,607,115	5,759,166
Payables (including related parties)(including non-current)	27,492,006	31,099,025
Bonds payables (including current portions)	600,000	1,200,000
Loan (including current portions)	58,784,094	52,301,466
Deposits in	510,134	496,509
Subtotal	134,420,274	130,512,703
Financial liabilities at fair value through profit or loss:		
Held-for-trading	-	14,787
Designated at fair value through profit or loss at initial recognition	932,686	849,059
Subtotal	932,686	863,846
Total	$135,352,960	$131,376,549

(2) Financial risk management objectives and policies

The Group's risk management objectives are to manage market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on policy and risk preference. The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant financial activities, due approval process by the board of directors and audit committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

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

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

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group's certain foreign currency receivables are denominated in the same foreign currency with foreign currency payables, therefore natural hedge is received. The Group also uses forward contracts to hedge the foreign currency risk on items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis is performed on significant monetary items denominated in foreign currencies at the end of the reporting period. The analysis mainly focuses on foreign currency's appreciation and depreciation, which will affect the Group's profit. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for USD, JPY and RMB.

The information of the sensitivity analysis is as follows:

(a) When NTD appreciates or depreciates against USD by 1%, the profit for the years ended December 31, 2015 and 2014 will increase (decrease) by NTD 117,475 thousand and NTD 253,607 thousand respectively.

(b) When NTD appreciates or depreciates against JPY by 1%, the profit for the years ended December 31, 2015 and 2014 will increase (decrease) by NTD 30,548 thousand and NTD31,698 thousand respectively.

(c) When NTD appreciates or depreciates against RMB by 1%, the profit for the years ended December 31, 2015 and 2014 will increase (decrease) by NTD 91,553 thousand and NTD 8,146 thousand respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily comes from the Group's loans and receivables at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings and entering into interest rate swaps. Hedge accounting does not apply to these swaps as they do not qualify for it.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the balance sheet date, an increase/decrease of 10 basis points of interest rate could cause the profit for the years ended December 31, 2015 and 2014 to decrease/increase by NTD 83,882 thousand and NTD 82,811 thousand, respectively.

Equity price risk

The Group’s listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group’s listed equity securities are classified under held for trading financial assets or available-for-sale financial assets, while unlisted equity securities are classified as available-for-sale. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group’s senior management on a regular basis. The Group’s board of directors reviews and approves all equity investment decisions.

At the balance sheet date, a change of 1% in the price of the listed equity securities held for trading could increase/decrease the Group’s profit for the years ended 31 December 2015 and 2014 by NTD 4,978 thousand and NTD 1,624 thousand, respectively.

At the balance sheet date, a decrease of 1% in the price of the listed equity securities classified under available-for-sale could have an impact of NTD 36,110 and NTD (33,102) thousand dollars on the Company’s equity for the years ended December 31, 2015 and 2014, respectively.

Please refer to Note 12.8 for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

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

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain customer's credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of December 31, 2015 and December 31, 2014, top ten customer receivables represented 23.35% and 30.28% of the total accounts receivables of the Group, respectively. The credit concentration risk of other accounts receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and with no significant default risk. Consequently, there is no significant credit risk for these counter parties.

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, convertible bonds and finance leases. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Non-derivative financial instruments

	Less Than 1 Year	2-3 Years	4-5 Years	More than 5 Years	Total
December 31, 2015					
Loans	$70,461,887	$32,841,238	$2,691,284	$38,080	$106,032,489
Short-term notes and bills payable	1,607,115	-	-	-	1,607,115
Payables (including relates parties) (including non-current)	27,492,006	-	-	-	27,492,006
Convertible bonds payable (including current)	619,807	-	-	-	619,807
Deposit-in	510,134	6,258	-	980	517,372
December 31, 2014					
Loans	$52,293,346	$39,199,744	$3,744,574	$277,032	$95,514,696
Short-term notes and bills payable	5,759,166	-	-	-	5,759,166
Payables (including relates parties) (including non-current)	31,099,025	-	-	-	31,099,025
Convertible bonds payable (including current)	639,000	619,500	-	-	1,258,500
Deposit-in	496,509	6,074	-	980	503,563

Derivative financial instruments

	Less Than 1 Year	2-3 Years	4-5 Years	More than 5 Years	Total
December 31, 2015					
Flow-in	$699,114	$-	$-	$-	$699,114
Flow-out	(696,208)	-	-	-	(696,208)
Net	$2,906	$-	$-	$-	$2,906
December 31, 2014					
Flow-in	$91,398	$-	$-	$-	$91,398
Flow-out	(14,400)	-	-	-	(14,400)
Net	$76,998	$-	$-	$-	$76,998

Tables above about the disclosures of derivative financial instruments were disclosed by the undiscounted net cash flow.

(6) Fair value of financial instruments

(a) the methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

j The carrying amount of cash and cash equivalents, accounts receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.

k For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures, etc.) at the reporting date.

l Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

m Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

- The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

(b) Fair value measurement hierarchy for financial instruments

Please refer to Note 12.8 for fair value measurement hierarchy for financial instruments of the Group.

(7) Derivative financial instruments

The Group's derivative financial instruments include forward currency contracts and embedded derivatives. The related information for derivative financial instruments not qualified for hedge accounting and not yet settled as at December 31, 2015 and 2014 is as follows:

The Company

Forward exchange contracts

Forward foreign exchange contracts to manage exposure part partial transactions, but not designated as hedging instruments:

December 31, 2015

	Currency	Period	Amount (thousands)
Buying currency exchange forward	Buy USD Sell NTD	April 2015-February 2016	USD9,300

December 31, 2014

	Currency	Period	Amount (thousands)
Buying currency exchange forward	Buy USD sell NTD	January 2015-August 2015	USD 50,000

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Exchange options

December 31, 2015

The following table refers to the related conditions with regard to the Company's unamortized exchange options on December 31, 2015.

Counterparty bank	Foreign exchange rate	Foreign exchange rate on the date of settlement FX	Term of settlement
A	USD/JPY	FX < 120.5	Executing price at 120.5 to buy USD 1,000
A	USD/JPY	FX > 124	Executing price at 124 to sell USD 1,000
A	USD/TWD	FX < 32.28	Executing price at 32.28 to buy USD 1,000
A	USD/TWD	FX < 32.4	Executing price at 32.4 to buy USD 1,000
B	USD/JPY	FX < 120.5	Executing price at 120.5 to buy USD 1,000
B	USD/JPY	FX < 120.8	Executing price at 120.8 to buy USD 1,000
B	USD/JPY	FX > 124.5	Executing price at 124.8 to sell USD 1,000
B	USD/TWD	FX < 32.39	Executing price at 32.39 to buy USD 1,000
B	USD/TWD	FX < 32.4	Executing price at 32.4 to buy USD 1,000
C	USD/TWD	FX < 32.45	Executing price at 32.45 to buy USD 1,000
D	USD/TWD	FX < 31.6	Executing price at 31.6 to buy USD 1,000
D	USD/TWD	FX < 32.47	Executing price at 32.47 to buy USD 1,000
D	USD/TWD	FX < 32.3	Executing price at 32.3 to buy USD 1,000
E	USD/TWD	FX < 31.55	Executing price at 31.55 to buy USD 1,000

As of December 31, 2015, foreign exchange options contracts that had been settled amounted to USD 233,800 thousand, EURO 500 thousand, and the remaining unsettled contracts amounted to USD 14,000 thousand, with a fair value of NTD 807 thousand (including royalties amounted to NTD 1,645 thousand and unrealized loss amounted to NTD 838 thousand), recognized as financial liabilities carried at fair value through profit or loss - current.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

December 31, 2014

Counterparty bank	Foreign exchange rate	Foreign exchange rate on the date of settlement FX	Term of settlement
A	USD/JPY	FX > 108.50	Executing price at 108.50 to sell USD 400
A	USD/JPY	FX > 108.50	Executing price at 108.50 to sell USD 400
A	USD/JPY	FX > 108.50	Executing price at 108.50 to sell USD 400
A	USD/JPY	FX > 108.50	Executing price at 108.50 to sell USD 400
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A	USD/JPY	103.5 > FX > 108.5	Executing price at 108.50 to sell USD 200
A	USD/JPY	103.5 > FX > 108.5	Executing price at 108.50 to sell USD 200
A	USD/JPY	103.5 > FX > 108.5	Executing price at 108.50 to sell USD 200
A	USD/JPY	103.5 > FX > 108.5	Executing price at 108.50 to sell USD 200
A	USD/JPY	103.5 > FX > 108.5	Executing price at 108.50 to sell USD 200
A	USD/JPY	103.5 > FX > 108.5	Executing price at 108.50 to sell USD 200
A	USD/JPY	103.5 > FX > 108.5	Executing price at 108.50 to sell USD 200
A	USD/JPY	103.5 > FX > 108.5	Executing price at 108.50 to sell USD 200
A	USD/JPY	103.5 > FX > 108.5	Executing price at 108.50 to sell USD 200
A	USD/JPY	103.5 > FX > 108.5	Executing price at 108.50 to sell USD 200
A	USD/JPY	FX < 100.00	Executing price at 100.00 to buy USD 400
A	USD/JPY	FX < 100.00	Executing price at 100.00 to buy USD 400
A	USD/JPY	FX < 100.00	Executing price at 100.00 to buy USD 400
A	USD/JPY	FX < 100.00	Executing price at 100.00 to buy USD 400
A	USD/JPY	FX < 100.00	Executing price at 100.00 to buy USD 400
A	USD/JPY	FX < 100.00	Executing price at 100.00 to buy USD 400
A	USD/JPY	FX < 100.00	Executing price at 100.00 to buy USD 400
A	USD/JPY	FX < 100.00	Executing price at 100.00 to buy USD 400
A	USD/JPY	FX < 100.00	Executing price at 100.00 to buy USD 400
A	USD/JPY	FX < 100.00	Executing price at 100.00 to buy USD 400
A	USD/JPY	FX < 100.00	Executing price at 100.00 to buy USD 400

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Counterparty bank	Foreign exchange rate	Foreign exchange rate on the date of settlement FX	Term of settlement
A	USD/JPY	100 > FX > 103.5	Executing price at 100.00 to buy USD 200
A	USD/JPY	100 > FX > 103.5	Executing price at 100.00 to buy USD 200
A	USD/JPY	100 > FX > 103.5	Executing price at 100.00 to buy USD 200
A	USD/JPY	100 > FX > 103.5	Executing price at 100.00 to buy USD 200
A	USD/JPY	100 > FX > 103.5	Executing price at 100.00 to buy USD 200
A	USD/JPY	100 > FX > 103.5	Executing price at 100.00 to buy USD 200
A	USD/JPY	100 > FX > 103.5	Executing price at 100.00 to buy USD 200
A	USD/JPY	100 > FX > 103.5	Executing price at 100.00 to buy USD 200
A	USD/JPY	100 > FX > 103.5	Executing price at 100.00 to buy USD 200
A	USD/JPY	100 > FX > 103.5	Executing price at 100.00 to buy USD 200
A	USD/JPY	100 > FX > 103.5	Executing price at 100.00 to buy USD 200
B	USD/TWD	FX < 29.520	Executing price at 29.520 to buy USD 1000
B	USD/TWD	FX < 29.550	Executing price at 29.550 to buy USD 1000
C	USD/TWD	FX < 29.880	Executing price at 29.880 to buy USD 1000
C	USD/TWD	FX < 29.890	Executing price at 29.890 to buy USD 1000
D	USD/TWD	FX < 29.530	Executing price at 29.530 to buy USD 1000
D	USD/TWD	FX < 30.23	Executing price at 30.23 to buy USD 1000
D	USD/TWD	FX < 30.150	Executing price at 30.15 to buy USD 1000
D	USD/TWD	FX < 29.890	Executing price at 29.89 to buy USD 1000
D	USD/TWD	FX < 29.970	Executing price at 29.970 to buy USD 1000
D	USD/TWD	FX < 30.900	Executing price at 30.90 to buy USD 1500
E	USD/TWD	FX < 29.550	Executing price at 29.550 to buy USD 1000
E	USD/TWD	FX < 29.590	Executing price at 29.590 to buy USD 1000
E	USD/TWD	FX < 29.950	Executing price at 29.950 to buy USD 1000
E	USD/TWD	FX < 29.940	Executing price at 29.94 to buy USD 1000
E	USD/TWD	FX < 30.050	Executing price at 30.05 to buy USD 1000
E	USD/TWD	FX < 30.950	Executing price at 30.950 to buy USD 1200
F	USD/TWD	FX < 29.500	Executing price at 29.50 to buy USD 500
G	USD/JPY	FX < 116.8	Executing price at 116.80 to buy USD 1000

As of December 31, 2014, foreign exchange options contracts that have been settled amounted to USD 583,100 thousand, EUR 38,000 thousand and JPY 30,990 thousand, and the remaining unsettled contracts amounted to USD 27,400 thousand, with a fair value of NTD 14,400 thousand (including royalties amounted to NTD 1,541 thousand and unrealized loss amounted to NTD 12,859 thousand), recognized as financial liabilities carried at fair value through profit or loss - current.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

CPT and its subsidiaries

Forward foreign exchange contracts

Forward foreign exchange contracts aimed at managing risk exposures of certain transactions, but not designated as hedging instruments. Forward foreign exchange contracts entered into by CPT and its subsidiaries are listed as follows:

Item	Contract amount	Period
December 31, 2015		
Buy JPY sell USD	USD 6,000 thousand	2016.01~2016.02
Buy USD sell NTD	USD 6,038 thousand	2016.03~2016.06
December 31, 2014		
Buy JPY sell USD	USD 22,000 thousand	2015.01~2015.02
Buy USD sell NTD	USD 32,367 thousand	2015.03~2016.06

Swaps

Forward foreign exchange contracts aimed at managing risk exposures of certain transactions, but not designated as hedging instruments. The swaps are listed as follows:

Item	Contract amount	Period
December 31, 2015		
None		
December 31, 2014		
Buy USD sell NTD	USD 19,000 thousand	2015.03~2015.04

SCSC and its subsidiaries

Forward foreign exchange contracts

Forward foreign exchange contracts aimed at managing exposures of certain transactions, but not designated as hedging instruments. Forward foreign exchange contracts entered into by SCSC and its subsidiaries are listed as follows:

Item	Contract amount	Period
December 31, 2015		
Forward foreign exchange contracts	None	None
December 31, 2014		
Forward foreign exchange contracts	Buy USD 1,500 thousand	2014.07-2015.01

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Tatung Compressors (Zhongshan) Co., Ltd.

