CHIN-POON INDUSTRIAL CO., LTD.
AND ITS SUBSIDIARIES

Consolidated Financial Statements

December 31, 2015 and 2014
(With Independent Auditors' Report Thereon)

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Independent Auditors' Report

The Board of Directors

Chin-Poon Industrial Co., Ltd.:

We have audited the accompanying consolidated statements of financial position of Chin-Poon Industrial Co., Ltd. (the "Company") and its subsidaries (the "Consolidated Company") as of December 31, 2015 and 2014, and the related consolidated statements of comprehensive income, 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 statements based on our audits.

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

In our opinion, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the consolidated financial position of Chin-Poon Industrial Co., Ltd. and its subsidiaries as of December 31, 2015 and 2014, and its financial performance and cash flows for the years ended December 31, 2015 and 2014, in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed by the R.O.C. Financial Supervisory Commission.

Chin-Poon Industrial Co., Ltd. has prepared its parent-company-only financial statements for the years ended December 31, 2015 and 2014, on which we have expressed an unqualified opinion.

KPMG

March 18, 2016

Note to Readers

The accompanying financial statements are intended only to present the financial position, consolidated results of operations, and consolidated cash flows in accordance with the International Financial Reporting Standards approved by the R.O.C. Financial Supervisory Commission. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language auditors' report and consolidated financial statements, the Chinese version shall prevail.

CHIN-POON INDUSTRIAL CO., LTD. AND ITS SUBSIDIARIES

Consolidated Statements of Financial Position

December 31, 2015 and 2014

(expressed in thousands of New Taiwan dollars)

	December 31, 2015		December 31, 2014	
Assets	**Amount**	**%**	**Amount**	**%**
Current assets:				
Cash and cash equivalents (note 6(a))	$ 3,909,412	16	3,488,190	14
Available-for-sale financial assets－current (note 6(b))	1,098,770	4	2,323,078	10
Notes receivable, net (note 6(c))	8,468	-	13,798	-
Accounts receivable, net (note 6(c))	4,858,982	20	4,288,537	18
Other receivable (note 6(c))	120,456	-	139,563	1
Inventories (notes 6(d) and 9)	3,243,435	13	3,342,630	14
Prepayments	140,166	1	99,015	-
Other financial assets－current (note 6(b))	1,182,046	5	1,194,607	5
Other current assets	189,217	1	213,278	1
Total current assets	14,750,952	60	15,102,696	63
Non-current assets:				
Available-for-sale financial assets－non-current (note 6(b))	13,286	-	19,929	-
Property, plant and equipment (notes 6(f), 7, 8 and 9)	8,948,615	37	7,608,561	32
Deferred tax assets (note 6(l))	120,220	-	107,352	-
Prepayments for equipment (note 9)	198,160	1	369,485	2
Other financial assets－non-current (note 6(b))	374,266	2	692,802	3
Long-term prepaid rental	67,655	-	69,833	-
Other non-current assets (note 8)	1,846	-	1,925	-
Total non-current assets	9,724,048	40	8,869,887	37
Total assets	$ 24,475,000	100	23,972,583	100

	December 31, 2015		December 31, 2014	
Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
Current liabilities:				
Short-term loans (notes 6(f), 6(g) and 8)	$ 1,834,087	7	2,383,211	10
Financial liabilities at fair value through profit or loss－current (note 6(b))	53	-	-	-
Current portion of long-term loans (notes 6(f), 6(g) and 8)	42,358	-	10,589	-
Notes payable	931,896	4	915,212	4
Accounts payable	2,394,744	10	2,613,412	11
Other payables (notes 6(k), 6(m) and 6(p))	1,758,433	7	1,812,239	7
Current tax liabilities	315,595	1	236,056	1
Provisions－current (note 6(h))	426,786	2	171,699	1
Other current liabilities	176,665	1	235,385	1
Total current liabilities	7,880,617	32	8,377,803	35
Non-current liabilities:				
Bond payables (note 6(i))	136,019	1	141,208	1
Long-term loans (notes 6(f), 6(g) and 8)	92,733	-	78,933	-
Deferred tax liabilities (note 6(l))	563,254	2	515,363	2
Net defined benefit liability (note 6(k))	4,966	-	44,526	-
Total long-term liabilities	796,972	3	780,030	3
Total liabilities	8,677,589	35	9,157,833	38
Equity attributable to shareholders of the Company (notes 6(e), 6(i), 6(k), 6(l), 6(m) and 6(r)):				
Common stock	3,974,954	16	3,974,954	17
Capital surplus	1,574,389	7	1,571,014	7
Retained earnings:				
Legal reserve	1,722,804	7	1,545,905	6
Unappropriated earnings	7,420,603	31	6,468,889	27
	9,143,407	38	8,014,794	33
Other equity:				
Foreign currency translation differences for foreign operations	564,866	2	577,464	2
Unrealized gain (loss) on valuation of available-for-sale financial assets	32,977	-	63,241	-
	597,843	2	640,705	2
Total equity attributable to shareholders of the Company	15,290,593	63	14,201,467	59
Non-controlling interests	506,818	2	613,283	3
Total equity	15,797,411	65	14,814,750	62
Total liabilities and equity	$ 24,475,000	100	23,972,583	100

See accompanying notes to the consolidated financial statements.

CHIN-POON INDUSTRIAL CO., LTD. AND ITS SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2015 and 2014

(expressed in thousands of New Taiwan dollars)

	2015 Amount	%	2014 Amount	%
Operating revenue (notes 6(h) and 6(o))	$ 22,644,105	100	21,303,660	100
Operating costs (notes 6(d), 6(f), 6(j), 6(k) and 6(m))	19,310,837	85	18,415,768	86
Gross profit	3,333,268	15	2,887,892	14
Operating expenses (notes 6(c), 6(f), 6(j), 6(k), 6(m), 6(p) and 7):				
Selling expenses	631,334	3	655,845	3
Administrative expenses	440,891	2	394,680	2
Research and development expenses	197,358	1	171,613	1
Total operating expenses	1,269,583	6	1,222,138	6
Operating income	2,063,685	9	1,665,754	8
Non-operating income and expenses (notes 6(b), 6(f), 6(i), 6(m) and 6(q)):				
Other income	478,424	3	570,319	3
Other gains and losses	55,226	-	148,024	-
Finance costs	(31,524)	-	(39,196)	-
Total non-operating income and expenses	502,126	3	679,147	3
Income before income tax	2,565,811	12	2,344,901	11
Less: income tax expenses (note 6(l))	651,356	3	603,251	3
Net income	1,914,455	9	1,741,650	8
Other comprehensive income (loss) (notes 6(k), 6(l), 6(m) and 6(r)):				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurements of defined benefit plans	28,811	-	13,010	-
Income tax related to items that will not be reclassified subsequently to profit or loss	(4,760)	-	(2,657)	-
Total items that will not be reclassified subsequently to profit or loss	24,051	-	10,353	-
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operations	(43,307)	-	302,493	2
Unrealized gain on valuation of available-for-sale financial assets	(30,264)	-	(7,769)	-
Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
Total Items that may be reclassified subsequently to profit or loss	(73,571)	-	294,724	2
Other comprehensive income (loss), net of tax	(49,520)	-	305,077	2
Total comprehensive income	$ 1,864,935	9	2,046,727	10
Net income attributable to:				
Shareholders of the Company	$ 1,977,323	9	1,768,992	8
Non-controlling interests	(62,868)	-	(27,342)	-
	$ 1,914,455	9	1,741,650	8
Total comprehensive income attributable to:				
Shareholders of the Company	$ 1,960,241	9	2,033,525	10
Non-controlling interests	(95,306)	-	13,202	-
	$ 1,864,935	9	2,046,727	10
Basic earnings per share (expressed in New Taiwan dollars) (note 6(n))	$ 4.97		4.45	
Diluted earnings per share (expressed in New Taiwan dollars) (note 6(n))	$ 4.94		4.42	

See accompanying notes to the consolidated financial statements.

CHIN-POON INDUSTRIAL CO., LTD. AND ITS SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2015 and 2014

(expressed in thousands of New Taiwan dollars)

	Equity attributable to shareholders of the Company										
			Retained earnings			Other equity					
	Common stock	Capital surplus	Legal reserve	Unappropriated earnings	Total	Foreign currency translation differences for foreign operations	Unrealized gain (loss) on valuation of available-for-sale financial assets	Total	Total equity attributable to shareholders of the Company	Non-controlling interests	Total equity
Balance at January 1, 2014	$ 3,974,954	1,568,318	1,371,300	5,904,085	7,275,385	309,067	71,010	380,077	13,198,734	627,176	13,825,910
Appropriations and distributions (note 6(m)):											
Legal reserve	-	-	174,605	(174,605)	-	-	-	-	-	-	-
Cash dividends	-	-	-	(1,033,488)	(1,033,488)	-	-	-	(1,033,488)	(11,345)	(1,044,833)
Convertible bonds issued (note 6(i))	-	-	-	-	-	-	-	-	-	10,519	10,519
Net income for the year	-	-	-	1,768,992	1,768,992	-	-	-	1,768,992	(27,342)	1,741,650
Other comprehensive income for the year (notes 6(k), 6(l), 6(m) and 6(r))	-	-	-	3,905	3,905	268,397	(7,769)	260,628	264,533	40,544	305,077
Total comprehensive income for the year	-	-	-	1,772,897	1,772,897	268,397	(7,769)	260,628	2,033,525	13,202	2,046,727
Changes in the ownership interests in subsidiaries (notes 6(e) and 6(m))	-	2,696	-	-	-	-	-	-	2,696	(26,269)	(23,573)
Balance at December 31, 2014	3,974,954	1,571,014	1,545,905	6,468,889	8,014,794	577,464	63,241	640,705	14,201,467	613,283	14,814,750
Appropriations and distributions (note 6(m)):											
Legal reserve	-	-	176,899	(176,899)	-	-	-	-	-	-	-
Cash dividends	-	-	-	(874,490)	(874,490)	-	-	-	(874,490)	(11,159)	(885,649)
Net income for the year	-	-	-	1,977,323	1,977,323	-	-	-	1,977,323	(62,868)	1,914,455
Other comprehensive income for the year	-	-	-	25,780	25,780	(12,598)	(30,264)	(42,862)	(17,082)	(32,438)	(49,520)
Total comprehensive income for the year (notes 6(k), 6(l), 6(m) and 6(r))	-	-	-	2,003,103	2,003,103	(12,598)	(30,264)	(42,862)	1,960,241	(95,306)	1,864,935
Changes in the ownership interests in subsidiaries (note 6(m))	-	3,375	-	-	-	-	-	-	3,375	-	3,375
Balance at December 31, 2015	**$ 3,974,954**	**1,574,389**	**1,722,804**	**7,420,603**	**9,143,407**	**564,866**	**32,977**	**597,843**	**15,290,593**	**506,818**	**15,797,411**

See accompanying notes to the consolidated financial statements.

CHIN-POON INDUSTRIAL CO., LTD. AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2015 and 2014

(Expressed in thousands of New Taiwan dollars)

		2015	2014
Cash flows from operating activities:			
Income before tax	$	2,565,811	2,344,901
Adjustments:			
Adjustments to reconcile profit and loss			
Depreciation		880,331	816,688
Provision for bad debt expense		1,419	-
Interest expense		31,524	39,196
Interest income		(119,833)	(134,334)
Dividend income		(886)	(860)
Loss on disposal of property, plant and equipment		21,635	5,119
Gain on disposal of investments		(40,473)	(29,677)
Impairment loss on non-financial assets		14,718	-
Amortization expense for long-term prepaid rental		1,688	1,643
Total adjustments to reconcile profit and loss		790,123	697,775
Changes in operating assets and liabilities relating:			
Net changes in operating assets:			
Financial assets at fair value through profit or loss－current		-	1,240
Notes receivable		5,330	(9,198)
Accounts receivable		(571,863)	(912,046)
Other receivables		10,506	(16,454)
Inventories		99,195	(380,596)
Prepayments		(41,151)	(12,288)
Other current assets		24,061	(14,589)
Total net changes in operating assets		(473,922)	(1,343,931)
Net changes in operating liabilities:			
Financial liabilities at fair value through profit or loss－current		53	-
Notes payable		16,684	120,979
Accounts payable		(218,668)	336,894
Other payables		(58,906)	(68,955)
Provisions－current		255,087	171,699
Other current liabilities		9,210	57,547
Net defined benefit liability		(15,509)	3,182
Total net changes in operating liabilities		(12,049)	621,346
Total net changes in operating assets and liabilities		(485,971)	(722,585)
Total adjustments		304,152	(24,810)
Cash inflow generated from operations		2,869,963	2,320,091
Interest income received		128,434	119,641
Interest paid		(24,081)	(39,844)
Income tax paid		(536,794)	(535,990)
Net cash flows from operating activities		2,437,522	1,863,898
Cash flows from (used in) investing activities:			
Acquisition of available-for-sale financial assets		(1,013,495)	(200,000)
Proceeds from disposal of available-for-sale financial assets		2,254,500	1,179,595
Acquisition of property, plant and equipment		(2,141,081)	(725,024)
Proceeds from disposal of property, plant and equipment		16,863	8,666
Decrease in other financial assets－current and non-current		331,096	117,514
Decrease in other non-current assets		79	63,559
Increase in prepayments for equipment		(94,849)	(638,867)
Dividend received		886	860
Net cash flows used in investing activities		(646,001)	(193,697)
Cash flows from (used in) financing activities:			
Increase in short-term loans		4,057,920	-
Increase (decrease) in short-term loans		(4,607,044)	155,748
Proceeds from issuance of convertible bonds		-	147,744
Increase in long-term loans		72,968	89,522
Repayments of long-term loans		(27,399)	(5,000)
Cash dividends paid		(874,490)	(1,033,488)
Cash dividends paid to non-controlling interests		(11,159)	(11,345)
Changes in non-controlling interests		-	(23,573)
Net cash flows used in financing activities		(1,389,204)	(680,392)
Effect of exchange rate changes on cash and cash equivalents		18,905	228,504
Net increase in cash and cash equivalents		421,222	1,218,313
Cash and cash equivalents at beginning of year		3,488,190	2,269,877
Cash and cash equivalents at end of year	$	3,909,412	3,488,190

See accompanying notes to the consolidated financial statements.

CHIN-POON INDUSTRIAL CO., LTD. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements

December 31, 2015 and 2014

(expressed in thousands of New Taiwan dollars unless otherwise stated)

(1) Organization

Chin-Poon Industrial Co., Ltd. (the Company) was incorporated in the Republic of China (ROC) on September 26, 1979, as a corporation limited by shares in accordance with the ROC Company Act. The consolidated entities in the consolidated financial statements include the Company and its subsidiaries (the Consolidated Company). The Consolidated Company's major business includes

(a) Manufacturing, producing and selling electronic printed circuit boards and electronic materials;

(b) Manufacturing, producing and selling models used in the punching process of electronic printed circuit boards and in steel production;

(c) Manufacturing, producing and selling insulation board; and

(d) Importing and exporting the above-mentioned products.

(2) Approval date and procedures of the financial statements

The consolidated financial statements were approved by the board of directors on March 18, 2016.

(3) New standards and interpretations not yet adopted

(a) Effects of adopting the International Financial Reporting Standards 2013 (IFRSs 2013) endorsed by the Financial Supervisory Commission ("FSC")

The Consolidated Company will prepare financial reports according to IFRSs 2013 endorsed by the FSC from 2015 onward (not including IFRS 9 *Financial Instruments*). A summary of the differences between IFRS 2013 and IFRS 2010 is as follows:

New announcements/revisions/amendments of standards and interpretations	Effective date per IASB
Amendment to IFRS 1: Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters	July 1, 2010
Amendment to IFRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	July 1, 2011
Amendment to IFRS 1: Government Loans	January 1, 2013
Amendment to IFRS 7: Disclosures – Transfers of Financial Assets	July 1, 2011
Amendment to IFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	January 1, 2013
IFRS 10: Consolidated Financial Statements	January 1, 2013 (subsidiaries effective on January 1, 2014)
IFRS 11: Joint Arrangements	January 1, 2013
IFRS 12: Disclosure of Interests in Other Entities	January 1, 2013
IFRS 13: Fair Value Measurement	January 1, 2013
Amendment to IAS 1: Presentation of Items of Other Comprehensive Income	July 1, 2012
Amendment to IAS 12: Deferred Tax: Recovery of Underlying Assets	January 1, 2012

(Continued)

New announcements/revisions/amendments of standards and interpretations	Effective date per IASB
Revision to IAS 19: Employee Benefits	January 1, 2013
Revision to IAS 27: Separate Financial Statements	January 1, 2013
Amendment to IAS 32: Offsetting Financial Assets and Financial Liabilities	January 1, 2014
IFRIC 20: Stripping Costs in the Production Phase of a Surface Mine	January 1, 2013

Except for the following items, the Consolidated Company assessed that adopting IFRSs 2013 will not have significant impacts on the consolidated financial statements.

i) Amendment to IAS 1－Presentation of Items of Other Comprehensive Income

According to the amendments to IAS 1, items of other comprehensive income will be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. In addition, income tax on items of other comprehensive income is also required to be allocated on the same basis. The Consolidated Company has changed the presentation of the statement of comprehensive income in accordance with the amendments and has restated the other comprehensive income for comparative periods.

ii) IFRS 13－Fair Value Measurement

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. According to the ruling, the Consolidated Company has disclosed its relative fair value information (please refer to note 6(s)) and also complied with the ruling of the postponement. Therefore, the Consolidated Company is not required to disclose any additional information in other periods. The extension of the adoption, however, will not have any significant impacts on the fair value measurement items of assets and liabilities.

(b) New standards and interpretations not yet endorsed by the FSC

A summary of the standards and interpretations issued by the IASB but not yet endorsed by the FSC as of reporting date is as follows:

New announcements/revisions/amendments of standards and interpretations	Effective date per IASB
IFRS 9: Financial Instruments	January 1, 2018
Amendment to IFRS 10 & IAS 28: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture	Yet to be determined
Amendment to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception	January 1, 2016
Amendment to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	January 1, 2016
IFRS 14: Regulatory Deferral Accounts	January 1, 2016
IFRS 15: Revenue from Contracts with Customers	January 1, 2018

(Continued)

New announcements/revisions/amendments of standards and interpretations	Effective date per IASB
IFRS 16: Leases	January 1, 2019
Amendment to IAS 1: Disclosure Initiative	January 1, 2016
Amendment to IAS 7: Disclosure Initiative	January 1, 2017
Amendment to IAS 12: Recognition of deferred tax assets for unrealized losses	January 1, 2017
Amendment to IAS 16 & 38: Clarification of Acceptable Methods of Depreciation and Amortization	January 1, 2016
Amendment to IAS 16 & 41: Bearer Plants	January 1, 2016
Amendment to IAS 19: Defined Benefit Plans: Employee Contributions	July 1, 2014
Amendment to IAS 27: Equity Method in Separate Financial Statements	January 1, 2016
Amendment to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets	January 1, 2014
Amendment to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting	January 1, 2014
Annual improvements cycle 2010-2012 and 2011-2013	July 1, 2014
Annual improvements cycle 2012-2014	January 1, 2016
IFRIC 21: Levies	January 1, 2014

The Consolidated Company is still in the process of evaluating the impact on financial position and performance of the adoption of the standards interpretations mentioned above, and the Consolidated Company will disclose relevant impacts when the evaluation is completed.

(4) Significant accounting policies

The significant accounting policies presented in the consolidated financial statements are summarized as follows. The significant accounting policies have been applied consistently to all periods presented in these consolidated financial statements.

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to the Regulations) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed by the FSC (hereinafter referred to as the IFRSs endorsed by the FSC).

(b) Basis of preparation

i) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except otherwise specified in the notes to accounting policies.