Forward foreign exchange contracts

Forward foreign exchange contracts aim at managing exposures of certain transactions, but not designated as hedging instruments. Forward foreign exchange contracts entered into by Tatung Compressors (Zhongshan) Co., Ltd. are listed as follows:

December 31, 2015

	Currency	Period	Contract amount (thousands of dollars)
Sell out the forward foreign exchange	Buy RMB sell USD	2016.01~2016.04	USD2,400

December 31, 2014

	Currency	Period	Contract amount (thousands of dollars)
Sell out the forward foreign exchange	Buy RMB sell USD	2015.12~2015.12	USD 10,330

The counterparties of the aforementioned derivative transactions are reputable financial institutions with satisfactory credit ratings; hence, credit risk is relatively low.

The forward foreign exchange contracts aim at hedging exchange rate risk of net assets or net liabilities with cash inflows or outflows upon maturity. The Company also has sufficient working capital so there’s no significant cash flow risk.

(8) Fair value measurement hierarchy

(a) Fair value measurement hierarchy

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

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

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

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

Level 3 – Unobservable inputs for the asset or liability

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

(b) Fair value measurement hierarchy of the Group’s assets and liabilities

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

December 31, 2015

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss:				
Share	$515	$-	$-	$515
Forward exchange contracts	-	26,235	-	26,235
Capital-guaranteed financial product	-	-	404,398	404,398
Open-end funds	104,337	-	-	104,337
Designated financial assets at fair value through profit or loss	-	1,827,021	-	1,827,021
Available-for-sale financial assets:				
Share	3,611,028	-	213,023	3,824,051
Financial liabilities				
Financial liabilities at fair value through profit or loss:				
Forward exchange contracts	-	778	-	778
Exchange options	-	806	-	806
Designated financial liabilities at fair value through profit or loss	-	931,102	-	931,102

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

December 31, 2014

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss:				
Forward exchange contracts	$-	$86,767	$-	$86,767
Swap	-	5,018	-	5,018
Capital-guaranteed financial product	-	-	602,586	602,586
Open-end funds	30,254	-	-	30,254
Designated financial assets at fair value through profit or loss	-	1,454,553	-	1,454,553
Available-for-sale financial assets:				
Share	3,310,191	-	510,981	3,821,172
Financial liabilities				
Financial liabilities at fair value through profit or loss:				
Forward exchange contracts	-	387	-	387
Exchange options	-	14,400	-	14,400
Designated financial liabilities at fair value through profit or loss	-	849,059	-	849,059

Transfers between Level 1 and Level 2 during the period

There were no transfers between Levels 1 and 2 for the years ended December 31, 2015 and 2014.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Measurement at fair value through income/loss	Available- for-sale	
	Capital-guaranteed financial product	Share	Total
January 1, 2015	$602,586	$510,981	$1,113,567
Recognized in other comprehensive income, 2015	-	(297,958)	(297,958)
Acquisition/Issuance, 2015	2,144,905	-	2,144,905
Disposal/Liquidation, 2015	(2,330,662)	-	(2,330,662)
Exchange differences	(12,431)	-	(12,431)
December 31, 2015	$404,398	$213,023	$617,421

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

	Measurement at fair value through income/loss	Available- for-sale	
	Capital-guaranteed financial product	Share	Total
January 1, 2014	$134,435	$361,243	$495,678
Recognized in other comprehensive income, 2014	-	149,738	149,738
Acquisition/Issuance, 2014	3,147,860	-	3,147,860
Disposal/Liquidation, 2014	(2,708,739)	-	(2,708,739)
Exchange differences	29,030	-	29,030
December 31, 2014	$602,586	$510,981	$1,113,567

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As at December 31, 2015:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Available-for-sale					
Shares	Market approach	discount for lack of marketability	25%~30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group’s equity by NTD 2,037 thousand
Capital Protected Investment Deposit	Market approach	Price of the Investment Product	-	-	Since the transactions were settled in cash, the value is the same as fair value.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

As at December 31, 2014:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Available-for-sale Shares	Market approach	discount for lack of marketability	N/A	N/A	1% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's equity by NTD 5,993 thousand
Capital Protected Investment Deposit	Market approach	Price of the Investment Product	N/A	N/A	Since transactions are done with cash, the value is the same as fair value.

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's Accounting Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

(c) Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

As at December 31, 2015:

	Level 1	Level 2	Level 3	Total
Investment properties (please refer to Note 6(14))	$-	$-	$22,326,370	$22,326,370
Investments accounted for using the equity method(please refer to Note 6(12))	3,087,627	-	-	3,087,627

As at December 31, 2014:

Not applicable.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

		As of December 31, 2015		
		Foreign currency	Exchange rate	NTD
Financial Assets - Monetary items				
	USD	$428,968,960	32.8250	$14,080,906
	JPY	900,954,051	0.2727	245,690
	RMB	6,237,853,400	5.0550	31,532,224
	HKD	2,788,000	4.2350	11,807
	EUR	187,610	35.8800	6,731
	CHF	650	33.1850	22
Investment under equity method				
	RMB	142,362,524	5.0550	719,640
	THB	129,789,000	0.9146	118,705
Financial Liabilities - Monetary items				
	USD	786,851,346	32.8250	25,828,395
	JPY	12,090,643,194	0.2727	3,297,118
	RMB	8,048,975,623	5.0550	40,687,411
	EUR	2,841,231	35.8800	101,943
	CHF	26,540	33.1850	881
	HKD	16,859	4.2350	71
	GBP	5,996	48.6700	292
	SEK	1,073,053	3.9100	4,196
	THB	7,438,070	0.9146	6,803

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

		As of December 31, 2014		
		Foreign currency	Exchange rate	NTD
Financial Assets - Monetary items				
	USD	$543,542,402	31.65000	$16,570,117
	JPY	1,409,995,699	0.26460	373,085
	RMB	3,151,339,529	5.17240	16,300,020
	HKD	3,187,000	4.08000	13,003
	EUR	85,212	38.47000	3,278
	CHF	7,974	31.97500	255
Investment under equity method				
	USD	(51,818)	31.65000	(1,640)
	RMB	53,950,253	5.17240	279,053
	THB	298,838,244	0.96700	288,977
Financial Liabilities - Monetary items				
	USD	777,144,296	31.65000	24,596,617
	JPY	13,371,669,543	0.26460	3,538,144
	RMB	7,867,672,250	5.17240	40,694,827
	SGD	32,000	23.94000	766
	EUR	1,306,074	38.47000	50,245
	CHF	38,000	31.97500	1,215
	HKD	218,000	4.08000	889
	GBP	3,687	49.27000	182
	SEK	1,073,500	4.09000	4,391
	CZK	8,440	1.38750	12

Because the subsidiaries used a wide range of functional currencies, the Group could not disclose the foreign exchange gain or loss of financial asset and liability by each foreign currency with significant effect. The net gain (loss) from foreign exchange currencies of the Group were NTD 220,220 thousand and NTD (796,381) thousand for the years ended December 31, 2015 and 2014, respectively.

(10) Capital management

The primary purpose of the Group's capital management is to ensure the Group can maintain a strong credit rating and healthy capital ratios in order to support its business and maximize equity value. The Group manages and adjusts its capital structure in accordance with changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment, return capital or issue new shares.

(11) On December 7, 2015, Taiwan Supreme Court revoked the judgment made by Taiwan High Court on the Nature Worldwide Technology Co., case and remanded the case to the Taiwan High Court. Chairman Lin has appointed an attorney to assist him in the legal issues of the judgment and he hopes the court can discover the truth that he is innocent. The Company's operations, finance and business were not affected by the case and will continue as usual .

(12) As of December 31, 2015, there was liquidity risk that the balance of the Group's current liabilities exceeded the balance of its current assets, which resulted from the consolidated financial positions of CPT and GET.

GET planned to extend its short-term loans and other related procedures. The management of GET considered that the above strategy will reduce the liquidity risk of the consolidated financial statements substantially on December 31, 2015.

CPT had a loss in 2015 amounting to NTD 8,440,495 thousand. As of December 31, 2015, CPT's current liabilities exceeded its current assets by NTD 22,269,279 thousand. The equity attributed to CPT was NTD 3,607,121 thousand. There is liquidity risk that current liabilities exceeded current assets. To improve its financial standing and working capital, CPT planned to take the following actions:

(a) Extend the short-term loans. CPT planned to extend the short-term loans upon maturity to meet the short-term operation funding needs. As of March 2016, CPT has completed all the extension procedures.

(b) CPT had received support from the syndicated loan banks and has signed an extension agreement in March 2016, which postponed the payment deadline to May 17, 2019.

(c) In March 2016, CPT signed a share purchase agreement with the Company to sell 41.03% shares of Chunghwa Picture Tubes (Labuan) Ltd., a subsidiary of CPT. The total shares to be sold were 8,000 thousand shares and the total transaction amount approximated NTD 968,560 thousand.

(d) In March 2016, CPTF Optronics (Shen-Zhen) Co., Ltd., a subsidiary of CPT, acting as a proxy of Chunghwa Picture Tubes (Bermuda) Ltd., entered into a liability investment trust agreement with Electronic Information Industry (Fujian) Venture Capital Partnership Co., Ltd. and Xing Ye Zheng Quan Co., Ltd. The trust is purchased by Xing Ye Zheng Quan Co., Ltd. and the duration is one year.

(e) The Company is committed to supervising the operation and management of CPT and take suitable measures to assist CPT in acquiring funds in order to maintain its normal operations.

The consolidated financial statements of the Group for the year ended December 31, 2015 was not adjusted due to the uncertainty of whether the strategies mentioned above can be achieved.

13. Other disclosure

(1) Information at significant transactions:

(a) Financing provided to others: refer to Attachment 1.

(b) Endorsement/Guarantee provided to others: refer to Attachment 2.

(c) Securities held: refer to Attachment 3.

(d) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTD300 million or 20% of the capital stock: refer to Attachment 4.

(e) Acquisition of real estate in the amount exceeding the lower of NTD300 million or 20% of capital stock: refer to Attachment 5.

(f) Disposal of real estate up to the amount exceeding the lower of NTD300 million or 20% of capital stock: refer to Attachment 6.

(g) Related party transactions for purchases and sales amounts exceeding the lower of NTD100 million or 20% of capital stock: refer to Attachment 7.

(h) Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of capital stock: refer to Attachment 8.

(i) Engaging in derivative transactions: refer to Note 6 and Note 12 in the consolidated financial statements.

(j) Intercompany Relationships and Significant Intercompany Transactions: refer to Attachment 11.

(2) Information on investees:

Of the investee company directly or indirectly has significant influence or control over, their investee companies' information: refer to Attachment 9.

(3) Information on investments in China:

(a) The investee company name, main business, paid-in capital, type of the investment, capital inflow and outflow, ownership, investment gains and losses, ending balance of investment, repatriation of investment income and the mainland investment limit scenario: refer to Attachment 10.

(b) with the investee companies directly or indirectly through a third country following the occurrence of significant transactions, prices, payment terms and unrealized gains and losses were as follows :

j Ending balance and percentage of purchase and related payables: refer to Attachment 6.

k Ending balance and percentage of sales and related receivables: refer to Attachment 6.

l Gains and loss on the transaction of property: refer to Attachment 5.

m Ending balance and purpose of endorsement guarantees or collateral: refer to Attachment 2.

n Ending balance, maximum limit, interest rates range and current interest amount of financing: refer to Attachment 1.

o Other investments that have significant impact on current profit or financial condition, such as the services provided or received: refer to Attachment 6.

14. Segment information

For management purposes, the Group organized its business units based on their products and services and has four reportable operating segments as follows:

(1) Optical department: This department is responsible for CRT, TFT-LCD backlight module manufacturing and production, development of liquid crystal display modules, electronic switches and sensors and solar modules virus, manufacturing and sales.

(2) Machinery and energy department: The department is responsible for the research, manufacture and sales of intelligent grid, smart-grid portal, photovoltaics, LED lighting, motor and machinery and energy control system.

(3) Consumer products department: This department is responsible for digital television, flat panel display manufacturing, digital media devices, digital audio-visual and home appliances, etc.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements. However income taxes are managed on a group basis and are not allocated to operating segments.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

Transfer prices between operating segment are on an arm's length basis in a manner similar to transactions with third parties.

(1) Information on profit or loss, assets and liabilities of the reportable segment:

For the year ended December 31, 2015

	Optical	Machinery and energy	Consumer products	Other operating segments	Adjustment and elimination	Consolidated
Revenue						
External customer	$47,276,283	$29,895,652	$11,680,317	$5,892,101	$-	$94,744,353
Inter-segment	43,428	3,069,845	7,555,679	16,889	(10,685,841)	-
Total revenue	$47,319,711	$32,965,497	$19,235,996	$5,908,990	$(10,685,841)	$94,744,353
Segment profit (loss)	$(8,440,495)	$(2,625,223)	$(387,063)	$(3,528,583)	$4,186,845	$(10,794,519)

For the year ended December 31, 2014

	Optical	Machinery and energy	Consumer products	Other operating segments	Adjustment and elimination	Consolidated
Revenue						
External customer	$56,376,959	$32,002,168	$12,713,722	$11,516,429	$-	$112,609,278
Inter-segment	14,418	4,648,672	8,170,138	47,840	(12,881,068)	-
Total revenue	$56,391,377	$36,650,840	$20,883,860	$11,564,269	$(12,881,068)	$112,609,278
Segment profit (loss)	$(3,655,057)	$(2,599,651)	$80,627	$5,406,091	$(2,219,059)	$(2,987,049)

[1] Revenue was from information software and real estate development that are operating segments that did not meet the quantitative thresholds for reportable segments.

[2] Inter-segment revenue are eliminated on consolidation and recorded under the "adjustment and elimination" column, all other adjustments and eliminations are disclosed below.

(Expressed in Thousands of New Taiwan Dollars unless otherwise Specified)

(2) Geographical information

Revenue from external customers

	For the years ended	
	2015	2014
Taiwan	$34,508,464	$43,147,192
China	33,494,843	44,117,086
Asia	6,318,773	5,632,835
Europe	650,579	186,506
America	4,064,763	3,178,438
Southeast Asia	15,272,955	15,521,145
Other countries	433,976	826,076
Total	$94,744,353	$112,609,278

The revenue information above is based on the location of the customer.

Non-current assets

	As of December 31,	
	2015	2014
Taiwan	$80,783,157	$87,458,319
China	16,095,864	17,452,119
Asia	24,169	23,112
Europe	5,673	23,411
America	806,779	228,605
Southeast Asia	372,122	896,936
Total	$98,087,764	$106,082,502

Non-current assets included property, plant and equipment, investment property, intangible assets, other non-current assets and long-term receivable.