(Continued)

ii) Functional and presentation currency

The functional currency of a Consolidated Company entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional currency. The assets and liabilities of foreign operations are translated to the Company's functional currency using the exchange rates on reporting date. The income and expenses of foreign operations are translated to the Company's functional currency at the average rate. Foreign currency differences are recognized in other comprehensive income. All financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

(c) Basis of consolidation

i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and its subsidiaries. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Losses applicable to non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

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

Changes in the Consolidated Company's ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the parent.

ii) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Business activities	Percentage of ownership December 31, 2015	Percentage of ownership December 31, 2014	Remarks
CHIN-POON INDUSTRIAL CO., LTD.	VEGA International Enterprise Co., Ltd.	Investment	100.00%	100.00%	
CHIN-POON INDUSTRIAL CO., LTD.	Chin-Poon Japan Co., Ltd.	Trading of PCB	100.00%	100.00%	
CHIN-POON INDUSTRIAL CO., LTD.	Draco PCB Public Co., Ltd.	Production and trading of PCB	52.59%	45.71%	(note)
VEGA International Enterprise Co., Ltd.	Chin-Poon Holdings Cayman Limited	Investment	100.00%	100.00%	
Chin-Poon Holdings Cayman Limited	Chin-Poon (Changshu) Electronic Co., Ltd	Production and trading of PCB	100.00%	100.00%	

(Continued)

Note: On January 14, 2015, the Company converted 1,750,000 units of convertible bonds to 31,328 thousand shares of common stocks of Draco PCB Public Co., Ltd. The converted price was THB5.4 per unit. After the conversion, the Company increased the ownership of Draco PCB Public Co., Ltd. from 45.71% to 52.59% and recognized the capital surplus of $3,375 thousand.

(d) Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Company entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year adjusted for the effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of translation.

Foreign currency differences arising from retranslated are recognized in profit or loss, except for the available-for-sale equity investment differences, which are recognized in other comprehensive income arising on the retranslated.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such items are considered to form part of a net investment in the foreign operation and are recognized in other comprehensive income, and presented in the translation reserve in equity.

(e) Assets and liabilities classified as current and non-current

Cash or cash equivalents, assets held for trading purposes or short-term and expected to be converted to cash within twelve months after the reporting period or for intention of sales or consumption within its normal operating cycle are classified as current assets; all other assets are classified as noncurrent assets.

Liabilities that must be fully liquidated within twelve months after the reporting period are classified as current liabilities; all other liabilities are classified as noncureent liabilities.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits are classified as cash and cash equivalents only when they satisfy the aforementioned definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(g) Financial instruments

Financial assets and financial liabilities are initially recognized when the Consolidated Company becomes a party to the contractual provisions of the instruments. Trade-date accounting is used when purchasing or selling of these financial assets.

i) Financial assets

The Consolidated Company classifies financial assets into the following categories:

i. Available-for-sale financial assets

Available-for-sale financial assets are recognized initially at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, they are measured at fair value, and changes therein, other than impairment losses, interest income calculated using the effective interest method, dividend income, and foreign currency differences on available-for-sale debt instruments, are recognized in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognized, the gain or loss accumulated in equity is reclassified to profit or loss, and is included in non-operating income and expenses.

Dividend income is recognized in profit or loss on the date that the Consolidated Company's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date. Such dividend income is included in non-operating income and expenses.

Interest income from investments in debt instruments is recorded under non-operating income and expenses.

ii. Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Receivables comprise trade receivables and other receivables. Such assets are recognized initially at fair value, plus, any directly attributable transaction cost. Subsequent to initial recognition, receivables other than insignificant interest on short-term receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Interest income is recognized in profit or loss and it is recorded in non-operating income and expenses.

iii. Impairment of financial assets

A financial assets is impaired if, and only if, there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial assets that can be estimated reliably. An impairment test ought to be performed on each reporting date.

(Continued)

Objective evidence that financial assets are impaired includes default or delinquency by a debtor (such as delay in payment of interest or principal or default on payments), restructuring of an amount due to the Consolidated Company on terms that the Consolidated Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is considered objective evidence of impairment.

All individually significant receivables are assessed for specific impairment. Receivables that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics. In assessing collective impairment, the Consolidated Company uses historical trends of the probability of default, the timing of recoveries, and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual loss are likely to be greater or lesser than those suggested by historical trends.

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

An impairment loss in respect of a financial asset is deducted from the carrying amount, except for trade receivables, for which an impairment loss is reflected in an allowance account against the receivables. When it is determined a receivable is uncollectible, it is written off from the allowance account. Any subsequent recovery of receivable written off is recorded in the allowance account. Changes in the amount of the allowance account are recognized in profit or loss.

Impairment losses on available-for-sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss.

Impairment losses recognized on an available-for-sale equity security are not reversed through profit or loss. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognized in other comprehensive income, and accumulated in other equity. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed, with the amount of the reversal recognized in profit or loss.

Impairment losses and recoveries of accounts receivable are recognized in operating expenses, and impairment losses and recoveries of other financial assets are recognized and included in other gains and losses under non-operating income and expenses.

iv. Derecognition of financial assets

The Consolidated Company derecognizes financial assets when the contractual rights of the cash inflow from the asset are terminated or when the Consolidated Company transfers substantially all the risks and rewards of ownership of the financial assets.

(Continued)

ii) Financial liabilities and equity instruments

i. Classification of debt or equity

Debt or equity instruments issued by the Consolidated Company are classified as financial liabilities or equity in accordance with the substance of the contract and the definition of financial liabilities and equity instruments.

Equity instruments refer to surplus equities of the assets after the deduction of all the debts for any contracts. Equity instruments issued are recognized as the amount of consideration received less the direct cost of issuing.

Compound financial instruments issued by the Consolidated Company comprise convertible notes that can be converted to share capital at the option of the holder when the number of shares to be issued is fixed.

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition.

Interest, gains, or losses related to financial liabilities are recognized in profit or loss, and recorded under non-operating income and expenses.

Upon conversion, the financial liability is reclassified to equity, and no gain or loss is recognized.

When the company holds the convertible bonds issued by its subsidiary, the bonds held shall be viewed as redeemed bonds of the issuer in the consolidated financial statements.

ii. Other financial liabilities

Financial liabilities not classified as held-for-trading or designated as at fair value through profit or loss, which comprise loans and borrowings, and trade and other payables, are measured at fair value plus any directly attributable transaction costs at the time of initial recognition. Subsequent to initial recognition, they are measured at amortized cost calculated using the effective interest method. Interest expense not capitalized as capital cost is recognized in profit or loss, and is recorded under non-operating income and expenses.

(Continued)

iii. Derecognition of financial liabilities

The Consolidated Company derecognizes a financial liability when its contractual obligation has been discharged or cancelled or has expired. The difference between the carrying amount of a financial liability removed and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss, and is included in other gains and losses under non-operating income or expenses.

iv. Offsetting of financial assets and liabilities

The Consolidated Company presents financial assets and liabilities on a net basis when the Consolidated Company has the legally enforceable right to offset, and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

iii) Derivative financial instruments

The Consolidated Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Derivatives are recognized initially at fair value and attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss, and are included in non-operating income and expense.

When the fair value of a derivative instrument is positive, it is classified as a financial asset, and when the fair value is negative, it is classified as a financial liability.

(h) Inventories

The cost of inventories consists of all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories includes an appropriate share of fixed production overhead based on normal capacity and allocated variable production overhead based on actual output. However, unallocated fixed production overhead arising from lower or idle capacity is recognized in cost of goods sold during the period. If actual capacity is higher than normal capacity, fixed production overhead should be allocated based on actual capacity. The method of valuing inventories is the weighted-average method.

Inventories are measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses at the end of the period. When the cost of inventories is higher than the net realizable value, inventories are written down to net realizable value, and the write-down amount is charged to current year's cost of goods sold. If net realizable value increases in the future, the cost of inventories is reversed within the original write-down amount, and such reversal is treated as a reduction of cost of goods sold.

(i) Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributed to the acquisition of the asset, and any borrowing cost that is eligible for capitalization.

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 shall be depreciated separately, unless the useful life and the depreciation method of a significant part of an item of property, plant and equipment are the same as those of another significant part of that same item.

The gain or loss arising from the derecognition of an item of property, plant and equipment shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, and it shall be recognized as other gains and losses.

ii) Subsequent cost

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Consolidated Company. The carrying amount of those parts that are replaced is derecognized. Ongoing repairs and maintenance are expensed as incurred.

iii) Depreciation

The depreciable amount of an asset is determined after deducting its residual amount, and it shall be allocated on a straight-line basis over its useful life. Items of property, plant and equipment with the same useful life may be grouped in determining the depreciation charge. The remainder of the items may be depreciated separately. The depreciation charge for each period shall be recognized in profit or loss.

Land has an unlimited useful life and therefore is not depreciated.

The estimated useful lives, for the current and comparative years, of significant items of property, plant and equipment are as follows:

i.	Buildings	2~60 years
ii.	Machinery	2~10 years
iii.	Other equipment	2~40 years
iv.	Leasehold equipment	15~30 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date. If expectations differ from the previous estimates, the changes are accounted for as a change in an accounting estimate.

(j) Leases

i) Lessee

Leases are operating leases and are not recognized in the Consolidated Company's statement of financial position. Payments made under an operating lease are recognized in profit or loss on a straight-line basis over the term of the lease.

ii) Long-term prepaid rental

Long-term prepaid rental is the land use right of Chin-Poon (Changshu) Electronic Co., Ltd., which is recorded by acquisition costs, is amortize within useful term (50 years) by straight-line method, and is reclassify in to prepaid expenses and long-term prepaid for lease.

(Continued)

(k) Impairment－non-derivative financial assets

With regard to non-financial assets (other than inventories, deferred tax assets and employee benefits), the Consolidated Company assesses at the end of each reporting period whether there is any indication that an impairment loss has occurred, and estimates the recoverable amount for assets with an indication of impairment. If it is not possible to determine the recoverable amount for the individual asset, then the Consolidated Company will have to determine the recoverable amount for the asset's cash-generating unit.

The recoverable amount for an individual asset or a cash-generating unit is the higher of its fair value less costs to sell or its value in use. If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss shall be recognized immediately in profit or loss.

The Consolidated Company assesses at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the entity shall estimate the recoverable amount of that asset. Impairment loss is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount, increasing the individual asset's or cash-generating unit's carrying amount to its estimated recoverable amount. The reversal of an impairment loss of an individual asset or cash-generating unit cannot exceed the carrying amount of the individual asset or cash-generating unit, less any depreciation or amortization, had it not recognized an impairment loss.

(l) Provisions

A provision is recognized if, as a result of a past event, the Consolidated Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost, except if the accrued interest on a short-term provision isn't material.

The Consolidated Company's provision for sales returns is recognized at the time of sale and estimated on the basis of previsions experience and relevant factors.

(m) Revenue

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, and volume rebates. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

The timing of the transfers of risks and rewards varies depending on the individual terms of the sales agreement.

(Continued)

(n) Employee benefits

i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Consolidated Company's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date (market yields of high-quality corporate bonds or government bonds) on bonds that have maturity dates approximating the terms of the Consolidated Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Consolidated Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Consolidated Company. An economic benefit is available to the Consolidated Company if it is realizable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in profit or loss.

Remeasurements of the net defined benefit liability (asset), which comprise (1) actuarial gains and losses; (2) the return on plan assets excluding the amounts included in net interest on the net defined benefit liability (assets); and (3) any change in the effect of the asset ceiling, excluding the amounts included in net interest on the net defined benefit liability (assets); The Consolidated Company recognizes the remeasurements of the defined benefit liability (asset) in other comprehensive.

The Consolidated Company recognizes gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment comprises any resulting change in the fair value of plan assets, any change in the present value of the defined benefit obligation, and any related actuarial gains or losses and past service cost that had not previously been recognized.

iii) Short-term employee benefits

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(Continued)

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Consolidated Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(o) Income taxes

Income tax expenses include both current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

Current taxes include tax payables and tax deduction receivables on taxable gains (losses) for the year calculated using the statutory tax rate on the reporting date or the actual legislative tax rate, as well as tax adjustments related to prior years.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes shall not be recognized for the exceptions below:

i) Assets and liabilities that are initially recognized but are not related to the business combination and have no effect on net income or taxable gains (losses) during the transaction.

ii) Temporary differences arising from equity investments in subsidiaries or joint ventures where there is a high probability that such temporary differences will not reverse.

iii) Initial recognition of goodwill.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities may be offset against each other if the following criteria are met:

i) The entity has the legal right to settle tax assets and liabilities on a net basis; and

ii) The taxing of deferred tax assets and liabilities fulfills one of the scenarios below:

    i. levied by the same taxing authority; or

    ii. levied by different taxing authorities, but where each such authority intends to settle tax assets and liabilities (where such amounts are significant) on a net basis every year of the period of expected asset realization or debt liquidation, or where the timing of asset realization and debt liquidation is matched.

A deferred tax asset should be recognized for the carry-forward unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the unused tax losses, unused tax credits, and deductible temporary differences can be utilized. Such unused tax losses, unused tax credits, and deductible temporary differences shall be re-evaluated every year on the financial reporting date, and they shall be adjusted based on the probability that future taxable profit will be available against which the unused tax loses, unused tax credits, and deductible temporary differences can be utilized.

(Continued)

(p) Earnings per share

Earnings per share (EPS) of common stock are calculated by dividing net income (or loss) for the reporting period attributable to common stockholders by the weighted-average number of common shares outstanding during that period. The weighted-average number of common shares outstanding is adjusted retroactively for the increase in common shares outstanding from stock issuance arising from the capitalization of retained earnings, or additional paid-in capital.

Employee bonuses in the form of stock of the Company are potential stock. If the potential stock does not have a dilutive effect, only the basic earnings per share are disclosed; otherwise, diluted earnings per share are disclosed in addition to the basic earnings per share. When computing diluted earnings per share with regard to employee bonuses in the form of stock, the closing price at the reporting date is used as the basis of computation of the number of shares to be issued. When computing diluted earnings per share prior to the following year's shareholders' meeting, the effect of dilution from these potential shares is taken into consideration.

In accordance with the amendments to the Company Act in May, 2015, the employee bonuses mentioned above shall be amended as employee compensation. According to Rule No.1050001900 issued by the FSC, if the employee bonuses as are distributed using the Company's stock, the closing price of the day before the Board of Directors' meeting would be used as a basis to calculate as to how many shares can be distributed.

(q) Segment information

An operating segment is a component of the Consolidated Company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Consolidated Company). Operating results of the operating segment are regularly reviewed by the Consolidated Company's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Management continues to monitor the accounting assumptions, estimates and judgments. Management recognizes any changes in the accounting estimates during the period and the impact of the changes in the accounting estimates in the next period.

There are no critical judgments in applying accounting policies that have significant effect on the amounts recognized in the consolidated financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in the disclosure of employee benefits in note 6(k).

(Continued)

(6) Description of significant accounts

(a) Cash and cash equivalents

		December 31, 2015	December 31, 2014
Cash on hand	$	2,330	2,604
Demand deposits		2,110,819	1,652,384
Time deposits		1,613,459	1,778,447
Checking deposits		182,804	54,755
Cash and cash equivalents per statements of cash flow	$	3,909,412	3,488,190

Please refer to note 6(s) for the disclosure for the interest rate risk and the sensitivity analysis for financial assets and liabilities.

Please refer to note 6(b) for the disclosure for the time deposits with a maturity of three months and above are recorded under other financial assets－current and other financial assets－non-current.

(b) Financial assets

i) Financial liabilities at fair value through profit or loss

		December 31, 2015	December 31, 2014
Forward Contracts	$	53	-

Please refer to note 6(q) for net gains or losses on disposal of financial assets and liabilities remeasured at fair value through profit or loss.

The Consolidated Company uses derivative financial instruments to manage the exposures due to fluctuations of foreign exchange risk from its operating activities. As of December 31, 2015 and 2014, the Consolidated Company reported the following derivatives financial instruments as financial assets and liabilities at fair value through or loss profit without the application of hedge accounting.

		Fair value assets (liabilities)	Contract amount (in thousands)		Expiry date
December 31, 2015					
Forward Contracts	$	(53)	USD	574	2016.3

(Continued)

ii) Available-for-sale financial assets

		December 31, 2015	December 31, 2014
Current:			
Beneficiary certificates	$	1,098,770	2,323,078
Non-current:			
OTC Stocks on domestic markets		13,286	19,929
Total	$	1,112,056	2,343,007

Please refer to note 6(q) for net gains or losses on disposal of investments and dividend income. Please refer to note 6(r) for unrealized gains and losses from available-for sale investments.

The Consolidated Company's exposure to credit, currency and interest rate risk and the sensitivity analysis on the financial instruments held by the Consolidated Company are disclosed in note 6(s).

iii) Sensitivity analysis－market price risk

If the market price of the available-for-sale financial assets fluctuates (assuming that all other variables remain the same), the impact on other comprehensive income will be as follows:

	2015			2014	
Fluctuation in market price at reporting date		Other comprehensive income (after tax)	Net income	Other comprehensive income (after tax)	Net income
Increase 1%	$	11,121	-	23,430	-
Decrease 1%	$	(11,121)	-	(23,430)	-

iv) Other financial assets

As of December 31, 2015 and 2014, time deposits with maturity date 3 months to 1 year and over 1 year were recorded under Other financial assets－current and Other financial assets－non-current respectively. The details were as follows:

		December 31, 2015	December 31, 2014
Other financial assets－current	$	1,182,046	1,194,607
Other financial assets－non-current		363,138	680,384
Total	$	1,545,184	1,874,991

The Consolidated Company had not provided any financial assets mentioned above as collateral as of December 31, 2015 and 2014.

(Continued)

(c) Notes receivable and accounts receivable, and other receivable

		December 31, 2015	December 31, 2014
Notes receivable	$	9,162	14,492
Accounts receivable		4,872,148	4,300,629
Other receivables		120,456	139,563
Less: allowance for doubtful accounts－notes receivable		694	694
allowance for doubtful accounts－accounts receivable		13,166	12,092
	$	4,987,906	4,441,898

An aging analysis of past due but not impaired notes receivable, accounts receivables, and other receivables of the Consolidated Company is as follows:

		December 31, 2015	December 31, 2014
Past due 1~30 days	$	56,199	70,560
Past due 31~180 days		59,357	59,411
Past due over 180 days		9,657	9,633
	$	125,213	139,604

The changes in the aforementioned allowance for doubtful accounts were as follows:

		Individually assessed impairment	Collectively assessed impairment	Total
Balance at January 1, 2015	$	12,786	-	12,786
Impairment loss recognized		1,419	-	1,419
Translation effect		(345)	-	(345)
Balance at December 31, 2015	$	13,860	-	13,860

		Individually assessed impairment	Collectively assessed impairment	Total
Balance at January 1, 2014	$	12,356	-	12,356
Translation effect		430	-	430
Balance at December 31, 2014	$	12,786	-	12,786

Specific impairment loss recognized for individually significant receivables is calculated as the difference between their carrying amount and the present value of the estimated future cash flows from the delinquency discounted at the current market rate of return for a similar financial asset. The Consolidated Company did not pledge any of the aforementioned receivables.

(d) Inventories

The components of the Consolidated Company's inventories were as follows:

		December 31, 2015	December 31, 2014
Finished goods	$	1,458,500	1,593,832
Work in progress		1,371,242	1,272,885
Raw materials		413,693	475,913
	$	**3,243,435**	**3,342,630**

In 2015 and 2014, the Consolidated Company recognized the amounts of $489,435 thousand and $512,882 thousand, respectively, as reductions of operating cost due to the disposal of scrap materials.

In 2015 and 2014, the Consolidated Company recognized the losses on inventory valuation of $22,520 thousand and $40,299 thousand, respectively, by writing down the value of their inventories to net realizable value.