(3) Information about major customers

The Company's sales to any single customer did not account for more than 10% of its net consolidated sales of 2015 and 2014. No disclosure is required.

ATTACHMENT 1
Financing provided to others for the year ended December 31, 2015
(Amounts in Thousands of New Taiwan Dollars, Unless specified Otherwise)

No. (Note 1)	Lender	Counter-party	Financial statement account (Note 2)	Related Party	Maximum balance for the period (Note 3)	Ending balance	Actual amount provided	Interest rate	Nature of financing (Note 4)	Amount of sales to (purchases from) counter-party (Note 5)	Reason for financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit of financing amount for individual counter-party (Note 7)	Limit of total financing amount (Note 7)
													Item	Value		
0	Tatung Co., Ltd	Tatung Global Strategy Investment and Trading (BVI) Inc.	Long-term receivables	Yes	$899,644	$899,644	$899,644	2.00%	2	$-	Business turnover (Note 12)	$-	None	$-	$12,653,985	$12,653,985
		Tatung InfoComm Co., Ltd.	Long-term receivables	Yes	611,367	611,367	611,367	2.00%	2	-	Business turnover (Note 11)	491,600	None	-	12,653,985	12,653,985
		Tatung Vietnam Co., Ltd.	Affiliated account	Yes	546,700	546,700	546,700	2.00%	2	-	Business turnover (Note 13)	-	None	-	12,653,985	12,653,985
1	Shan-Chih Asset Development Co.	Nature Worldwide Technology Corp.	Other receivables	Yes	68,991	68,991	68,991	3.00%	2	-	Business turnover	68,991	None (Note 9)	-	11,786,858	11,786,858
		Chunghwa Picture Tubes, Ltd.	Affiliated account	Yes	1,800,000	1,800,000	1,800,000	3.50%	2	-	Business turnover	-	Machinery, equipment and property	3,812,260	11,786,858	11,786,858
		Chih Sheng Realty Co., Ltd.	Affiliated account	Yes	175,000	175,000	175,000	3.50%	2	-	Business turnover	-	None	-	11,786,858	11,786,858
2	Chih Sheng Investment Co., Ltd.	Chunghwa Electronic Investment Co., Ltd.	Other receivables - related parties	Yes	130,000	-	-	-	2	-	Business turnover	-	None	-	409,594	409,594
		HEDA Biotechnology Co.,Ltd.	Other receivables - related parties	Yes	20,000	20,000	20,000	2.00%	2	-	Business turnover	20,000	None	-	409,594	409,594
3	Shan-Chih Investment Co., Ltd	Nature Worldwide Technology Corp.	Affiliated account	Yes	929,577	929,577	929,577	3.10%	2	-	Business turnover (Note 10)	-	None	-	161,382	161,382
4	Taipei Industry Corporation	Green Energy Technology Inc.	Other receivables	Yes	230,000	230,000	230,000	3.00%	2	-	Business turnover	-	Machinery, equipment and materials	614,558	954,629	954,629
5	Tatung Coatings (Kunshan) Co., Ltd.	Huaian Tatung Advanced Technology Materials Co., Ltd.	Other receivables - related parties	Yes	30,330	30,330	30,330	7.15%	2	-	Business turnover	-	None	-	94,720	94,720
6	Wujiang Shanghua Material Technology Co., Ltd	Huaian Tatung Advanced Technology Materials Co., Ltd.	Other receivables - related parties	Yes	10,110	10,110	10,110	5.10%	2	-	Business turnover	-	None	-	37,083	37,083
7	Chunghwa Pictures Display Technology (Fujian) Ltd.	Chunghwa Picture Tubes Technology (Group) Co., Ltd.	Other receivables - related parties	Yes	930,093	909,896	758,247	4.60%	2	-	Business turnover	-	None	-	1,161,984	1,161,984
8	Daliant Investments Ltd.	Chunghwa Picture Tubes (Bermuda) Ltd.	Other receivables - related parties	Yes	21,366	21,336	21,336	-	2	-	Business turnover	-	None	-	35,214	35,214
9	Bensaline Investments Ltd.	Chunghwa Picture Tubes (Bermuda) Ltd.	Other receivables - related parties	Yes	22,680	22,649	22,649	-	2	-	Business turnover	-	None	-	35,609	35,609
10	Bangalor Investments Ltd.	Chunghwa Picture Tubes (Bermuda) Ltd.	Other receivables - related parties	Yes	22,187	22,157	22,157	-	2	-	Business turnover	-	None	-	35,634	35,634
11	Dalemont Investments Ltd.	Chunghwa Picture Tubes (Bermuda) Ltd.	Other receivables - related parties	Yes	21,201	21,172	21,172	-	2	-	Business turnover	-	None	-	34,993	34,993
12	Chunghwa Picture Tubes (Bermuda) Ltd.	Chunghwa Picture Tubes, Ltd.	Other receivables - related parties	Yes	4,810,715	2,199,275	2,199,275	-	2	-	Business turnover	-	None	-	4,562,112	4,562,112
13	Chunghwa Picture Tubes (Labuan) Ltd.	Chunghwa Picture Tubes (Bermuda) Ltd.	Other receivables - related parties	Yes	657,400	656,500	492,375	-	2	-	Business turnover	-	None	-	897,263	897,263
14	CPTF Optronics Co., Ltd.	Chunghwa Picture Tubes Technology (Group) Co., Ltd.	Other receivables - related parties	Yes	2,325,232	2,274,740	2,274,740	4.60%-5.35%	2	-	Business turnover	-	None	-	5,143,698	5,143,698
		Huallar Optronics (Fuzhou) Co. Ltd.	Other receivables - related parties	Yes	155,015	-	-	-	2	-	Business turnover	-	None	-	5,143,698	5,143,698
15	Giantplus Holding L.L.C	Kunshan Giantplus Optronics Display Technology Co.,Ltd	Other receivables - related parties	Yes	328,700	164,125	164,125	2.455%	2	-	Business turnover	-	None	-	2,300,874	3,067,832
16	Giantplus Technology Co., Ltd.	Kunshan Giantplus Optronics Display Technology Co.,Ltd	Other receivables - related parties	Yes	821,750	656,500	656,500	2.33%~2.73%	2	-	Business turnover	-	None	-	1,054,757	1,406,343
17	Shan-Chih Wire and Cable Tecknology (Wujiang) Co. , Ltd	Tatung Wire And Cable Technology (Wujiang) Co., Ltd.	Other receivables - related parties	Yes	310,031	151,649	-	6.00%	2	-	Business turnover	-	None	-	1,581,748	1,581,748
18	San Chih Semiconductor Co., Ltd.	Chunghwa Picture Tubes, Ltd.	Other receivables - related parties	Yes	450,000	-	-	4.00%	2	-	Business turnover	-	None	-	305,790	1,223,159

Note 1: The Company and its subsidiaries are coded as follows:
(i) The Company is coded "0".
(ii) The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.
Note 2: If the economic substance of transactions are financing to others, regardless of which component they are recognized as in the financial statements, certain transactions such as the account receivables–related parties and advances are included herein.
Note 3: Maximum balance of financing provided to others for the current year.
Note 4: Nature of financing is coded as follows: operational funding is coded"1"; short-term financing is coded "2".
Note 5: Total amount of the financing is disclosed herein if the financing is related to business transactions. Total amount of financing shall refer to the amount the lender provides to the borrower within the past year.
Note 6: The reasons and counterparties of the financing are addressed herein as the financing was associated with short-term capital needs.
Note 7: Financing to individual counter-party shall not exceed 10%~40% of the net assets values from the latest financial statements. Total financing amount shall not exceed 40% of the audited/reviewed net assets value of the most current period.
Note 8: If a public company brings the financing proposal to the board of directors according to Article 14-1, the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies,
Note09: the company still needs to disclose the amount resolved by the board in the balance to disclose the risk, even if the funds are not appropriated yet.
Note09: When the funds are repaid afterwards, the company should disclose the amount returned to reflect the risk adjustment.
Note09: If a public company authorizes the chairman of the board of directors to appropriate or use certain limits of the funds several times in the period of a year according to Article 14-2, Regulations Governing Loaning of Funds and Making of
Note09: Endorsements/Guarantees by Public Companies, the company still needs to disclose the amount resolved by the board in the balance.
Note 9: Shan-Chih Asset Development Co., Ltd.'s receivables from Nature Worldwide Technology Corp. were collected in the amount of $120,000 thousand on June 10, 2013. The remaining claim is still pending in the court.
Note 10: The amount of financing to Nature Worldwide Technology Corp. from the Company's subsidiary, Shan-Chih Investment Co., Ltd. is exceeding the limit. Nature Worldwide Technology Corp. is in the process of liquidation. The company's financial position will be improved once the liquidation is completed.
Note 11: On March 30, 2012, the Company signed a Share Purchase Contract with Vee Telecom Multimedia Co., Ltd. Under the contract, the Company would sell all of its shares of its subsidiary, Tatung InfoComm Co., Ltd., to Vee Telecom Multimedia Co., Ltd..
All shares had been transferred. Moreover, the original amount that the Company has financed to Tatung InfoComm Co., Ltd will be repaid by Tatung InfoComm co., Ltd. in five years. Please refer to Note 6 (15) for more details.
Note 12: The Company has financed to its subsidiary －Tatung Global Strategy Investment and Trading (BVI) Inc.. Part of the loans have been overdue. The Board of Directors of the Company has resolved to proceed with organization restructuring to solve the issue. The financing will be settled upon the organization restructure.
Note 13: The Company has financed to its subsidiary －Tatung Vietnam Co.,Ltd.. The loans have been overdue. The Board of Directors of the Company has resolved to terminate its liquidation. The loans will be repaid after the disposal of its assets and lands.

ATTACHMENT 2
Endorsement/Guarantee provided to others for the year ended December 31, 2015
(Amounts in Thousands of New Taiwan Dollars, Unless specified Otherwise)

No. (Note 1)	Endorsor/Guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party	Maximum balance for the period	Ending balance	Actual amount provided	Amount of collateral guarantee/ endorsement	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Limit of total guarantee/ endorsement amount (Note 3)	Guarantee provided by parent company (Note 4)	Guarantee provided by a subsidiary (Note 4)	Guarantee provided to subsidiaries in Mainland China (Note 4)
		Company name	Relationship (Note 2)										
0	Tatung Co., Ltd	Tatung Co. of Japan, Inc.	2	$7,908,741	$1,890,000	$1,772,400	$1,336,230	None	5.60%	$15,817,482	Y	N	N
		Chunghwa Picture Tubes, Ltd.	2	7,908,741	3,000,000	3,000,000	3,000,000	3,000,000	9.48%	15,817,482	Y	N	N
1	Shan-Chih Asset Development Co.	Tatung Co., Ltd	4	88,401,434	12,950,000	12,950,000	11,800,000	2,190,000	43.95%	88,401,434	N	Y	N
		Tatung Forestry and Construction Co.	2	7,366,786	42,000	-	-	None	-	-	N	N	N
		Suqian Zhiwei Real Estate Co.,Ltd	3	7,366,786	535,000	535,000	108,530	None	1.82%	14,733,572	N	N	Y
2	Wujiang Shanghua Material Technology Co., Ltd	Tatung Fine Chemicals Co., Ltd.	4	35,538	25,275	25,275	15,165	15,165	42.67%	35,538	N	N	N
3	Tatung System Technologies Inc.	Chyun Huei Commercial Technologies Inc.	2	191,867	120,000	120,000	43,616	None	12.51%	479,667	N	N	N
4	Green Energy Technology Inc.	Ultra Energy (Weifang) Technology Co. Ltd	3	2,443,226	275,800	192,500	49,926	49,238	3.15%	3,054,032	N	N	Y
		Gintung Energy Corporation	1	2,443,226	179,000	179,000	124,279	None	2.93%	3,054,032	N	N	N
5	CPTF Optronics Co., Ltd.	Huallar Optronics (Fuzhou) Co. Ltd.	2	6,429,622	180,851	176,924	176,924	None	1.59%	6,422,415	N	N	Y
		CPTF Visual Display (Fuzhou) Ltd.	2	6,429,622	1,409,360	849,236	322,534	None	7.64%	6,422,415	N	N	Y
6	Chunghwa Picture Tubes Technology (Group) Co., Ltd.	Kornerstone Materials Technology Co. Ltd.	2	2,995,742	3,090,229	2,564,916	1,692,893	None	23.74%	4,992,904	N	N	Y
7	Chunghwa Picture Tubes (Malaysia) Sdn. Bhd.	Chunghwa Picture Tubes (Bermuda) Ltd.	2	1,121,579	1,090,000	800,000	226,043	None	36.51%	1,121,467	N	N	N
8	NengNai International Co., Ltd	Green Energy Technology Inc.	4	967,840	950,000	950,000	950,000	950,000	39.26%	1,209,801	N	N	N
9	Ultra Energy Holding Limited	Green Energy Technology Inc.	4	1,206,425	950,000	950,000	950,000	950,000	31.50%	1,508,032	N	N	N
10	Forward Electronics Co., Ltd.	Forward Development Co., Ltd.	3	300,651	180,785	180,538	82,063	None	18.01%	501,085	N	N	N
11	Forward Development Co., Ltd.	Suzhou Forward Electronics Technology Co., Ltd.	3	447,914	170,100	82,063	-	None	5.50%	746,524	N	N	Y
12	Suzhou Forward Electronics Technology Co., Ltd.	Forward Electronics Co., Ltd.	4	369,698	360,000	360,000	-	None	29.21%	616,164	N	N	N

Note 1: The Company and its subsidiaries are coded as follows:
1. The Company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: According to the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers" issued by the R.O.C. Securities and Futures Bureau, receiving parties should be disclosed as one of the following:
1. An investee company that has a business relationship with Tatung Co., Ltd
2. A subsidiary in which Tatung holds directly over 50% of equity interest.
3. An investee in which Tatung and its subsidiaries hold over 50% of equity interest.
4. An investee in which Tatung holds directly and indirectly over 50% of equity interest.
5. An investee that has provided guarantees to Tatung Co.,Ltd, and vice versa, due to contractual requirements.
6. An investee in which Tatung conjunctly invests with other shareholders, and for which Tatung has provided endorsement/guarantee in proportion to its shareholding percentage.