The Consolidated Company did not pledge its inventory as collateral as at December 31, 2015 and 2014.

(e) Changes in percentage of ownership interest in subsidiaries

The Company asked for conversion of the bonds of Draco PCB Public Co., Ltd. for 1,750,000 bonds on January 14, 2015. The conversion price was THB$5.4 per share and the amount of the conversion of the bonds into common shares of Draco PCB Public Co., Ltd. was 31,328 thousand shares. As a result, the Company increased its interest from 45.71% to 52.59% and recognized capital surplus for $3,375 thousand.

In September and December 2014, the Company the acquired interest in Draco PCB Public Co., Ltd. for $14,292 thousand and $9,281 thousand, respectively. The percentage of equity interest increased from 43.25% to 45.71%.

The changes in the subsidiary's equity attributed to the Consolidated Company are as follows:

		December 31, 2014
Book value of non-controlling interest in acquisition	$	26,269
Consideration transferred to non-controlling interests		(23,573)
Capital surplus－differences between acquisition price and book value	**$**	**2,696**

(f) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Consolidated Company for the years ended December 31, 2015 and 2014, were as follows:

		Land	Buildings	Machinery equipment	Other equipment	Leasehold improvement	Construction in progress	Total
Cost:								
Balance at January 1, 2015	$	843,186	2,955,321	8,767,270	2,145,407	14,671	944,006	15,669,861
Additions		-	98,367	1,167,697	108,186	-	797,267	2,171,517
Disposals		-	-	(78,305)	(45,271)	-	-	(123,576)
Reclassification		-	442,152	292,564	473,944	-	(1,009,681)	198,979
Translation effect		(4,170)	(20,144)	(49,073)	(12,089)	-	(22,127)	(107,603)
Balance at December 31, 2015	$	839,016	3,475,696	10,100,153	2,670,177	14,671	709,465	17,809,178
Balance at January 1, 2014	$	838,802	2,889,135	8,312,553	2,043,437	14,671	141,027	14,239,625
Additions		-	-	8,119	16,376	-	824,664	849,159
Disposals		-	-	(90,880)	(8,900)	-	-	(99,780)
Reclassification		-	10,973	369,040	86,982	-	(28,290)	438,705
Translation effect		4,384	55,213	168,438	7,512	-	6,605	242,152
Balance at December 31, 2014	$	843,186	2,955,321	8,767,270	2,145,407	14,671	944,006	15,669,861
Accumulated depreciation and impairment loss:								
Balance at January 1, 2015	$	-	947,739	5,762,080	1,349,700	1,781	-	8,061,300
Depreciation		-	100,266	598,089	181,402	574	-	880,331
		-	3,648	9,489	1,292	-	289	14,718
Disposal		-	-	(56,709)	(28,369)	-	-	(85,078)
Translation effect		-	(9,755)	3,970	(4,923)	-	-	(10,708)
Balance at December 31, 2015	$	-	1,041,898	6,316,919	1,499,102	2,355	289	8,860,563
Balance at January 1, 2014	$	-	833,762	5,203,754	1,181,995	1,208	-	7,220,719
Depreciation		-	94,127	558,363	163,625	573	-	816,688
Disposals		-	-	(77,611)	(8,384)	-	-	(85,995)
Translation effect		-	19,850	77,574	12,464	-	-	109,888
Balance at December 31, 2014	$	-	947,739	5,762,080	1,349,700	1,781	-	8,061,300
Carrying amount:								
December 31, 2015	$	839,016	2,433,798	3,783,234	1,171,075	12,316	709,176	8,948,615
December 31, 2014	$	843,186	2,007,582	3,005,190	795,707	12,890	944,006	7,608,561

i) Impairment loss

The Consolidated Company overestimated the market demand in Tailand on its single and double sized print-circuit board in 2015. The Consolidated Company performed its impairment test by estimating its future cash flow. The impairment loss of $14,718 thousand was recognized as the estimated amount of its future cash flow and was recorded under non-operating income and expenses－other gains or losses.

ii) Collateral

Please refer to note 8 for the amount of property, plant and equipment pledged as collateral for loans as of December 31, 2015 and 2014.

(g) Short-term and long-term loans

The details, terms and clauses of the Consolidated Company's short-term and long-term loans were as follows:

i) Short-term loans

	December 31, 2015			
	Currency	Range of interest rates (%)	Year of maturity	Amount
Secured loans	USD	1.0174~1.15	2016	$ 591,732
Unsecured loans	USD	1.0174~1.35	2016	838,287
Unsecured loans	EUR	0.57~1.60	2016	287,926
Unsecured loans	JPY	0.62~1.09	2016	81,990
Letter of credit	THB	2.35~2.65	2016	34,152
Total				$ 1,834,087

	December 31, 2014			
	Currency	Range of interest rates (%)	Year of maturity	Amount
Secured loans	USD	1.10~1.15	2015	$ 616,824
Secured loans	THB	4.85	2015	12,995
Unsecured loans	USD	0.93~4.4693	2015	1,057,997
Unsecured loans	EUR	0.56~1.18	2015	500,505
Unsecured loans	JPY	0.84~1.07	2015	79,470
Letter of credit	THB	2.35~2.55	2015	84,586
Letter of credit	TWD	0.848~5.00	2015	30,834
Total				$ 2,383,211

As of December 31, 2015 and 2014, the unused credit facilities of the Consolidated Company's short-term loans amounted to $4,885,405 thousand, and $4,414,729 thousand, respectively.

ii) Long-term loans

	December 31, 2015			
	Currency	Range of interest rates (%)	Year of maturity	Amount
Secured loans	THB	4.50	2019	$ 135,091
Current				$ 42,358
Non-current				92,733
Total				$ 135,091

(Continued)

	December 31, 2014			
	Currency	**Range of interest rates (%)**	**Year of maturity**	**Amount**
Secured loans	THB	4.50	2019	$ 89,522
Current				$ 10,589
Non-current				78,933
Total				$ 89,522

Please refer to note 6(s) for the disclosures on the Consolidated Company's risk exposure to interest risk, currency risk and liquidity risks.

iii) Collateral of loans

The Consolidated Company has mortgaged their as collateral of loans. Please refer to note 8.

(h) Provisions

	Allowance for sales return and discount
Balance as of January 1, 2015	$ 171,699
Provisions added	255,192
Translation effect	(105)
Balance as of December 31, 2015	$ 426,786
Current	$ 426,786
Non-current	-
	$ 426,786
Balance as of January 1, 2014	$ -
Provisions added	171,699
Balance as of December 31, 2014	$ 171,699
Current	$ 171,699
Non-current	-
	$ 171,699

The provision of customer returns and rebates was based on historical experience, management's judgments and other known reasons estimated product rectums and rebates may occur in the year. The provision was recognized as a reduction of operating income in the periods of the related goods sold.

(Continued)

(i) Bonds payable

The information of the bonds payable of the Consolidated Company was as follows:

		December 31, 2015	December 31, 2014
Unsecured convertible bonds	$	140,314	138,043
Translation effect		(4,295)	3,165
Bonds payable of ending balance	$	136,019	141,208
Equity component－conversion options (non-controlling interests)	$	10,519	10,519

		2015	2014
Interest Expenses (financial costs)	$	2,343	818

i) On August 20, 2014, Draco PCB Public Co., Ltd. issued 6,000,000 units of unsecured convertible bonds, with a par value of THB100 per unit. The total value of the convertible bonds was $564,540 thousand (approximately THB600,000 thousand). The Company purchased 4,417,944 units of convertible bonds on August 20, 2014, with a total cost of $415,905 thousand (approximately THB441,794 thousand). On January 14, 2015, the Company converted 1,750,000 units of convertible bonds to 31,328 thousand shares of common stocks of Draco PCB Public Co., Ltd. with an additional cash proceed amounting to $5,650 thousand. The converted price was THB5.4 per unit. As of December 31, 2015 and 2014, the Company acquired 2,667,944 and 4,417,944 units of convertible bonds of Draco PCB Public co., Ltd., with the total values of $243,343 thousand and $425,271 thousand, respectively, (approximately THB266,794 thousand and THB441,794 thousand, respectively).

When a company holds the convertible bonds issued by its subsidiary, the bonds held shall be viewed as redeemed bonds of the issuer.

ii) The information of the outstanding bonds were as follows:

		December 31, 2015	December 31, 2014
Total amount of convertible bonds	$	564,540	564,540
Accumulated amount of converted bonds		(168,367)	-
Translation effect		(8,530)	-
		387,643	564,540
Redemption value of convertible bonds held by the Company		(243,343)	(425,271)
Bonds payable	$	144,300	139,269

iii) When the convertible bonds were issued, the call options and put options embedded in bonds payable were separated and recognized as equity and liability as follows:

		Issuance
Present value under compound interest of convertible bonds	$	524,646
Equity component－conversion option		39,894
	$	564,540

iv) The underwriting processing fee was $4,215 thousand for the issuance. Terms of the bonds are as follows:

i. Coupon rate: 5.19%

ii. Effective rate: 7.20%, interest is paid on June 30, and December 31, yearly.

iii. Period: 5 years (August 20, 2014 to August 19, 2019)

iv. Conversion period: From December 31, 2014, the bondholders have the right to ask for conversion of the bonds on June 30, December 31 and the expiry date.

v. Conversion price: The price has been set as THB$5.4 per share at initial issuance. During the convertible period, the price for conversion of the bonds is THB$5.4 (face value THB$100 per bond) into 17.901852 shares and paid the supplementary cash THB$3.33 per share. The total amount of the shares to the conversion shall not be over 107,411 thousand shares.

vi. Draco PCB Co., Ltd. has no right to repurchase the bonds in advance and the bondholders have no right to redeem the bonds.

(j) Operating leases

Non-cancellable rental payables of operating leases were as follows:

		December 31, 2015	December 31, 2014
Less than one year	$	26,579	21,559
Between one and five years		66,073	58,482
Over five years		3,074	11,592
	$	95,726	91,633

The Consolidated Company leases factory facilities and parking space under operating leases. The leases typically run for a period of 1 to 5 years, with an option to renew the lease. The lease payment will be adjusted to reflect market price when renewing the contract.

For the years ended December 31, 2015 and 2014, lease costs and expenses were $35,829 thousand and $31,182 thousand, respectively.

(Continued)

(k) Employee benefits

i) Defined benefit plans

The present value of the defined benefit obligations and the fair value adjustments of the plan assets for the Consolidated Company were as follows:

		December 31, 2015	December 31, 2014
Present value of the defined benefit obligations	$	439,741	462,321
Fair value of plan assets		(434,775)	(417,795)
Net defined benefit liability	$	4,966	44,526

The Consolidated Company makes defined benefit plan contributions to the pension fund account at Bank of Taiwan and Chunghua Post Co., Ltd. that provides pensions for employees and managers upon retirement. The plans (covered by the Labor Standard) entitle a retired employee to receive an annual payment based on years of service and average salary for the six months prior to retirement.

i. Composition of plan assets

The Consolidated Company allocates pension funds in accordance with the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund", and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from the two-year time deposits with the interest rates offered by local banks.

The Consolidated Company's Bank of Taiwan and Chunghua Post Co., Ltd labor pension reserve account balance amounted to $386,872 thousand and $46,064 thousand, respectively, as of December 31, 2015. For information on the utilization of the labor pension fund assets including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

ii. Movements in present value of the defined benefit obligations

The movements in present value of the defined benefit obligations for the Consolidated Company were as follows:

		2015	2014
Defined benefit obligation at January 1	$	462,321	462,227
Current service costs and interest		15,208	32,826
Remeasurements of the net defined benefit liability (asset)			
－Actuarial gains and losses arising from changes in financial assumptions		(25,113)	(10,612)
Benefits paid		(12,675)	(22,120)
Defined benefit obligation at December 31	$	439,741	462,321

iii. Movements in fair value of plan assets

The movements in the fair value of plan assets for the Consolidated Company were as follows:

		2015	2014
Fair value of plan assets at January 1	$	417,795	410,530
Remeasurements of the net defined benefit liability (asset)			
－The return on plan assets (excluding amounts included in the interest during this period)		6,796	8,655
－Actuarial gains and losses arising from changes in financial assumptions		3,698	2,398
Contributions made		17,405	18,332
Benefits paid		(10,919)	(22,120)
Fair value of plan assets at December 31	$	434,775	417,795

iv. Expenses recognized in profit or loss

The expenses recognized on profit or loss for the Consolidated Company were as follows:

		2015	2014
Current service costs	$	7,471	13,871
Net interest on the defined benefit liability		941	10,300
	$	8,412	24,171

		2015	2014
Operating costs	$	5,288	15,256
Selling expenses		224	644
Administration expenses		2,860	8,218
Research and development expenses		40	53
	$	8,412	24,171

v. Remeasurement of the net defined benefit liability and asset under other comprehensive income

The Consolidated Company Remeasurements of the net defined benefit liability and asset recognized in other comprehensive income in 2015 and 2014 were as follows:

		2015	2014
Cumulative amount at January 1	$	5,131	18,141
Recognized during the period		(28,811)	(13,010)
Cumulative amount a December 31	$	(23,680)	5,131

(Continued)

vi. Actuarial assumptions

Assumptions used on calculating the present value of the defined benefit obligation as of December 31, 2015 and 2014, were as follows:

	2015.12.31	2014.12.31
Discount rate	1.625%~1.875%	0.75%~1.75%
Future salary increases rete	1.00%~5.00%	1.00%~3.00%

The expected contribution to be made by the Consolidated Company to the defined benefit plans for the next annual reporting period is $15,759 thousand.

The weighted average duration of the defined benefit obligation of employee and manager is 25.24 and 11.41 years, respectively.

vii. Sensitivity analysis for actuarial assumption

When calculating the present value of the defined benefit obligations, the Consolidated Company uses judgments and estimations to determine the actuarial assumptions, including discount rates, employee turnover rates and future salary changes, as of the financial statement date. Any changes in the actuarial assumptions may significantly impact the amount of the defined benefit obligations.

As of December 31, 2015, the effect of changes in actuarial assumptions on the present value of the defined benefit obligations was as follows:

		The impact of defined benefit obligation	
		Increase	Decrease
Discount rate (Increase 0.25%)	$	(17,325)	18,213
Future salary increase rate (Increase 0.25%)		18,090	(17,293)

The above sensitivity analysis is based on the effect of changes in a single assumption under the condition that other assumptions remain constant. In practice, many changes in assumptions may be linked together. The method used for the sensitivity analysis and calculation of the net defined benefit pension liability is the same.

The method used for sensitivity analysis for this year is the same as the method used in the previous year.

ii) Defined contribution plans

The Consolidated Company contributes an amount equal to 6%　of the employee's monthly The Consolidated Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Consolidated Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

(Continued)

Chin-Poon (Changshu) Electronic Co., Ltd, the subsidiary of the company recognizes the amounts contributed in each period as current period pension expense under the defined contribution plans according to the local legislation.

The Consolidated Company's pension costs under the defined contribution method were $180,223 thousand and $139,917 thousand for 2015 and 2014, respectively.

iii) Short-term employee benefit

		December 31, 2015	December 31, 2014
Annual leave benefit	$	58,532	52,128

(l) Income taxes

i) Income tax expense

The amount of income tax for 2015 and 2014 was as follows:

		2015	2014
Current tax expense			
Current period	$	532,997	480,700
10% surtax on unappropriated retained earnings		72,151	54,062
Adjustment for prior periods		15,945	10,425
		621,093	545,187
Deferred tax expense			
Origination and reversal of temporary differences		30,263	58,064
Income tax expenses from continuing operations	$	651,356	603,251

Reconciliations of income tax and profit before tax for 2015 and 2014 is as follows:

		2015	2014
Income before income tax	$	2,565,811	2,344,901
Income tax using the Company's domestic tax rate	$	436,188	398,633
Effect of tax rates in foreign jurisdiction		127,519	105,084
Dividend income		150	146
Under estimate of prior years' income tax		15,945	10,425
Tax-exempt income		(6,880)	(5,045)
Gain from investment using equity method		6,401	39,946
10% surtax on unappropriated retained earnings		72,151	54,062
Others		(118)	-
Total	$	651,356	603,251

(Continued)

ii) Deferred tax assets and liabilities

i. Unrecognized deferred income tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2015	December 31, 2014
Tax losses	$ 31,568	-

Deferred tax assets have not been recognized in respect of these items because it is not probable that the future taxable profit will be available against which the Consolidated Company can utilize the benefits therefrom.

The Consolidated Company's estimated unused loss carry-forwards up to December 31, 2015, were as follows:

Year of loss	Unused amount	Year of expiry
2014	$ 50,150	2019
2015	107,690	2020
	$ 157,840	

ii. Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2015 and 2014 were as follows:

Deferred tax liabilities:

	Gain from investment using equity method	Unrealize exchange gain	Others	Total
Balance at January 1, 2015	$ 501,250	14,113	-	515,363
Recognized in profit or loss	62,858	(14,967)	-	47,891
Balance at December 31, 2015	**$ 564,108**	**(854)**	**-**	**563,254**
Balance at January 1, 2014	$ 445,354	3,293	211	448,858
Recognized in profit or loss	55,896	10,820	(211)	66,505
Balance at December 31, 2014	**$ 501,250**	**14,113**	**-**	**515,363**

(Continued)

Deferred tax assets:

	Defined benefit plans	Allowance for inventory devaluation loss	Allowance for bad debts and sales discounts	Provisions	Other	Total
Balance at January 1, 2015	$ 7,690	8,215	40,687	26,030	24,730	107,352
Recognized in profit or loss	(1,737)	5,376	(24,023)	48,858	(10,846)	17,628
Recognized in other comprehensive income	(4,760)	-	-	-	-	(4,760)
Balance at December 31, 2015	$ 1,193	13,591	16,664	74,888	13,884	120,220
Balance at January 1, 2014	$ 8,788	6,481	71,504	-	14,795	101,568
Recognized in profit or loss	1,559	1,734	(30,817)	26,030	9,935	8,441
Recognized in other comprehensive income	(2,657)	-	-	-	-	(2,657)
Balance at December 31, 2014	$ 7,690	8,215	40,687	26,030	24,730	107,352

iii) Examination and approval

The ROC income tax authorities have examined the Company's income tax returns through 2013.

iv) Imputation tax information

Information related to the unappropriated earnings and tax deduction ratio is summarized below:

	December 31, 2015	December 31, 2014
Unappropriated earnings of 1997 and before	$ 330,898	330,898
Unappropriated earnings of 1998 and after	7,089,705	6,137,991
	$ 7,420,603	6,468,889

	December 31, 2015	December 31, 2014
Balance of imputation credit account (ICA)	$ 1,169,119	980,448

After the Company filed the income tax return to the tax authorities, the imputation tax credit ratio of earnings to be distributed in 2016 is estimated at 16.48%. The actual imputation tax credit ratio of earnings distributed in 2015 was 19.40%.

Effective from January 1, 2015, the tax deduction ratio for earnings distribution to R.O.C. residents is reduced to half of the previously allowable ratio. Meanwhile, the 10% profit-seeking income tax surcharge paid by the Company could only offset half the amount of income tax for individual shareholders resident outside the R.O.C. which should be withheld from the payment of the net amount of such dividends.

(m) Share capital and other equity

i) Common stock

As of December 31, 2015 and 2014, the total value of nominal ordinary shares amounted to $4,500,000 thousand, with par value of $10 per share, of which 397,495 shares were issued.