Note 3: Individual endorsement or guarantee shall not exceed 20% to 50% of the provider's net assets value, however, no limits for the counter-party who is a company 100% directly or indirectly owned by CPT.
Total endorsement or guarantee for others shall not exceed 50% of the provider's net assets value.
Shan-Chih Asset Development Co.: Total endorsement or guarantee for the parent company shall not exceed 300% of the provider's net assets value from the financial statements of last year; Total endorsement or guarantee for the subsidiary shall not exceed 50% of the provider's net assets value from the financial statements of last year.

Note 4: A company is coded "Y" when a subsidiary is endorsed by the listed parent company, or a listed parent company is endorsed by a subsidiary, or a company with an endorsement in Mainland China.

ATTACHMENT 3

Securities held for the year ended December 31, 2015 (Excluding subsidiary, associates and jointly controlled)

(Amounts in Thousands of New Taiwan Dollars, Unless specified Otherwise)

Holder	Type and name of securities	Relationship	Financial statement account	Ending balance				Note
				Units (in thousands)/ bonds/shares	Book value	Percentage of ownership (%)	Market value/ net assets	
Tatung Co., Ltd	Stock—Taiwan Sugar Co.,Ltd	-	Financial assets measured at cost, current	1,391	$1	-	$-	
	Stock—Taiwan Power Co.,Ltd	-	Financial assets measured at cost, current	2,104	14	-	-	
	Stock—Tongya Telecommunication Industry Co., Ltd	-	Financial assets measured at cost, current	19,800	8,000	9.90	-	
	Stock—Chung Hwa Trading Development Co.	-	Financial assets measured at cost, current	49,984	500	0.08	-	
	Stock—China Daily News Co.,Ltd	-	Financial assets measured at cost, current	2,347	-	0.01	-	
	Stock—Chi Yeh Chemical Co.	-	Financial assets measured at cost, current	125,000	1,091	0.63	-	
	Stock—United Electric Industry Co.Ltd	-	Financial assets measured at cost, current	1,355,108	6,705	2.77	-	
	Stock—Asia-Pacific Thechnology & Intellectual Property Services Inc.	-	Financial assets measured at cost, current	140,000	10	-	-	
	Stock—E&E Recycling Co.	-	Financial assets measured at cost, current	1,430,000	10,000	4.61	-	
	Stock—Scientific Pharmaceutical Elite Co.Ltd	-	Financial assets measured at cost, current	600,000	2,917	5.45	-	
	Stock—Idn-news degital Co.	-	Financial assets measured at cost, current	230	-	-	-	
	Stock—Coverge Inc.	-	Financial assets measured at cost, current	3,000,000	-	-	-	
	Stock—Yi Chi Associated Trading Co.	-	Financial assets measured at cost, noncurrent	30,000	300	6.67	-	
	Stock—Tatung Otis Elevator Co.	-	Available-for-sale financial assets, current	20,000	117,781	10.00	117,781	
	Stock—Taiwan Cogeneration Co.	-	Available-for-sale financial assets, current	7,172,920	166,053	1.22	166,053	
	Stock—Rechi Precision Co., Ltd	-	Available-for-sale financial assets, current	864,761	21,316	0.19	21,316	
	Stock—Medigen Biotechnology Co.	-	Available-for-sale financial assets, current	905,000	77,378	0.65	77,378	
	Stock—Tatung Technology Inc.	-	Available-for-sale financial assets, noncurrent	1,027,056	12,284	2.51	12,284	
	Subordinated debt—TC Bank.	-	Held-to-maturity financial assets, noncurrent	-	20,000	-	-	
	Fund—JPMorgan Global Short Duration Bond Fund	-	Financial assets at fair value through profit or loss,current	15,611	5,322	-	5,322	
	Fund—Fuh Hwa China New Economy Balance	-	Financial assets at fair value through profit or loss,current	500,000	4,360	-	4,360	
	Fund—CTBC Asia Pacific Multiple Inc	-	Financial assets at fair value through profit or loss,current	1,000,120	10,028	-	10,028	

ATTACHMENT 3-1

Securities held for the year ended December 31, 2015 (Excluding subsidiary, associates and jointly controlled)

(Amounts in Thousands of New Taiwan Dollars, Unless specified Otherwise)

Holder	Type and name of securities	Relationship	Financial statement account	Ending balance				Note
				Units (in thousands)/ bonds/shares	Book value	Percentage of	Market value/ net assets value	
Forward Electronics Co., Ltd.	Stock—Lastertech Co., Ltd.	-	Available-for-sale financial assets, noncurrent	5,547,705	$133,700	9.22	$133,700	
Suzhou Forward Electronics Technology Co., Ltd.	Capital—Nanjing Global Display Technology Co.,Ltd.	-	Financial assets measured at cost, noncurrent	-	-	17.29	-	
	Capital-guaranteed financial product－Structured Investment Products	-	Financial assets at fair value through profit or loss,current	-	101,099 RMB 20,000	-	101,099 RMB 20,000	
	Capital-guaranteed financial product－Jinshiliuwenying	-	Financial assets at fair value through profit or loss,current	-	116,265 RMB 23,000	-	116,265 RMB 23,000	
	Capital-guaranteed financial product－Jinshiliuwenying	-	Financial assets at fair value through profit or loss,current	-	35,385 RMB 7,000	-	35,385 RMB 7,000	
	Capital-guaranteed financial product－Structured Investment Products	-	Financial assets at fair value through profit or loss,current	-	101,099 RMB 20,000	-	101,099 RMB 20,000	
	Capital-guaranteed financial product－Wenli RMB Investment Products	-	Financial assets at fair value through profit or loss,current	-	50,550 RMB 10,000	-	50,550 RMB 10,000	
San Chih Semiconductor Co., Ltd.	Stock—Crystal Applied Technology Inc.	-	Available-for-sale financial assets, current	70,897	334	0.07	334	
	Stock—EPISTAR Co.	-	Available-for-sale financial assets, noncurrent	3,364,140	85,786	0.31	85,786	
	Stock—Phecda Technology Co., Ltd.	-	Available-for-sale financial assets, noncurrent	1,000,000	12,480	3.51	12,480	
Green Energy Technology Inc.	Stock－Chunghwa Picture Tubes Co.	Affiliated company	Available-for-sale financial assets, noncurrent	94,580,689	69,044	1.46	69,044	Note 1
Chunghwa Electronics Investment Co., Ltd	Stock—TSC Venture Management, Inc.	-	Financial assets measured at cost, noncurrent	2,700,000	2,700	-	-	
	Stock—Tatung Co., Ltd	Parent-subsidiary	Available-for-sale financial assets, noncurrent	333,586	1,861	0.01	1,861	Note 1
Chih Sheng Investment Co., Ltd.	Stock—Medigen Biotechnology Corp.	-	Available-for-sale financial assets, current	115,036	9,836	0.08	9,836	
	Stock—Tatung Technology Inc.	-	Available-for-sale financial assets, noncurrent	2,727,272	32,610	6.65	32,610	
	Stock—Lastertech Co., Ltd.	-	Available-for-sale financial assets, noncurrent	1,520,000	36,282	2.75	45,828	
	Stock—Tatung Atherton Co., Ltd.	-	Financial assets measured at cost, noncurrent	1,000,000	23,595	10.00	-	
Chih Sheng Holding Co., Ltd.	Stock—Can Yang Investments Ltd.	-	Financial assets measured at cost, noncurrent	4,250,100	100,517	2.62	-	
Shan-Chih Asset Development Co.	Stock—Hua Nan Financial Holdings Co., Ltd.	-	Available-for-sale financial assets, noncurrent	113,557	1,839	-	1,839	
	Stock—Cathay Financial Holdings Co., Ltd.	-	Available-for-sale financial assets, noncurrent	42,997	1,991	-	1,991	
	Stock—Yuanta Financial Holding Co., Ltd.	-	Available-for-sale financial assets, noncurrent	3,788	47	-	47	
	Stock—CTBC Financial Holding Co., Ltd.	-	Available-for-sale financial assets, noncurrent	640,385	11,699	-	11,699	
	Stock—Green Energy Technology Inc.	Affiliated company	Available-for-sale financial assets, noncurrent	13,253,936	252,867	3.20	252,867	Note 1
	Stock—Tatung System Technologies Inc.	Affiliated company	Available-for-sale financial assets, noncurrent	171	3	-	3	Note 1
	Stock—Chunghwa Electronics Investment Co., Ltd.	Affiliated company	Available-for-sale financial assets, noncurrent	562,355	1,000	0.20	1,000	Note 1
Chih Sheng Realty Co., Ltd.	Stock－Chunghwa Picture Tubes Co.	Affiliated company	Available-for-sale financial assets, noncurrent	141,871,033	253,949	2.19	253,949	Note 1
Tatung Medical Healthcare Technologies Co., Ltd.	Stock—Megaforce Co., Ltd	-	Available-for-sale financial assets, current	80,000	1,416	0.06	1,416	
	Fund—Hua Nan Phoenix Money Market	-	Financial assets at fair value through profit or loss, current	2,119,779	34,076	-	34,076	
Shan Chih Investment Co., Ltd.	Stock—Tatung Technology Inc.	-	Available-for-sale financial assets, noncurrent	1,027,056	12,284	2.51	12,284	
	Stock—Green Energy Technology Inc.	Affiliated company	Available-for-sale financial assets, noncurrent	1,278,173	29,845	0.31	29,845	Note 1
	Stock—Tatung System Technologies Inc.	Affiliated company	Available-for-sale financial assets, noncurrent	540,450	9,971	0.80	9,971	Note 1
	Stock—Lastertech Co., Ltd.	-	Available-for-sale financial assets, noncurrent	3,986,008	95,146	7.22	95,146	
Tatung Company of Japan, Inc.	Stock－Toshiba Co.	-	Available-for-sale financial assets, noncurrent	3,593	65,726	-	65,726	
	Stock－Keyence.Co	-	Available-for-sale financial assets, noncurrent	4,000	22,994	-	22,994	
	Stock－Fanuc Co.	-	Available-for-sale financial assets, noncurrent	5,500	11,231	-	11,231	
	Stock－Total 49 listed companies	-	Available-for-sale financial assets, noncurrent	-	112,339	-	112,339	
Tatung Wire & Cable (Thailand) Co., Ltd.	Stock－Tatung(Thailand)Co., Ltd.	Affiliated company	Financial assets measured at cost, noncurrent	8,200,000	74,997	7.77	-	Note 1

Note1: All transactions are eliminated in the consolidated financial statements.

ATTACHMENT 3-2

Securities held for the year ended December 31, 2015 (Excluding subsidiary, associates and jointly controlled)

(Amounts in Thousands of New Taiwan Dollars, Unless specified Otherwise)

Holder	Type and name of securities	Relationship	Financial statement account	Ending balance				Note
				Units(thousand)/ bonds/shares	Book value	Percentage of	Market value/ net assets value	
Chunghwa Picture Tubes, Ltd.	Stock－Tatung Co., Ltd	Parent-subsidiary	Available-for-sale financial assets, noncurrent	10,944,773	$61,072	0.47	$61,072	Note 1
Chunghwa Picture Tubes (Bermuda) Ltd.	Stock－Tatung Co., Ltd	Parent-subsidiary	Available-for-sale financial assets, noncurrent	11,046,994	61,642	0.47	61,642	Note 1
Chunghwa Picture Tubes (Malaysia) Sdn.Bhd.	Mines Golf Resort Berhad	-	Financial assets measured at cost, noncurrent	5,000,000	-	5.26	-	
Dalemont Investment Ltd.	Stock－Tatung Co.,Ltd	Parent-subsidiary	Available-for-sale financial assets, noncurrent	12,105,265	67,547	0.52	67,547	Note 1
Daliant Investment Ltd.	Stock－Tatung Co.,Ltd	Parent-subsidiary	Available-for-sale financial assets, noncurrent	12,161,208	67,860	0.52	67,860	Note 1
Banglor Investment Ltd.	Stock－Tatung Co.,Ltd	Parent-subsidiary	Available-for-sale financial assets, noncurrent	12,227,364	68,229	0.52	68,229	Note 1
Bensaline Investment Ltd.	Stock－Tatung Co.,Ltd	Parent-subsidiary	Available-for-sale financial assets, noncurrent	12,112,154	67,586	0.52	67,586	Note 1
CPTF Optronics Co., Ltd.	Stock－Xiamen Overseas Chinese Electronics Co., Ltd.	Other related party	Available-for-sale financial assets, noncurrent	62,783,960	2,732,570	12.00	2,732,570	
CPTF Optronics Co., Ltd.	Stock－Xiamen Overseas Chinese Electronics Co., Ltd.	Other related party	Financial assets at fair value through profit or loss, current	16,581,119	721,666	3.17	721,666	
Chunghwa Pictures Display Technology (Fujian) Ltd.	Stock－Xiamen Overseas Chinese Electronics Co., Ltd.	Other related party	Financial assets at fair value through profit or loss, current	15,873,015	690,847	3.03	690,847	
Chunghwa Picture Tubes (Wujiang) Ltd.	Stock－Xiamen Overseas Chinese Electronics Co., Ltd.	Other related party	Financial assets at fair value through profit or loss, current	9,523,809	414,508	1.82	414,508	
Chunghwa Picture Tubes (Labuan) Ltd.	Stock－FocaTech systems Co., Ltd	-	Available-for-sale financial assets, noncurrent	787,521	26,894	0.27	26,894	
Chunghwa Picture Tubes Technology (Group) Co., Ltd.	Equity－Hua chuang(Fujian) equity investment enterprise (Limited Partnership)	-	Financial assets measured at cost, noncurrent	-	202,199	10.00	-	Note 3
Giantplus Technology Co., Ltd.	Stock－Chinfong Optronics Co.,Ltd	-	Available-for-sale financial assets, noncurrent	2,141,452	18,036	4.77	18,036	Note 2
Tatung Fine Chemicals Co., Ltd.	Stock－Taiwan Smith Industrial Co., Ltd.	-	Available-for-sale financial assets, noncurrent	400,000	4,000	4.43	4,000	
Tatung Fine Chemicals Co., Ltd.	Stock－Hsieh Chih Industrial Library Publishing Co.	Affiliated company	Financial assets measured at cost, noncurrent	1	10	0.03	-	
Tatung Compressors (Zhongshan) Co., Ltd.	Investment Products－ICBC Guaranteed 91 day Wenli RMB Investment Products	-	Financial assets at fair value through profit or loss,current	-	153,810	-	153,810	

Note 1: All transactions are eliminated in the consolidated financial statements.
Note 2: No active market
Note 3: No active market, able to measure fair value

ATTACHMENT 4：Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the capital stock.

Buyer/seller	Type and name of securities	Financial statement account	Counter-party	Relationship	Beginning balance		Addition		Disposal				Ending balance		Note
					Shares/units	Amount	Shares/units	Amount	Shares/units	Amount	Cost	Gain (Loss) from disposal	Shares/units	Amount	
CPTF Optronics Co., Ltd.	Kornerstone Materials Technology Co. Ltd.	Investments accounted for under the equity method	Acquisition	N/A	8,176,214	$171,627	15,590,786	$517,241 (Note 1)	-	-	-	-	23,767,000	$415,049	(Note2)
Chunghwa Picture Tubes Technology (Group) Co., Ltd.	Kornerstone Materials Technology Co. Ltd.	Investments accounted for under the equity method	Acquisition	N/A	62,100,000	1,303,531	31,760,846	1,015,771 (Note 1)	-	-	-	-	93,860,846	1,639,113	(Note2)
CPTF Optronics Co., Ltd.	PanShiYiYuan Mgmt. Investment (Fuzhou) Co.	Investments accounted for under the equity method	Acquisition	N/A	-	-	-	465,046 (Note 1)	-	-	-	-	-	469,364	
Chunghwa Picture Tubes (Bermuda) Ltd.	CPTF Optronics Co., Ltd.	Investments accounted for under the equity method	Chunghwa Picture Tubes (Wujiang) Ltd.	N/A	348,828,915	1,658,482	-	-	348,828,915	1,897,989	1,655,301	(Note10)	-	-	(Note2)
Chunghwa Picture Tubes (Bermuda) Ltd.	CPTF Optronics Co., Ltd.	Investments accounted for under the equity method	Chunghwa Pictures Display Technology	N/A	232,552,610	1,105,654	-	-	232,552,610	1,265,326	1,103,534	(Note10)	-	-	(Note2)
Chunghwa Picture Tubes (Bermuda) Ltd.	Chunghwa Pictures Display Technology (Fujian) Ltd.	Investments accounted for under the equity method	Chunghwa Picture Tubes Technology (Group) Co., Ltd.	N/A	-	396,319	-	-	-	530,879	395,559	(Note10)	-	-	(Note2)
Chunghwa Picture Tubes (Labuan) Ltd.	Chunghwa Pictures Display Technology (Fujian) Ltd.	Investments accounted for under the equity method	Chunghwa Picture Tubes Technology (Group) Co., Ltd.	N/A	-	362,913	-	-	-	486,131	362,217	(Note10)	-	-	(Note2)
Chunghwa Picture Tubes (Wujiang) Ltd.	CPTF Optronics Co., Ltd.	Investments accounted for under the equity method	Chunghwa Picture Tubes (Bermuda) Ltd.	N/A	-	-	348,828,915	1,897,989	-	-	-	-	348,828,915	1,926,724	(Note2)
Chunghwa Pictures Display Technology (Fujian) Ltd.	CPTF Optronics Co., Ltd.	Investments accounted for under the equity method	Chunghwa Picture Tubes (Bermuda) Ltd.	N/A	-	-	232,522,610	1,265,326	-	-	-	-	232,522,610	1,284,483	(Note2)
Chunghwa Picture Tubes Technology (Group) Co., Ltd.	Chunghwa Pictures Display Technology (Fujian) Ltd.	Investments accounted for under the equity method	Chunghwa Picture Tubes (Bermuda) Ltd.	N/A	-	2,154,310	-	530,879	-	-	-	-	-	2,904,960	(Note2)
Chunghwa Picture Tubes Technology (Group) Co., Ltd.	Chunghwa Pictures Display Technology (Fujian) Ltd.	Investments accounted for under the equity method	Chunghwa Picture Tubes (Labuan) Ltd.	N/A	-	2,154,310	-	486,131	-	-	-	-	-	2,904,960	(Note2)
San Chih Semiconductor Co.,Ltd	Green Energy Technology Inc.	Investments accounted for under the equity method	Acquisition and open market	N/A	87,811,967	1,592,063	23,122,307	400,016 (Note 1) (380,409) (Note 3) (10,769) (Note 4) 13,156 (Note 5) (15,242) (Note 6) 5,289 (Note 7) 2,816 (Note 8) (1,378) (Note 9)	8,228,000	130,707	124,333	6,374	102,706,274	1,481,209	(Note2)

Note 1: Trading prices
Note 2: The transactions among the consoldiated entities were eliminated in the consolidated financial statements.
Note 3: Share of income of associates, joint ventures and subsidiries.
Note 4: Exchange differences resulting from translating the financial statements of a foreign operation
Note 5: Acquisition of new shares in sub-subsidiaries not in proportion to ownership interest
Note 6: Unrealized gains (losses) from available-for-sale financial assets
Note 7: Influence of recognizing subsidiaries' change in additional paid in capital
Note 8: Share of other comprehensive income of associates, joint ventures and subsidiries
Note 9: Equity related to non-current asset held for sale
Note 10: Disposal gain or loss is not recognized due to reorganization

ATTACHMENT 5

Real estate acquired with amount exceeding NTD300 million or 20% of the capital stock for the year ended December 31, 2015

Seller	Name of property	Transaction Date	First Acqusition Date	Transaction amount	Counter-party	Relationship	Related party transaction: previous transfer data				Price Reference	Purpose of transaction	Other terms
							Owner	Relationship with issuer	Transfer Date	Amount			
Chih Sheng Realty Co., Ltd.	Land	2015.7.20	$449,671	Paid	Bank of Taiwan	Non-related	None	None	None	None	Selling price	Land development plan	None

Note 1: Appraisal result shall be disclosed in the Price Reference column if property appraisal is required by law.

Note 2: Capital stock refers to the parent company's capital stock. If the stocks were issued with no par value or par value is not NTD 10, the threshould shall be 10% of the equity attributable to shareholders of the parent.

Note 3: Transaction date refers to contract date, payment date, closing date, transfer date, the date of Resolution of the Board of Directors, or other dates on which counter-party and amount were settled, whichever came first.

ATTACHMENT 6

Real estate disposed of with amount exceeding NTD300 million or 20% of the capital stock for the year ended December 31, 2015

Seller	Name of property	Transaction Date	First Acqusition Date	Book value	Transaction amount	Amount received	Gain on disposal	Counter-party	Relationship	Purpose of transaction	Price Reference	Other terms
Chunghwa Picture Tubes Ltd.	Land and plant	2015.4	1977.10	$679,931	$1,293,939	1,293,939	$614,008	Toppan Chunghwa electronics Co., Ltd.	Non-related	Asset activation, resource integration, efficiency increase	The price at which CPT sold the Taoyuan land and plant to Toppan Chunghwa Electronics Co., Ltd. and Gi-Jin Construction Co. was appraised by appraisers from QinXi Real Estate Appraiser Firm and Jones Lang LaSalle Taiwan Ltd. The prices are listed as follows:	None
Chunghwa Picture Tubes Ltd.	Land	2015.4	1977.10	686,079	1,505,628	1,505,628	819,549	Gi-Jin Construction Co.	Non-related	Asset activation, resource integration, efficiency increase	The appraisal price of QinXi Real Estate Appraiser Firm is NTD 2,638,250 thousand. The appraisal price of Jones Lang LaSalle Taiwan Ltd. is NTD2,418,040 thousand.	None
Chunghwa Picture Tubes Ltd.	Plant	2015.11	1997.4	1,276,427	800,000	540,000	Because disposal gain or loss is not yet realized, the whole amount is recognized as contra investment using the equity method, and is reclassified as disposal gain or loss when realized in following periods.	Giantplus Technology Co., Ltd.	Non-related	Integration of the supply chain of the Group, enhancing the competitive strength	The price at which CPT sold the Taoyuan palnt of Giantplus Technology Co. was appraised by appraisers from Zhongmei Real Estate Appraiser Firm and SavillsReal Estate Appraiser Firm. The prices are listed as follows: The appraisal price of Zhongmei Real Estate Appraiser Firm is NTD 817,676 thousand The appraisal price of SavillsReal Estate Appraiser Firm is NTD 871,190 thousand.	None

Note 1: Appraisal result shall be disclosed in the Price Reference column if property appraisal is required by law.

Note 2: Capital stock refers to the parent company's capital stock. If the stocks were issued with no par value or par value is not NTD 10, the threshould shall be 10% of the equity attributable to shareholders of the parent.

Note 3: Transaction date refers to contract date, payment date, closing date, transfer date, the date of Resolution of the Board of Directors, or other dates on which counter-party and amount were settled, whichever came first.

ATTACHMENT 7: Related party transactions for purchases and sales amounts exceeding NT$100 million or 20% of capital stock

Purchaser (seller)	Related party	Relationship	Transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note (Note 1)
			Purchases (Sales)	Amount (Note 1)	Percentage of total purchases (sales)	Credit Term	Unit price	Credit Term	Balance (Note 1)	Percentage of total receivables (payable)	
Tatung Co., Ltd	Tatung Co. of Japan, Inc.	Parent-subsidiary	Purchases	$456,433	3.39	-	No sighnificant difference	Note 7	$(40,424)	(1.24)	
	Tatung (Shanghai) Co., Ltd	Parent-subsidiary	Purchases	438,535	3.26	-	〃	〃	(901)	(0.02)	
	Tatung Co. of America Inc.	Parent-subsidiary	Purchases	168,864	1.26	-	〃	〃	(14,499)	(0.44)	
	Green Energy Technology Inc.	Parent-subsidiary	Purchases	213,108	1.59	-	〃	〃	(44,804)	(1.37)	
	Green Energy Technology Inc.	Parent-subsidiary	Sales	(415,411)	(2.29)	-	〃	〃	503,651	9.00	
	Tatung Consumer Products (Taiwan) Co., Ltd.	Parent-subsidiary	Sales	(3,548,055)	(19.55)	-	〃	〃	1,421,293	25.39	
	Tatung Electric Company of America,Inc.	Parent-subsidiary	Sales	(455,232)	(2.51)	-	〃	〃	118,125	2.11	
	Chunghwa Picture Tubes, Ltd.	Parent-subsidiary	Sales	(622,513)	(3.43)	-	〃	〃	49,634	0.89	
	TMX TECHNOLOGIES,INC.	Parent-subsidiary	Sales	(102,238)	(0.56)	-	〃	〃	7,218	0.13	
	Tatung Co. of Japan, Inc.	Parent-subsidiary	Sales	(181,356)	(1.00)	-	〃	〃	46,864	0.84	
Tatung Co. of Japan, Inc.	Chunghwa Picture Tubes, Ltd.	Company in associates	Sales	(2,562,719)	(73.97)	150	-	-	1,669,729	89.60	
	Tatung Co., Ltd	Parent-subsidiary	Sales	(411,401)	(11.87)	60	-	-	38,440	2.06	
Green Energy Technology Inc.	Ultra Energy (WEIFANG) Technology Co. Ltd	Parent-subsidiary	Sales	(904,910)	(6.53)	T/T 90day	N/A	N/A	902,989	37.13	
	Ultra Energy (WEIFANG) Technology Co. Ltd	Parent-subsidiary	processing cost	730,595	7.34	T/T 45day	〃	〃	(1,274,016)	(26.84)	Note 2
	Tatung Co., Ltd	Parent-subsidiary	Sales	(242,200)	(1.75)	O/A120day	〃	〃	56,471	2.32	
	Tatung Co., Ltd	Parent-subsidiary	processing cost	419,311	9.67	O/A120day	〃	〃	(768,418)	(49.57)	Note 2
	Gintung Energy Corporation	Parent-subsidiary	Sales	(215,829)	(1.56)	T/T 60day	〃	〃	179,041	7.36	
	Gintech Energy Corporation	Parent-subsidiary	Sales	(381,551)	(2.75)	T/T 30day	〃	〃	41,311	1.70	
Tatung System Technologies Inc.	Tatung Co., Ltd	Parent-subsidiary	Sales	(105,185)	(3.00)	O/A30~120day	〃	〃	72,919	10.00	
Forward Electronics Co., Ltd.	Suzhou Forward Electronics Technology Co., Ltd.	Parent-subsidiary	Purchases	129,888	20.90	O/A90day	insignificant difference	Note 7	(54,335)	(25.45)	Note 4
	Suzhou Forward Electronics Technology Co., Ltd.	Parent-subsidiary	Sales	(92,551)	(9.16)	O/A90day	〃	〃	20,319	7.28	
Suzhou Forward Electronics Technology Co., Ltd.	Chunghwa Picture Tubes, Ltd.	Parent-subsidiary	Sales	(162,703)	(15.28)	O/A150day	〃	〃	124,160	32.39	
Forward Development Co., Ltd.	CPTF Visual Display (Fuzhou)Ltd.	Parent-subsidiary	Sales	(514,164)	(82.60)	O/A60day	〃	〃	138,811	97.17	
	Suzhou Forward Electronics Technology Co., Ltd.	Parent-subsidiary	Purchases	625,190	100.00	O/A90day	〃	〃	(142,855)	(100.00)	
Chunghwa Picture Tubes, Ltd.	Giantplus Technology Co., Ltd.	Parent-subsidiary	Sales	(568,582)	(2.00)	-	-	-	143,348	7.00	
	Giantplus Technology Co., Ltd.	Parent-subsidiary	Purchases	885,293	3.00	-	-	-	(86,677)	(1.00)	
	CPTF Visual Display (Fuzhou) Ltd.	Parent-subsidiary	Purchases	413,066	1.00	-	-	-	(256,140)	(2.00)	
	CPTF Optronics Co., Ltd.	Parent-subsidiary	Purchases	3,244,379	12.00	-	-	-	(4,698,286)	(33.00)	
	Chunghwa Picture Tubes (Wujiang) Ltd.	Parent-subsidiary	Purchases	3,525,319	13.00	-	-	-	(2,460,847)	(17.00)	
	Chunghwa Pictures Display Technology (Fujian) Ltd.	Parent-subsidiary	Purchases	1,609,602	6.00	-	-	-	(767,309)	(5.00)	
	Elitegroup Computer System Co., Ltd.	Other related party	Sales	(754,180)	(2.00)	-	-	-	62	-	
	Suzhou Forward Electronics Technology Co., Ltd.	Company in associates	Purchases	169,589	1.00	-	-	-	(119,232)	(1.00)	
CPTF Optronics Co., Ltd.	Chunghwa Picture Tubes, Ltd.	Parent-subsidiary	Sales	(3,244,379)	(38.00)	-	-	-	4,698,286	89.00	
	CPTF Visual Display (Fuzhou) Ltd.	Company in associates	Purchases	1,358,796	5.00	-	-	-	(622,490)	(30.00)	
Chunghwa Picture Tubes (Wujiang) Ltd.	Chunghwa Picture Tubes, Ltd.	Parent-subsidiary	Sales	(3,525,319)	(91.00)	-	-	-	2,460,847	96.00	
	CPTF Visual Display (Fuzhou) Ltd.	Company in associates	Purchases	277,775	5.00	-	-	-	(129,692)	(21.00)	
Chunghwa Pictures Display Technology (Fujian) Ltd.	Chunghwa Picture Tubes, Ltd.	Parent-subsidiary	Sales	(1,609,602)	(94.00)	-	-	-	767,309	97.00	
CPTF Visual Display (Fuzhou) Ltd.	Chunghwa Picture Tubes, Ltd.	Parent-subsidiary	Sales	(413,066)	(20.00)	-	-	-	156,140	25.00	
	CPTF Optronics Co., Ltd.	Company in associates	Sales	(1,358,796)	(66.00)				622,490	62.00	
	Chunghwa Picture Tubes (Wujiang) Ltd.	Company in associates	Sales	(277,775)	(14.00)	-	-	-	129,692	13.00	
Giantplus Technology Co., Ltd.	Chunghwa Picture Tubes, Ltd.	Parent-subsidiary	Sales	(810,461)	(7.48)	-	-	-	86,677	4.15	
		Parent-subsidiary	Purchases	516,091	10.00	-	-	-	(141,514)	(8.05)	

Note 1: The transactions among the consoldiated entities were eliminated in the consolidated financial statements.
Note 2: Recorded in payables in subsidiary's book.
Note 3: This is deposits-in for rework of materials which was recorded in other current liabilities in subsidiary's book.
Note 4: The amount included the raw materials sold to Fuhua Electronic Technology Co., Ltd., Suzhou for further process and sold back to FD and eliminated an amount of $19,393 thousand in accordance with regulation.

ATTACHMENT 8: Receivables from related parties with amounts exceeding NT$100 million or 20% of capital stock

Company recorded as receivable	Related party	Relationship	Ending balance (Note 1)	Turnover rate	Overdue receivables		Amount received in subsequent period	Allowance for doubtful accounts
					Amount	Collection status		
Tatung Co., Ltd	1.Accounts receivable-Related party							
	Green Energy Technology Inc.	Parent-subsidiary	$503,651	1.06	-	-	$-	$-
	Tatung Consumer Products (Taiwan) Co.,Ltd.	Parent-subsidiary	1,421,293	2.60	-	-	-	-
	Tatung Electric Company of America,Inc.	Parent-subsidiary	118,125	4.78	-	-	-	-
	2.Other accounts receivable-Related party (including long-term)							
	Green Energy Technology Inc.	Parent-subsidiary	241,331	-	-	-	-	-
	Shan-Chih Asset Development Co.	Parent-subsidiary	382,290	-	-	-	-	-
	Tatung Information Technology (Jiangsu)Co., Ltd.	Parent-subsidiary	1,121,969	-	-	-	-	-
	Tatung (Thailand) Co., Ltd.	Parent-subsidiary	95,772	-	-	-	-	-
	3.Construction receivables							
	Chunghwa Picture Tubes, Ltd.	Parent-subsidiary	469,318	-	-	-	-	-
Tatung Co. of Japan, Inc.	Chunghwa Picture Tubes, Ltd.	Company in associates	1,669,729	0.52	1,072,572	Both parties are still negotiating payback methods and the Group still has not paid back.	-	-
	Tatung Co., Ltd	Parent-subsidiary	140,960	15.17	140,960	-	-	-
Green Energy Technology Inc.	Ultra Energy (WEIFANG) Technology Co. Ltd	Parent-subsidiary	902,989	1.89	-	-	-	-
	Gintung Energy Corporation	Parent-subsidiary	179,041	2.41	-	Both parties are still communicating. Currently, due to the usage of funds, the Group has not pressured the other party to pay.	-	-
Forward Development Co., Ltd.	CPTF Visual Display (Fuzhou) Ltd.	Parent-subsidiary	138,811	4.22	1,047	-	1,047	219
Suzhou Forward Electronics Technology Co., Ltd.	Chunghwa Picture Tubes, Ltd.	Parent-subsidiary	124,160	1.86	21,902	-	16,273	-
Chunghwa Picture Tubes, Ltd.	Giantplus Technology Co., Ltd.	Parent-subsidiary	143,348	5.06	-	-	142,047	-
CPTF Optronics Co., Ltd.	Chunghwa Picture Tubes, Ltd.	Parent-subsidiary	4,698,286	-	-	-	-	-
Chunghwa Picture Tubes (Wujiang) Ltd.	Chunghwa Picture Tubes, Ltd.	Parent-subsidiary	2,460,847	-	-	-	-	-
Chunghwa Pictures Display Technology (Fujian) Ltd.	Chunghwa Picture Tubes, Ltd.	Parent-subsidiary	767,309	-	-	-	-	-
CPTF Visual Display (Fuzhou)Ltd.	Chunghwa Picture Tubes, Ltd.	Parent-subsidiary	256,140	-	-	-	-	-
	CPTF Optronics Co., Ltd.	Parent-subsidiary	622,490	-	-	-	-	-
	Chunghwa Picture Tubes (Wujiang) Ltd.	Parent-subsidiary	129,692	-	-	-	-	-
Kunshan Giantplus Optoelectronics	Giantplus Technology Co., Ltd.	Parent-subsidiary	445,949	-	-	-	390,943	-
Shenzhen Giantplus Optoelectronics	Giantplus Technology Co., Ltd.	Parent-subsidiary	474,091	-	-	-	474,091	-
Kunshan Giantplus Optronics Display Technology Co., Ltd	Giantplus Technology Co., Ltd.	Parent-subsidiary	201,858	-	-	-	201,858	-

Note 1: The transactions among the consoldiated entities were eliminated in the consolidated financial statements.

ATTACHMENT 9: Names, locations and related information of investee companies (excluding investment in Mainland China)

Investor company	Investee company	Location	Main businesses and products	Initial Investment		Ending balance			Net income (loss) of investee company	Investment income (loss) recognized (note 1)	Note
				Ending balance	Beginning balance	Number of shares (in thousands)	Percentage of ownership	Book value			
Tatung Co.,Ltd	Chunghwa Picture Tubes, Ltd.	Taoyuan City, Taiwan	The manufacturing and sale of picture tubes and TFT-LCD products.	$4,293,025	$4,293,025	548,385,630	8.46	($644,343)	($8,440,495)	($722,865)	
	San Chih Semiconductor Co., Ltd.	Taipei City, Taiwan	The manufacturing and sale of semiconductors and chips	920,981	920,981	49,913,576	43.18	1,218,386	(960,416)	(447,988)	
	Forward Electronics Co., Ltd.	New Taipei City, Taiwan	The manufacturing and sale of electronics	314,095	314,095	18,955,623	12.05	122,290	(154,424)	(18,614)	
	Tatung System Technologies Inc.	Taipei City, Taiwan	The manufacturing of data storage.	247,655	247,655	36,018,121	53.60	493,761	87,531	46,915	
	Tatung Fine Chemicals Co., Ltd.	Taipei City, Taiwan	Industrial coatings,electrocution coatings resistor coatings,photo-catalyst, inkjet ink	392,316	392,316	37,458,319	48.27	243,270	(57,040)	(27,852)	
	Chih Sheng Investment Co., Ltd.	Taipei City, Taiwan	Investment holding	1,500,000	1,500,000	150,000,000	100.00	824,686	(241,337)	(238,792)	
	Shan Chih Investment Co., Ltd.	Taipei City, Taiwan	Investment holding	2,119,350	2,119,350	77,627,119	95.83	461,971	(69,576)	(70,670)	
	Chunghwa Electronics Investment Co., Ltd.	Taipei City, Taiwan	Investment holding	2,217,447	2,217,447	262,626,267	93.27	697,193	(949,831)	(886,178)	
	Shan-Chih Asset Development Co.	Taipei City, Taiwan	The development and leasing of real estate	14,840,192	14,840,192	5,220,064	100.00	31,350,588	1,146,428	903,004	
	Taiwan Telecommunication Industry Co., Ltd.	Taipei City, Taiwan	Telecommunication	2,538,471	2,538,471	751,000	100.00	(765,665)	(34,845)	(31,761)	
	Tatung Singapore Information Co. Ltd.	Singapore	Investment holding	1,625,465	1,625,465	86,049,842	100.00	71,499	140,212	108,436	
	Tatung Electric (Singapore) Pte. Ltd.	Singapore	Investment holding	626,418	626,418	31,598,675	100.00	865,023	(36,485)	(31,510)	
	Tatung Mexico S.A de C.V.	Mexico	The manufacturing of IT products in South America	503,289	503,289	1,597,248	100.00	272,135	33,767	(56,175)	
	Tatung Co. of Japan, Inc.	Japan	The sale and purchase of electronic parts	1,903	1,903	15,000	100.00	594,834	(10,734)	(10,734)	
	Tatung Electronics (S) Pte. Ltd.	Singapore	The sales and services of Tatung products in Singapore	48,276	48,276	3,600,000	90.00	58,849	(3,297)	(2,968)	
	Tatung (Thailand) Co.,Ltd.	Thailand	The manufacturing of IT products	896,506	896,506	97,400,000	92.23	344,002	(14,346)	(14,346)	
	Tatung Wire & Cable (Thailand) Co., Ltd.	Thailand	The manufacturing and sales of wire and cable	60,154	60,154	6,810,000	100.00	74,218	-	(827)	
	Tatung Vietnam Co., Ltd.	Vietnam	The manufacturing and sales of home appliances	932,819	932,819	-	100.00	(207,910)	(68,663)	(68,663)	
	Tatung Electric Technology (VN) Co.,Ltd.	Vietnam	The manufacturing and sales of wire and cable	459,537	459,537	-	100.00	53,034	(18,006)	(18,061)	
	Tatung Consumer Products (Taiwan) Co.,Ltd.	Taipei City, Taiwan	Sales, installation and service of home appliances and digital computer products	1,145,500	1,145,500	49,650,000	99.10	(677,127)	(163,792)	(162,321)	
	Tatung SM-Cyclo Co.	New Taipei City, Taiwan	Speed reducers, speed variators	71,220	71,220	6,400,000	85.33	171,759	66,382	57,513	
	Tatung Die Casting Co.	New Taipei City, Taiwan	Speedometer	7,880	7,880	153,000	51.00	41,867	17,208	10,522	
	Tatung Medical Healthcare Technologies Co., Ltd.	Taipei City, Taiwan	The design and sales of medical appliances	343,490	306,474	27,555,990	95.02	197,160	(23,127)	(19,799)	
	Toes Toes Opto-Mechatronics Co.	Taipei City, Taiwan	The manufacturing of various automatic equipment	170,000	170,000	17,000,000	85.00	106,848	(44,508)	(36,955)	
	Tisnet Technology Inc.	Taipei City, Taiwan	Design and development of computer software and equipment	-	40,000	-	-	-	5,307	439	
	Central Research Technology Co.	Taipei City, Taiwan	Offering EMCIRF testing and certification services	120,000	120,000	6,612,155	100.00	60,001	(3,305)	(3,358)	
	Tatung Czech s.r.o	Czech Republic	The manufacturing of IT products	342,448	342,448	-	100.00	33,342	(18,322)	(27,365)	
	Tatung Global Strategy Investment and Trading (BVI) Inc.	British Virgin Islands	Investment holding	2,289,059	2,289,059	72,000,000	100.00	(863,923)	(320,151)	(322,018)	
	Absolute Alpha Limited	British Virgin Islands	Investment holding	3,190	3,190	50,000	100.00	20,573	(434)	(434)	
	Tatung Co. of America Inc.	U.S.A.	The sale and servicing of IT and household electronics products in the US	45,115	45,115	1,750,000	50.00	139,447	(28,672)	(14,336)	
	Tatung Electric Company of America, Inc.	U.S.A.	Sales and service of motors	121,184	121,184	1,000,000	100.00	196,587	777	777	
	Tatung Science and Technology, Inc.	U.S.A.	The sale and purchase of IT products	632,934	632,934	-	100.00	8,371	(883)	(984)	
	Elitegroup Computer System Co., Ltd.	Taipei City, Taiwan	The manufacturing, design and sales of IT products	5,007,151	5,007,151	152,475,397	27.35	4,543,168	1,151,288	315,019	
	Tatung Okuma Co., Ltd.	Taipei City, Taiwan	Sales and production of working machine	49,000	49,000	8,428,000	49.00	956,486	182,058	89,208	
	Tatung Telecom Corporation	U.S.A.	Production,sales and service of public telephone	-	2,953	-	-	-	-	-	
	Kuender & Co., Ltd.	Taipei City, Taiwan	Conversion of plastic module	38,500	38,500	10,336,000	50.00	439,824	537,255	267,870	
	Hsieh Chih Industrial Library Publishing Co.	Taipei City, Taiwan	The publishing and sales of Hsieh Chih Industrial Library	2,420	2,420	242	6.91	901	343	24	
	Chung-Tai Technology Development Engineering Co.	New Taipei City, Taiwan	Construction of telecom cable	88,000	88,000	2,200,000	22.00	14,646	(4,686)	(1,023)	
	Tatung Forever Energy Co., Ltd.	Taipei City, Taiwan	Solar energy related business	100,000	-	10,000,000	100.00	99,841	(159)	(159)	
	Tatung Netherlands B.V.	Netherlands	The sales of digital information products	178,579	178,579	11,030	100.00	(125,852)	-	-	
	Tatung (U.K.) Ltd.	United Kingdom	The sales of digital information peripherals	-	2,067,876	-	-	-	-	-	
	Taipei Industry Coporation	Taipei City, Taiwan	The development of real estate	19	-	69	-	19	(11,058)	-	
	Lansong International Co., Ltd.	Cambodia	Forestry	1,271,592	1,271,592	4,346,480	98.33	-	4,672	4,672	

Note1: The transactions among the consoldiated entities were eliminated in the consolidated financial statements.

ATTACHMENT 9-1: Names, locations and related information of investee companies (excluding investment in Mainland China)

Investor company	Investee company	Location	Main businesses and products	Initial Investment		Ending balance			Net income (loss) of investee company	Investment income (loss) recognized (note 1)	Note
				Ending balance	Beginning balance	Number of shares (in thousands)	Percentage of ownership (%)	Book value			
Forward Electronics Co., Ltd.	Forward Development Co., Ltd.	British Virgin Islands	Investment holding	$680,752	$680,752	-	100.00	$1,482,096	$53,835	$53,835	
	Gintung Energy Co., Ltd.	Taoyuan City,Taiwan	The manufacturing and sale of solar module and related component	355,296	355,296	5,398,269	14.59	30,894	(108,845)	(15,881)	
San Chih Semiconductor Co.Ltd.	Green Energy Technology Inc.	Taoyuan City,Taiwan	Solar photovoltaic multicrystalline silicon wafers	2,498,522	2,222,839	102,706,274	24.79	1,481,209	(1,498,888)	(380,409)	
	Forward Electronics Co., Ltd.	New Taipei City, Taiwan	The manufacturing and sale of electronics	230,958	230,958	10,491,156	6.67	67,682	(154,424)	(10,302)	
	Greater Power Limited	Hong Kong	Investment holding	446,482	446,482	13,760,000	100.00	596,277	(592)	(592)	
	Chih De Investment Co., Ltd.	Taipei City, Taiwan	Investment holding	1,000	1,000	100,000	100.00	855	(153)	(153)	
GREATER POWER LIMITED	Ultra Energy Holdings Limited	Hong Kong	Investment holding	446,482	446,482	13,760,000	19.77	596,276	(2,995)	(592)	
Green Energy Technology Inc.	Energy Well International Limited	Hong Kong	Investment holding	1,768,360	1,768,360	56,012,000	100.00	2,419,601	(2,410)	(2,410)	
	Gintung Energy Co., Ltd.	Taoyuan City,Taiwan	The manufacturing and sale of solar module and related component	111,193	111,193	11,119,332	30.05	62,686	(108,845)	(32,708)	
Energy Well International Limited	Ultra Energy Holdings Limited	Hong Kong	Investment holding	1,767,493	1,767,493	55,840,000	80.23	2,419,788	(2,995)	(2,403)	
Tatung System Technologies Inc.	Chyun Huei Business Technology Inc.	Taipei City, Taiwan	Information software service	42,740	42,740	4,350,000	100.00	81,210	13,384	13,384	
	Tatung System Technologies Holding Ltd.	Samoa	Investment Holding	137,237	137,237	4,600,000	100.00	104,469	(20,747)	(23,353)	
	TISNet Co. Ltd	Taipei City, Taiwan	Software design and development	62,590	-	5,500,000	100.00	55,378	5,307	4,888	
Chunghwa Picture Tubes Co.	Chunghwa Picture Tubes (Bermuda) Ltd.	Bermuda	Investment holding	3,779,927	3,779,927	131,900,000	100.00	11,252,536	(13,883)	(13,883)	
	Chunghwa Picture Tubes (Labuan) Ltd.	Labuan	Investment holding	211,536	211,536	8,000,000	41.03	920,276	(29,605)	(12,147)	
	Giantplus Technology Co., Ltd.	Miaoli County, Taiwan	Research, development,production and sales of LCD Display	5,524,295	5,524,295	236,981,757	53.67	4,080,878	447,237	288,020	
	Forward Electronics Co., Ltd.	New Taipei City, Taiwan	The manufacturing and sale of electronics	402,900	402,900	24,099,974	15.33	154,361	(154,424)	(28,575)	
Chunghwa Picture Tubes (Bermuda) Ltd.	Goldmax Asia Pacific Ltd	Hong Kong	Investment holding	18,635	-	612,203	4.75	18,635	(121,447)	-	
Giantplus Technology Co., Ltd.	Giantplus (Samoa) Holding Co., Ltd.	Samoa	Investment	1,397,086	1,397,086	44,000,000	100.00	3,516,362	(58,853)	(58,853)	
	Hsh Heng Investment Co., Ltd.	Miaoli County, Taiwan	Investment	21,000	21,000	2,100,000	100.00	15,499	(7,000)	(7,000)	
	Dai Yi Medical Appliance Co., Ltd	Kaohsiung City, Taiwan	Research, development, production and sales of medical equipments	35,106	35,106	2,606,250	23.27	-	(14,019)	-	
Giantplus (Samoa) Holding Co., Ltd.	Giantplus Holding L.L.C	U.S.A	Investment holding	1,397,086	1,397,086	-	100.00	3,515,859	(58,834)	(58,834)	
Tatung Fine Chemicals Co., Ltd.	Shang Chih International Chemical Industry Co., Ltd.	British Virgin Islands	Investment holding	84,647	84,647	2,600,000	100.00	101,805	1,486	1,486	
Shan-Chih Asset Development Co.	Tatung Forestry and Construction Co.	Taipei City, Taiwan	The design and construction of structural engineering	221,405	221,405	22,198,040	99.77	178,576	2,656	2,650	
	Taipei Industry Corporation	Taipei City, Taiwan	The production and sales of mixing concrete	1,058,450	1,058,450	1,362,055	50.61	1,413,912	204,024	103,258	
	Chih Sheng Realty Co., Ltd.	Taipei City, Taiwan	Realty management	592,950	592,950	59,294,950	100.00	438,483	(4,555)	(4,555)	
	Shan-Chih Asset International Holding Corp.	Samoa	Investment holding	2,020,107	2,020,107	65,400,000	100.00	1,301,737	(853)	(27,084)	
	Hsieh Chih Industrial Library Publishing Co.	Taipei City, Taiwan	The publishing and sales of Hsieh Chih Industrial Library	9,960	9,960	3,201	91.46	11,664	343	314	
Shan-chih Asset International Holding Co.	San-Chih Asset International(Hong Kong) Holding,.Ltd.	Hong Kong	Investment holding	1,233,915	1,285,673	40,000	100.00	1,233,915	(23,699)	(23,699)	

ATTACHMENT 9-2: Names, locations and related information of investee companies (excluding investment in Mainland China)

Investor company	Investee company	Location	Main businesses and products	Initial Investment		Ending balance			Net income (loss) of investee company	Investment income (loss) recognized (note 1)	Note
				Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value			
Taiwan Telecommunication Industry Company Ltd.	Taiwan Telecommunication Investments Limited.	British Virgin Islands	Investment holding	-	106,836	-	-	-	(5,432)	(7,317)	
Taiwan Telecommunication Investments Limited.	Shan Chih (Hong Kong) Co., Ltd.	Hong Kong	International trade	-	4,275	-	-	-	(290)	(290)	
Chih Sheng Investment Co., Ltd.	Taiwan Nissei Display System Co., Ltd.	New Taipei City, Taiwan	Electrical contacts	40,464	40,464	200,000	20.00	46,637	14,454	1,454	
	Tatung Fine Chemicals Co.	Taipei City, Taiwan	Industrial coatings,electrocution coatings resistor coatings,photo-catalyst, inkjet ink	57,044	57,044	3,796,537	4.89	25,585	(57,040)	(2,823)	
	Green Energy Technology Inc.	Taoyuan City, Taiwan	The manufacturing and sale of electronics	648,038	588,129	34,480,610	8.27	408,825	(1,498,888)	(115,319)	
	HEDA Biotechnology Co.,Ltd.	Taipei City, Taiwan	Produce, Food Retail and Wholesale Industry	12,000	12,000	12,000,000	52.17	-	(2,356)	-	
	Chunghwa Electronics Development Co., Ltd.	Taipei City, Taiwan	Investment holding	180,000	180,000	18,000,000	6.39	100,846	(949,831)	(60,532)	
	Chih Sheng Investment (BVI) Co., Ltd.	British Virgin Islands	Investment holding	508,337	508,337	16,862,590	100.00	197,227	(68,878)	(68,878)	
Chih Sheng Investment (BVI) Co., Ltd.	Chih Sheng Holding Co., Ltd.	British Virgin Islands	Investment holding	507,171	507,171	16,812,590	100.00	196,543	(68,823)	(68,823)	
Chih Sheng Holding Co, Ltd	Chih Sheng Holding HK Limited	Hong Kong	Investment holding	185,935	185,935	6,205,310	100.00	(12,560)	(16,434)	(16,434)	
	Goldmax Asia Pacific Ltd	Hong Kong	Investment holding	181,336	181,336	6,000,000	46.51	107,359	(121,447)	(52,339)	
Chunghwa Electronics Investment Co., Ltd.	Chunghwa Picture Tubes Co.	Taoyuan City, Taiwan	The manufacturing and sale of picture tubs and TFT-LCD products	4,033,037	4,033,037	585,825,932	9.04	331,402	(8,440,495)	(786,924)	
	Forward Electronics Co., Ltd.	New Taipei City, Taiwan	The manufacturing and sale of electronics	38,057	41,505	10,531,750	6.70	71,370	(154,424)	(10,673)	
	TISNET Technology Inc.	Taipei City, Taiwan	Design and development of computer software and equipment	320,374	320,374	17,362,651	15.02	774,075	(960,416)	(147,907)	
	San Chih Semiconductor Co., Ltd.	Taipei City, Taiwan	The manufacturing and sale of semiconductors and chips	92,918	92,918	3,376,213	4.17	15,148	(69,576)	(2,900)	
	Shan Chih Investment Co. Ltd	Taipei City, Taiwan	Investment holding	17,338	17,338	1,138,960	1.47	7,675	(57,040)	(847)	
	Tatung Fine Chemicals Co.	Taipei City, Taiwan	Industrial coatings, electrocution coatings resistor coatings, photo-catalyst, inkjet ink	-	178,000	-	-	-	5,307	1,954	
Toes Opto-Mechatronics Co.	Gintung Energy Co., Ltd.	Taoyuan City, Taiwan	The manufacturing and sale of solar module and related component	28,600	28,600	438,600	1.18	2,499	(108,845)	(1,284)	
Tatung Medical Healthcare Technologies Co., Ltd.	Cloud Care Technologies Co., Ltd.	Taipei City, Taiwan	service of information software	1,600	3,950	160,000	40.00	1,999	574	293	
Shan Chin Investment Co.Ltd	Shan-Chih International Holding Co.	Samoa	Investment	247,118	247,118	7,950,000	100.00	172,576	(69,354)	(69,354)	
Tatung Forever Energy Co., Ltd.	Sheng Yang Energy Co., Ltd.	Taipei City, Taiwan	Battery Material Retail	60,000	-	6,000,000	100.00	59,948	(52)	(52)	
Tatung Mexico S.A de C.V.	TMX Logistics, Inc.	U.S.A	Hun Service	83,160	83,160	2,694,403	100.00	55,006	22,596	22,596	
	TMX Technologies, Inc.	U.S.A	Technologies & Business	21,605	21,605	7,000	100.00	13,987	6,265	6,265	
Tatung Global Strategy Investment and Trading(BVI) Inc.	Chunghwa Picture Tubes Co.	Taoyuan City, Taiwan	The manufacturing and sale of picture tubs and TFT-LCD products	1,982,713	1,982,713	198,918,167	3.07	112,294	(8,440,495)	(267,201)	
Absolute Alpha Limited	Tatung Information Technologies Corp.	U.S.A	The sale of electronic products	1,595	1,595	50,000	100.00	19,411	(410)	(410)	

ATTACHMENT 10: Investment in Mainland China

Investor company (Note 7)	Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2015	Investment Flows Outflow	Investment Flows Inflow	Accumulated Outflow of Investment from Taiwan as of December 31, 2015	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Notes 2 and 4)	Carrying Value as of December 31, 2015 (Note 4)	Accumulated Inward Remittance of Earnings as of Outflow December 31, 2015
Tatung Electric (Singapore) Pte. Ltd.	Tatung (Shanghai) Co.,Ltd	The manufacturing and sales of AC motor, DC motors, AC generators, diesel engine generators, variablespeed motors, inverters and PLCs, transformers, switchboards	$700,244	(2) (Note 6)	$608,189	$-	$-	$608,189	$36,485	86.36%	($31,510) (2) B.	$865,023	-
Tatung Information (Singapore) Pte. Ltd.	Tatung Information Technology (Jiangsu) Co., Ltd.	The manufacturing and sales of TV, Monitor and PCs.	810,692	(2) (Note 6)	810,692	-	-	810,692	(87,246)	100.00%	(87,246) (2) B.	(441,223)	-
	Tatung Wire and Cable Technology (Wujiang) Co., Ltd.	The manufacturing and sales of wire and cable	412,653	(2) (Note 6)	412,653	-	-	412,653	211,513	100.00%	211,513 (2) B.	167,138	-
	Tatung Compressors (Zhongshan) Co., Ltd.	The manufacturing and sales of reciprocating compressors for freezing and refrigeration	363,268	(2) (Note 6)	293,308	-	-	293,308	19,959	79.89%	15,945 (2) B.	328,882	-
ULTRA ENERGY HOLDINGS LIMITED	Ultra Energy (WEIFANG) Technology Co. Ltd	Solar wafer slicing	2,284,620 USD 69,600	(2) (Note 8)	2,284,620 USD 69,600	-	-	2,284,620 USD 69,600	(1,554)	100.00%	(606) (2) B.	1,196,580	-
Forward Development Co., Ltd	Forward Electronics Equipment(Dong Guan) Co.,Ltd.	The manufacturing and sale of tuner, keyboard, mouse, remote controller, switch, socket, potentiometer and gaming mouse.	150,995 USD 4,600	(2) (Note 5)	122,788	-	-	122,788	(5,696)	100.00%	(5,696) (2) B.	145,592	25,834 USD 814
	Suzhou Forward Electronics Technology Co., Ltd.	The manufacturing and sale of backlight unit for TFT-LCD, driving board, tuner, keyboard, mouse, switch, socket and connector.	892,840 USD 27,200	(2) (Note 5)	407,267	-	262,092	145,175	67,280	100.00%	67,280 (2) B.	1,232,327	267,259 USD 8,421
	CPTF Visual Display (Fuzhou) Ltd.	Manufacture components of TFT-LCD	170,690 USD 5,200	(2) (Note 5)	35,495	-	-	35,495	16,385	24.81%	4,065 (2) B.	114,788	-
Tatung System Technologies Holding Inc.	TSTI Technologies (Shanghai) Co., Ltd.	Information software service	151,649 RMB 30,000	(2) (Note 6)	149,977 USD 4,569	-	-	149,977 USD 4,569	22,050 (RMB4,333)	94.00%	(23,333) (2) B.	106,243	-
Tatung Fine Chemicals Co., Ltd.	Tatung Coatings (Kunshan) Co., Ltd.	Manufacture and sale of industry coating and electro-deposition coating.	80,979 USD 2,467	(1)	34,795 USD 1,060	-	-	34,795 USD 1,060	8,789	100.00%	8,789 (2) B.	156,620	60,745 USD 1,914
	Huaian Tatung Advanced Technology Materials Co., Ltd.	The manufacturing and sale of positive material of lithium battery, printer ink,electro-deposition high performance coating.	164,125 USD 5,000	(1)	149,354 USD 4,550	-	-	149,354 USD 4,550	(23,797)	100.00%	(23,797) (2) B.	41,832	-
	Wujiang Shang Huah Plastic Co., Ltd.	ABS plastic, color dyes.	9,848 USD 300	(1)	9,848 USD 300	-	-	9,848 USD 300	(1,225)	100.00%	(1,225) (2) B.	6,815	2,698 USD 85
Shang Chih International Chemical Industry Co., Ltd.	Dongguan Tongli Trading Co., Ltd.	The whole sale of painting, coating and chemical products	32,825 USD 1,000	(2) (Note 6)	32,825 USD 1,000	-	-	32,825 USD 1,000	7,541	100.00%	7,541 (2) B.	50,706	-
	Wujiang Shanghua Material Technology Co., Ltd.	The manufacturing and sale of ABS plastic	52,520 USD 1,600	(2) (Note 6)	52,520 USD 1,600	-	-	52,520 USD 1,600	(5,601)	100.00%	(5,601) (2) B.	56,268	8,569 USD 270

ATTACHMENT 10-1: Investment in Mainland China

Investor company (Note 7)	Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2015	Investment Flows: Outflow	Investment Flows: Inflow	Accumulated Outflow of Investment from Taiwan as of December 31, 2015	Net income (loss)of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 2,4)	Carrying Value as of December 31, 2015 (Note 4)	Accumulated Inward Remittance of Earnings as of Outflow December 31, 2015
Chunghwa Picture Tubes (Bermuda) Ltd. And Chunghwa Picture Tubes (Labuan) Ltd.	CPTF Optronics Co., Ltd.	Assembly final module of TFT-LCD	11,755,487 RMB 2,325,526	(3) (Note 6)	262,600 USD 8,000	$-	$-	262,600 USD 8,000	$1,380,817	100.00%	$1,004,406 (2) B.	$8,825,682	$1,237,975 USD 39,007
	Chunghwa Picture Tubes(Wujiang) Ltd.	Assembly final module of TFT-LCD	3,939,000 USD 120,000	(4) (Note 6)	-	-	-	-	607,212	100.00%	459,174 (2) B.	5,411,580	-
	Chunghwa Picture Tubes Display Technology (Fujian) Ltd.	Assembly final module of TFT-LCD	738,563 USD 22,500	(4) (Note 6)	-	-	-	-	(71,573)	80.00%	(39,809) (2) B.	501,094	-
	Kornerstone Material Technology Co.	Manufacture components of TFT-LCD	4,284,582 USD 130,528	(5) (Note 6)	-	-	-	-	(949,762)	90.12%	(580,304) (2) B.	1,402,082	-
	CPTF Visual Display (Fuzhou) Ltd.	Manufacture components of TFT-LCD	170,690 USD 5,200	(5) (Note 6)	-	-	-	-	16,062	75.19%	9,374 (2) B.	240,225	-
	Hwallar Optronics (Fuzhou)Co., Ltd.	Manufacture components of TFT-LCD	98,475 USD 3,000	(5) (Note 6)	-	-	-	-	(52,132)	51.00%	(19,341) (2) B.	-	-
	Chunghwa Picture Tubes Technology (Group) Co., Ltd.	Production and sales of TFT-LCD	3,938,350 RMB 779,103	(5) (Note 6)	-	-	-	-	(578,127)	67.49%	(390,178) (2) B.	5,930,950	-
	CPTF Optronics (Shen-Zhen) Co., Ltd.	Sales and service of TFT-LCD	65,650 USD 2,000	(5) (Note 6)	-	-	-	-	5,785	100.00%	5,785 (2) B.	10,034	-
Chunghwa Picture Tubes Technology (Group) Co., Ltd.	Fuzhou YingYuan Equity Investment Management Co., Ltd.	Investment	50,550 RMB 10,000	(5) (Note 6)	-	-	-	-	(8)	100.00%	(6) (2) B.	34,110	-
	Vibrant Display Technology CO., Ltd.	R&D, design and manufacture components of TFT-LCD	189,562 RMB 37,500	(5) (Note 6)	-	-	-	-	(12,333)	100.00%	(8,323) (2) B.	119,668	-
	Chunghwa Pictures Display Technology (Fujian) Ltd.	Research, development, design, manufacture, sale and service of LCD and its components	984,750 USD 30,000	(4) (Note 6)	-	-	-	-	607,343	100.00%	438,684 (2) B.	1,960,558	-
Fuzhou YingYuan Equity Investment Management Co., Ltd.	PanShiYiYuan Mgmt. Investment (Fuzhou) Co.	Consulting service for investment related or not related to securities	50,550 RMB 10,000	(4) (Note 6)	-	-	-	-	16,126	5.00%	1,164 (2) B.	52,151	-
CPTF Optronics Co., Ltd.	PanShiYiYuan Mgmt. Investment (Fuzhou) Co.	Consulting service for investment related or not related to securities	454,948 RMB 90,000	(4) (Note 6)	-	-	-	-	16,126	45.00%	10,481 (2) B.	469,364	-
Giantplus Holding L.L.C	Kunshan Giantplus Optoelectronics Technology Co., Ltd.	Manufacture Components of LCD Display	984,750 USD 30,000	(2) (Note 6)	984,750 USD 30,000	-	-	984,750 USD 30,000	10,017	100.00%	10,017 (2) B.	1,557,621	-
	Shenzhen Giantplus Optoelectronics Display Co.,Ltd.	Manufacture Components of LCD Display	393,900 USD 12,000	(2) (Note 6)	393,900 USD 12,000	-	-	393,900 USD 12,000	(11,190)	100.00%	(11,190) (2) B.	870,827	-
	Kunshan Giantplus Optronics Display Technology Co.,Ltd	Sales of Touch Panel	951,925 USD 29,000	(2) (Note 6)	951,925 USD 29,000	-	-	951,925 USD 29,000	(71,998)	100.00%	(71,998) (2) B.	394,928	-
Shan-Chih Asset International Holding Co.,Ltd	Tatung Management Consultant (Shanghai) Co., Ltd.	Realty and Leasing Service	16,413 USD 500	(2) (Note 6)	16,413 USD 500	-	-	16,413 USD 500	(3,351)	100.00%	(3,351) (2) B.	12,595	-
San-Chih Asset International (H.K)Holding.,Ltd	Suqian Zhiwei Real Estate Co., Ltd	Realty and Leasing Service	1,313,000 USD 40,000	(2) (Note 6)	1,313,000 USD 40,000		-	1,313,000 USD 40,000	(23,561)	100.00%	(23,561) (2) B.	1,234,553	-

ATTACHMENT 10-2: Investment in Mainland China

Investor company (Note 7)	Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2015	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2015	Net income (loss)of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 2,4)	Carrying Value as of December 31, 2015 (Note 4)	Accumulated Inward Remittance of Earnings as of Outflow December 31, 2015
						Outflow	Inflow						
Taiwan Telecommunication Investment Ltd.	Taiwan Telecommunication (Fujian) Company Ltd.	The manufacturing of fax and printers	$172,306	(2) (Note 6)	$117,688	$-	$-	$117,688	$(8,692) (RMB1,708)	-	$(6,958) (RMB1,367) (2) B.	$-	$-
Goldmax Asia Pacific Ltd	Kornerstone Material Technology Co.	Manufacture components of TFT-LCD	2,217,355	(2) (Note 6)	388,211	-	-	388,211	(949,762)	12.06%	(113,722) (2) B.	217,353	-
Chih Sheng Holding HK Limited	Wu-jiang Tatung Electronics Trading co.LTD	Sales of Information Production	179,225 USD 5,460	(2) (Note 6)	179,225 USD 5,460	-	-	179,225 USD 5,460	(16,397)	100.00%	(16,397) (2) B.	(14,564)	-
Shan-Chih International Holding Co.	Shan-Chih Wire&Cable Technology(Wujiang)Co., Ltd.	The manufacturing and sales of wire and cable	53,194	(2) (Note 6)	53,194	-	-	53,194	(46,022)	100.00%	(46,022) (2) B.	(51,164)	-
	Tatung (Shanghai) Co.,Ltd	The manufacturing and sales of AC motor, DC motors, AC generators, diesel engine, generators,variable speed motors variable speed motors, inverters, PLCs, transformers, switchboards	700,244	(2) (Note 6)	92,055	-	-	92,055	(28,368)	13.64%	(3,906) (2) B.	117,282	-
	Tatung Compressors (Zhongshan) Co., Ltd.	The manufacturing and sales of reciprocating compressors for freezing and refrigeration	363,268	(2) (Note 6)	69,960	-	-	69,960	20,173	20.11%	3,973 (2) B.	94,609	-
Tatung (Shanghai) Co.,Ltd	Tatung Cranes (Shanghai) Co., Ltd.	The manufacturing and sales of cranes	47,254 RMB 9,348	(2) (Note 6)	18,480 USD 563	-	-	18,480 USD 563	(1,120) (RMB220)	45.00%	(504) (RMB99) (2) B.	30,777 RMB 5,868	-

Accumulated Investment in Mainland China as of December 31, 2015	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
$10,245,731	$20,418,784	$29,347,115

Note 1: The methods for engaging in investment in Mainland China include the following:
(1) Direct investment in Mainland China.
(2) Indirectly investment in Mainland China through companies registered in a third region. (Please specify the name of the company in third region).
(3) Is invested in the company through a third country to reinvest in Mainland China. In addition to the USD 8,000 thousand outward remittance from Taiwan to invest, the remaining amount was reinvested by mainland companies and third region investment company.
(4) Is invested in the company through a third country to reinvest in Mainland China. All funds was reinvested by earning of third sub-regional investment company.
(5) Reinvested by the surplus from a mainland company established through a third region.
(6) Other methods

Note 2: The investment income (loss) recognized in current period:
(1)Please specify if no investment income (loss) has been recognized as still in the preparation stage.
(2)The investment income (loss) were determined based on the following:
A.The financial report was audited and certified by an international accounting firm in cooperation with an R.O.C. accounting firm.
B.The financial statements certificated by the CPA of the parent company in Taiwan.
C.Others.

Note 3: Initial investment amounts denominated in foreign currencies are translated into New Taiwan Dollars using the spot rates at the financial report date.
US dollars exchange rate on December 31, 2015: 32.82500
RMB exchange rate on December 31, 2014: 5.05498

Note 4: The transactions among the consoldiated entities were eliminated in the consolidated financial statements.

Note 5: Reinvested through Forward Investment Co., Ltd. by remitting the ivestment funding and equipment investment.

Note 6: Refer to the investment company name column for third region investment companies.

Note 7: Refer to Attachment 8 for investment percentages in all investees of the Company.

Note 8：Invested by Greater Power Limited, which is invested by GET through Ultra Energy Holding Limited and San Chih Semiconductor Co., Ltd..

Note 9: Calculated by the net worth of the consolidated financial statement of the Company from March 31, 2015

Attachement 11: Intercompany Relationships and Significant Intercompany Transactions

Individual transaction amounts less than $100 million will not be disclosed; instead they will be disclosed as other assets or liabilities and income or expense , while the relative transactions will not be disclosed

Number (Note 1)	Company Name	Counter Party	Relationship (note 2)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue (Note 3) or Total Assets (Note 3)
0	Tatung Co., Ltd	Tatung Consumer Products (Taiwan) Co., Ltd.	1	Account receivable	1,421,293	-	0.70%
0	Tatung Co., Ltd	Tatung Consumer Products (Taiwan) Co., Ltd.	1	Sales	3,548,055	Note 7	3.74%
0	Tatung Co., Ltd	Green Energy Technology Inc.	1	Sales	415,411	Note 7	0.44%
0	Tatung Co., Ltd	Green Energy Technology Inc.	1	Account receivable	503,651	-	0.25%
0	Tatung Co., Ltd	Green Energy Technology Inc.	1	Other receivable	241,331	-	0.12%
0	Tatung Co., Ltd	Tatung Information Technology (Jiangsu) Co., Ltd.	1	Other receivable	1,121,969	-	0.56%
0	Tatung Co., Ltd	Shan-Chih Asset Development Co.	1	Other receivable	382,290	-	0.19%
0	Tatung Co., Ltd	Tatung (Thailand) Co., Ltd.	1	Other receivable	95,772	-	0.05%
0	Tatung Co., Ltd	TMX TECHNOLOGIES,INC.	1	Sales	102,238	Note 7	0.11%
0	Tatung Co., Ltd	Tatung Co. of Japan, Inc.	1	Sales	181,356	Note 7	0.19%
0	Tatung Co., Ltd	Chunghwa Picture Tubes Co.& Consolidated subsidiary	1	Sales	622,513	Note 7	0.66%
0	Tatung Co., Ltd	Chunghwa Picture Tubes Co.& Consolidated subsidiary	1	Construction receivable	469,318	-	0.23%
0	Tatung Co., Ltd	Tatung Electric Company of America, Inc.	1	Sales	455,232	Note 7	0.48%
0	Tatung Co., Ltd	Tatung Electric Company of America, Inc.	1	Account receivable	118,125	-	0.06%
1	Tatung Company of Japan, Inc.	Chunghwa Picture Tubes Co.& Consolidated subsidiary	3	Sales	2,562,719	Note 7	2.70%
1	Tatung Company of Japan, Inc.	Chunghwa Picture Tubes Co.& Consolidated subsidiary	3	Account receivable	1,669,729	-	0.83%
1	Tatung Company of Japan, Inc.	Tatung Co., Ltd	2	Sales	411,401	Note 7	0.43%
2	Forward Electronics Co., Ltd & Consolidated subsidiary	Chunghwa Picture Tubes Co.& Consolidated subsidiary	3	Sales	676,867	Note 7	0.71%
2	Forward Electronics Co., Ltd & Consolidated subsidiary	Chunghwa Picture Tubes Co.& Consolidated subsidiary	3	Account receivable	262,971	-	0.13%
3	Tatung System Technologies Inc.	Tatung Co., Ltd	2	Sales	105,185	Note 7	0.11%

Note 1: The Company and its subsidiaries are coded as follows:

1 The Company is coded "0".

2 Subsidiaries are coded consecutively starting from "1" in the order presented in the table above.

Note 2: Transactions are categorized as follows:

1 Parent company to subsidiary

2 Subsidiary to parent company

3 Subsidiary to subsidiary

Note 3: When calculating the percentage of transaction amount to the consolidated revenues or the consolidated assets: Items of the balance sheets are calculated as its ending balance to total consolidated assets; items of income statement are calculated by its cumulative balance to the total consolidated income.