(Continued)

ii) Capital surplus

The details of capital surplus were as follows:

		December 31, 2015	December 31, 2014
Paid-in capital in excess of par value	$	630,382	630,382
Conversion of convertible bonds ordinary shares		937,936	937,936
Difference between consideration and carrying amount of subsidiaries acquired		6,071	2,696
	$	1,574,389	1,571,014

In accordance with the ROC Company Act, realized capital surplus can be used to increase share capital or to distribute as cash dividends after offsetting losses. The aforementioned capital surplus includes share premiums and donation gains. In accordance with the Securities Offering and Issuance Guidelines, the amount of capital surplus to increase share capital shall not exceed 10 percent of the actual share capital amount.

iii) Retained earnings

i. Legal reserve

In accordance with the ROC Company Act, 10 percent of net income after tax should be set aside as legal reserve, until it is equal to authorized capital. If the Company experienced profit for the year, the distribution of the statutory earnings reserve, either by new shares or by cash, shall be decided at the shareholders' meeting, and the distribution amount is limited to the portion of legal reserve which exceeds 25% of the paid-in capital.

ii. Special earnings reserve

In accordance with Ruling No. 1010012865 issued by the FSC on April 6, 2012, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should be equal to the difference between the total net current-period reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as a special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

iii. Distribution of earnings

According to the Company's Articles of Incorporation, when allocating the net profits for each fiscal year, the Company should first pay income tax, offset its prior years' losses, and appropriate 10% of net income to legal reserve. Legal reserve should be appropriated until the reserve equals to the Company's paid-in capital. The remainder, if necessary, is subject to special reserve. The distribution of remainder earning should be amounts directors' and supervisors' remuneration, employee bonuses and stockholders' dividends and bonuses in the percentage amounts of 0.5% to 5%, 2% to 10% and 20% to 80%. After the distribution, the remainder is unappropriate earnings.

(Continued)

If the stockholders are not distributed with stock dividends and the employees are not either. The bonus in the form of share to employees is allowed to share with employees within the Consolidated Company under the conditions set by the Board of Directors.

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The Board of Directions proposed the amendments on January 20, 2016, which will be approved at the 2016 annual shareholders' meeting. Please see notes 6(p) to the financial statements.

According to the Company's Articles of Incorporation, the Company's dividend policy will consider its operating environment, steady profitability, sufficiency of its cash for future expansion, financial plan and the balance of dividends. The Board of Directors then proposes the appropriations and presents this proposal for approval at the shareholders' meeting. The Company stipulated a dividend policy that at least 20% of income after tax may be distributed as cash dividends, and if the Company has sufficient cash acquired from the outer, the ratio of distribution as cash dividends will be 50%. The actual appropriations are based on profit and the requirement of cash which are adjusted and approved by the stockholders' meeting.

For the years 2014, the estimated amounts of employees' bonuses were $95,526 thousand, and the estimated amounts of directors' and supervisors' emoluments were $14,850 thousand. Such amounts were estimated by multiplying after-tax income by the percentage of distribution of employees' bonuses and directors' and supervisors' emoluments, and recorded as cost of sales or operating expenses in the period. The actual amount of employee bonus and remuneration to the board of directors and supervisors distributed for the year 2014 is identical to that estimated in the financial report ended 2014, and related information can be accessed through the Market Observation Post System.

The appropriations of 2014 and 2013 earnings have been approved by the Company's shareholders in its meetings held on June 24, 2015, and June 24, 2014, respectively. The appropriations and dividends per share were as follows:

	2014		2013	
	Amount per share (NT dollars)	**Total Amount**	**Amount per share (NT dollars)**	**Total Amount**
Dividends distributed to common stockholders:				
Cash	$ 2.20	874,490	2.60	1,033,488

(Continued)

iv) Other equities (net of tax)

	Foreign exchange differences arising from foreign operation	Available-for-sale financial assets	Non-controlling interests	Total
Balance at January 1, 2015	$ 577,464	63,241	4,960	645,665
Foreign exchange differences arising from foreign operation	(12,598)	-	(30,709)	(43,307)
Unrealized gains (losses) from available-for-sale financial assets	-	10,209	-	10,209
Cumulative gain (losses) reclassified to profit or loss upon disposal of available-for-sale financial assets	-	(40,473)	-	(40,473)
Balance at December 31, 2015	$ 564,866	32,977	(25,749)	572,094
Balance at January 1, 2014	$ 309,067	71,010	(29,136)	350,941
Foreign exchange differences arising from foreign operation	268,397	-	34,096	302,493
Unrealized gains (losses) from available-for-sale financial assets	-	21,908	-	21,908
Cumulative gain (losses) reclassified to profit or loss upon disposal of available-for-sale financial assets	-	(29,677)	-	(29,677)
Balance at December 31, 2014	$ 577,464	63,241	4,960	645,665

(n) Earnings per share

The calculation of basic and diluted earnings per share in 2015 and 2014 was as follows:

i) Basic EPS

	2015	2014
Net income attributable to common shareholders of the Company	$ 1,977,323	1,768,992
Weighted-average number of common shares outstanding (thousand shares)	397,495	397,495
Basic EPS (New Taiwan dollars)	$ 4.97	4.45

ii) Diluted EPS

		2015	2014
Net income attributable to common shareholders of the Company	$	1,977,323	1,768,992
Weighted-average number of common shares outstanding (thousand shares)		397,495	397,495
Influence of potentially dilutive shares－			
Employees' bonuses		3,062	2,856
Weighted-average number of shares outstanding－diluted (thousand shares)		400,557	400,351
Diluted EPS (New Taiwan dollars)	$	4.94	4.42

(o) Revenue

The details of revenue for the years ended December 31, 2015 and 2014, are as follows:

		2015	2014
Sale of goods	$	22,888,671	21,510,336
Income of processing		43,637	39,084
		22,932,308	21,549,420
Less: Sales return and discount		288,203	245,760
	$	22,644,105	21,303,660

(p) Employees' compensation and remunerations of directors and supervisors

In accordance with the Company's article, which will revised by the Company, the Company should contribute no less than 2%~10% of the profit as employee compensation and less than 3% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. Employees entitled to receive the above mentioned employee compensation, in shares or cash, includes the employees of the subsidiaries of the Company who meet certain specific requirements.

The Company estimated employee bonus and directors' emoluments amounting to $105,196 thousand and $14,850 thousand for the year 2015, respectively. The estimated amounts mentioned above are based on the net profit-pre-tax of each respective ending period multiplied by the amount of the employee bonus and the remuneration of the board of directors and supervisors as specified in the Company's policy. The estimations are reported under operating expenses. The differences between the estimated amounts and those recognized in financial statements approved by the Board of Directors and published to the public, if any, shall be accounted for as a change in accounting estimates and recognized in 2016.

(Continued)

(q) Non-operating income and expenses

i) Other income

The details of the other income in 2015 and 2014 are as follows:

		2015	2014
Interest income	$	119,833	134,334
Compensation income		146,285	191,429
Dividend income		886	860
Others		211,420	243,696
	$	478,424	570,319

ii) Other gains and losses

The details of other gains and losses are as follows:

		2015	2014
Net on foreign exchange gain	$	54,443	131,324
Gains on disposal of investments		40,473	29,677
Net loss on financial liabilities measured at fair value through profit or loss		(53)	-
Loss on disposal of property, plant and equipment		(21,635)	(5,119)
Impairment loss on property, plant and equipment		(14,718)	-
Others		(3,284)	(7,858)
	$	55,226	148,024

iii) Finance costs

The details of finance costs in 2015 and 2014 are as follows:

		2015	2014
Interest expenses:			
Bank loan	$	29,181	38,378
Amortisation of bonds payable		2,343	818
	$	31,524	39,196

(Continued)

(r) Reclassification of components of other comprehensive income

The details of other comprehensive income in 2015 and 2014 are as follows:

		2015	2014
Available-for-sale financial assets			
Net change in fair value for current year	$	10,209	21,908
Net change in fair value reclassified to profit or loss		(40,473)	(29,677)
Net changes in fair value recognized in other comprehensive income	$	(30,264)	(7,769)

(s) Financial instruments

i) Credit risk

i. Risk exposure

The book value of financial assets represents the maximum risk exposure. The maximum risk exposure amounts were $11,565,686 thousand and $12,160,504 thousand as at December 31, 2015 and 2014, respectively.

ii. Concentration of credit risk

In 2015 and 2014, the Consolidated Company's counterparties of account receivables transaction mainly locate in China, Germany, and the United States. As of December 31, 2015 and 2014, the balance of account receivables from those region accounted for 68% and 66%, respectively, of the total balance.

ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within a year	1-2 years	2-5 years	Over 5 years
December 31, 2015						
Non-derivative financial liabilities						
Secured loans	$ 591,732	598,145	598,145	-	-	-
Unsecured loans	1,242,355	1,262,357	1,262,357	-	-	-
Current portion of long-term loans	42,358	44,264	44,264	-	-	-
Notes payable	931,896	931,896	931,896	-	-	-
Accounts payable	2,394,744	2,394,744	2,394,744	-	-	-
Other payables	774,173	774,173	774,173	-	-	-
Bonds payable	136,019	144,300	-	-	144,300	-
Long-term loans	92,733	109,425	-	-	109,425	-
Derivative financial liabilities						
Other forward contracts:						
Outflow	53	53	53	-	-	-
	$ 6,206,063	6,259,357	6,005,632	-	253,725	-

	Carrying amount	Contractual cash flows	Within a year	1-2 years	2-5 years	Over 5 years
December 31, 2014						
Non-derivative financial liabilities						
Secured loans	$ 629,819	639,702	639,702	-	-	-
Unsecured loans	1,753,392	1,811,132	1,811,132	-	-	-
Current portion of long-term loans	10,589	11,065	11,065	-	-	-
Notes payable	915,212	915,212	915,212	-	-	-
Accounts payable	2,613,412	2,613,412	2,613,412	-	-	-
Other payables	982,349	982,349	982,349	-	-	-
Bonds payable	141,208	139,269	-	-	139,269	-
Long-term loans	78,933	80,117	-	-	80,117	-
	$ 7,124,914	7,192,258	6,972,872	-	219,386	-

The Consolidated Company does not expect that the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

iii) Currency risk

i. Currency risk exposure

The Consolidated Company's significant exposure to foreign currency risk was as follows:

	December 31, 2015			December 31, 2014		
	Foreign currency (in thousands)	Exchange rate	Amount	Foreign currency (in thousands)	Exchange rate	Amount
Financial assets:						
Monetary items:						
USD	$ 138,073	32.8740	4,539,012	131,293	31.6320	4,153,060
JPY	411,826	0.2733	112,552	238,744	0.2649	63,243
EUR	12,802	35.9908	460,754	10,954	38.5004	421,733
THB	59,547	0.9121	54,313	53,536	0.9626	51,534
CNY	171,396	5.0623	867,658	102,717	5.0978	523,631
Financial liabilities:						
Monetary items:						
USD	61,069	32.8740	2,007,582	64,869	31.6320	2,051,937
JPY	422,612	0.2733	115,500	469,846	0.2649	124,462
EUR	8,336	35.9908	300,019	13,102	38.5004	504,432

(Continued)

ii. Sensitivity analysis

The Consolidated Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts and other receivables, loans and borrowings, and accounts and other payables that are denominated in foreign currency. A weakening or strengthening 1% appreciation or depreciation of the TWD against the USD, JPY, EUR, THB and CNY as of December 31, 2015 and 2014, would have increased or decreased the net profit after tax by $29,973 thousand and $21,019 thousand, respectively. The analysis is performed on the same basis for both periods.

iii. Foreign exchange gains and losses on monetary items

Due to the numerous type of functional currency of the Consolidated Company, the Consolidated Company disclose its exchange gains and losses of monetary items aggregately. The Company's exchange gain (loss), including realized and unrealized, were $54,443 thousand and $131,324 thousand for the years ended December 31, 2015 and 2014, respectively.

iv) Interest rate analysis

Please refer to the note on liquidity risk management for the interest rate exposure of the Consolidated Company's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure of the interest rate on derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is on the basis of the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the management of the Consolidated Company's assessment on the reasonably possible interval of interest rate change.

With all other variable factors remain constant. If the interest rate increases or decreases by 1%, the Consolidated Company's net income will increase or decrease by $16,344 thousand and $20,524 thousand, respectively, for the years ended December 31, 2015, and 2014. This is mainly due from the Consolidated Company's borrowing on variable rates.

(Continued)

v) Fair value information

i. Categories and fair value of financial instruments

Except for the followings, carrying amount of the Consolidated Company's financial assets and liabilities are valuated approximately to their fair value, and are not based on observable market date and the value measurements which are not reliable. No additional fair value disclosure is required in accordance to the Regulations.

	December 31, 2015				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets					
Domestic beneficiary certification－open ended fund	$ 1,098,770	1,098,770	-	-	1,098,770
Domestic OTC stocks	13,286	13,286	-	-	13,286
Subtotal	1,112,056	1,112,056	-	-	1,112,056
Loans and receivables					
Cash and cash equivalents	3,909,412	-	-	-	-
Accounts and notes receivable	4,867,450	-	-	-	-
Other receivables	120,456	-	-	-	-
Other financial assets	1,556,312	-	-	-	-
Subtotal	10,453,630	-	-	-	-
Total	$ 11,565,686	1,112,056	-	-	1,112,056
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	$ 53	-	53	-	53
Financial liabilities measured at amortized cost					
Short-term loans	1,834,087	-	-	-	-
Long-term loans (including current portion)	135,091	-	-	-	-
Accounts and notes payable	3,326,640	-	-	-	-
Other payables	774,173	-	-	-	-
Bonds payable	136,019	-	-	-	-
Subtotal	6,206,010	-	-	-	-
Total	$ 6,206,063	-	53	-	53

(Continued)

	December 31, 2014				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets					
Domestic beneficiary certification－open ended fund	$ 2,323,078	2,323,078	-	-	2,323,078
Domestic OTC stocks	19,929	19,929	-	-	19,929
Subtotal	2,343,007	2,343,007	-	-	2,343,007
Loans and receivables					
Cash and cash equivalents	3,488,190	-	-	-	-
Accounts and notes receivable	4,302,335	-	-	-	-
Other receivables	139,563	-	-	-	-
Other financial assets	1,887,409	-	-	-	-
Subtotal	9,817,497	-	-	-	-
Total	$ 12,160,504	2,343,007	-	-	2,343,007
Financial liabilities measured at amortized cost					
Short-term loans	$ 2,383,211	-	-	-	-
Long-term loans (including current portion)	89,522	-	-	-	-
Accounts and notes payable	3,528,624	-	-	-	-
Other payables	982,349	-	-	-	-
Bonds payable	141,208	-	-	-	-
Total	$ 7,124,914	-	-	-	-

ii. Valuation techniques and assumptions used in fair value determination

1) Non-derivative financial instruments

If financial instrument have quoted price in an active market, using the quoted price as fair value.

The fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (included OTC stocks and open-ended funds).

2) Derivative financial instructment

The forward exchange contract is usually priced by the forward exchange rate from financial institutions.is

iii. Fair value hierarchy

The Consolidated Company used the fair value that can be observed in the market to measure the value of assets and liabilities. Fair values levels are based on the degree in which the fair value can be observed and grouped in to Levels 1 to 3 as follows:

1) Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.

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

3) Level 3: inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

iv. Transfers from Level 1 financial instrument to Level 2 financial instrument

There was no significant transfer from level 2 financial instrument to level 1 financial instrument.

(t) Financial risk management

i) Overview

The Consolidated Company has exposure to the following risks arising from financial instruments:

i. Credit risk

ii. Liquidity risk

iii. Market risk

This note discloses information about the Consolidated Company's exposure to each of the above risks, the objectives, policies and processes for measuring and managing risks, and the Consolidated Company's management of capital. Please see other related refer to the notes for quantitative information.

ii) Risk management framework

The Board of Directors of the Consolidated Company is full responsible for the establishment and management of the Consolidated Company's risk management framework and policies. It is developed and managed by the committee which is authorized by the Board of Directors and the committee reports to the Board of Directors regarding the frameworks operations regularly.

The Consolidated Company's risk management policies are established to identify and analyze the risks faced by the Consolidated Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Consolidated Company's activities. The Consolidated Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Consolidated Company's Board of Directors oversees how management monitors compliance with the Consolidated Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Consolidated Company. The supervisors are assisted in its oversight role by Internal Audit with undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors and supervisors.

iii) Credit risk

Credit risk is the risk of financial loss to the Consolidated Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Consolidated Company's receivables from customers and investment securities.

i. Trade and other receivables

The Consolidated Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Consolidated Company's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk, particularly during deteriorating economic circumstances.

The Consolidated Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Consolidated Company's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer, which represent the maximum open amount without requiring approval; these limits are reviewed on a periodic basis. Customers that fail to meet the Consolidated Company's benchmark creditworthiness may transact with the Consolidated Company only on a prepayment basis.

The Consolidated Company has established an allowance of doubtful accounts to reflect actual and estimated potential losses resulting from uncollectible account and trade receivables. The allowance of doubtful accounts consists primarily of specific losses regarding individual customers and estimates of potential losses based on statistics from payment histories of similar customer groups.

ii. Investments

The credit risk exposure in the bank deposits fix income investment and other financial instruments are measured and monitored by the Consolidated Company's finance department and reported to the management by authority. Since those who transact with the Consolidated Company are banks and other external parties with good credit standing, financial institutions with a credit rating above investment grade, and government agencies, there are no non-compliance issues.

Hence, there is no significant credit risk.

iii. Guarantees

The Consolidated Company's policy allows it to provide financial guarantees to the wholly owned subsidiaries. Financial guarantees provided by the Consolidated Company as of December 31, 2015 and 2014, are disclosed in note 13.

(Continued)

iv) Liquidity risk

Liquidity risk is the risk that the Consolidated Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Consolidated Company's approach to managing liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Consolidated Company's reputation.

The Consolidated Company uses activity-based costing to estimate the cost of its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. The Consolidated Company aims to maintain the level of its cash and cash equivalents at an amount in excess of the expected cash flows on operating expenses and financial liabilities. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Consolidated Company has unused short term bank facilities of $4,885,045 thousand and $4,414,729 thousand, respectively, as of December 31, 2015 and 2014.

v) Market risk

Market risk represents the potential loss arising from the decrease in the value of a financial instrument caused primarily by changes in interest rates, foreign exchange rates, or the price of financial produces. The Consolidated Company maintains its foreign currency positions within prescribed limits and signs the forward exchange contracts in order to manage market risk from changes in foreign exchange rates.

Financial assets available-for-sale financial assets－current and non-current are listed stocks and mutual funds, which may fluctuate with changes in equity price. In order to manage market risk, the Consolidated Company carefully selects trust companies with good reputations to engage in financial instrument transactions.

The Consolidated Company' bank balances and financial liability－short-term and long-term borrowings are exposed to the cash flow risk arising from changes in interest rates. However, the impact of the cash flow risk arising from changes in interest rate is not expected to be significant.

(u) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, capital surplus, retained earnings, and non-controlling interests of the Consolidated Company. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Consolidated Company's debt-to-adjusted-capital ratio at the end of the reporting period was as follows:

	December 31, 2015	December 31, 2014
Total liabilities	$ 8,677,589	9,157,833
Less: cash and cash equivalents	3,909,412	3,488,190
Net debt	$ 4,768,177	5,669,643
Total equity	$ 15,797,411	14,814,750
Debt-to-adjusted-capital ratio	30%	38%

(7) Related-party Transactions

(a) Parent company and ultimate controlling party

The Company is the ultimate controlling party of the Consolidated Company.

(b) Management personnel compensation

Key management personnel compensation comprised:

	2015	2014
Short-term employee benefits	$ 57,589	56,771
Post-employment benefits	916	916
	$ 58,505	57,687

In both 2015 and 2014, the Consolidated Company provided six vehicles at cost of $3,778 thousand for key management personnel.

(8) Pledged Assets

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2015	December 31, 2014
Property, plant and equipment			
Land	Short-term and long-term bank loan	$ 51,198	196,832
Buildings	Short-term and long-term bank loan	159,339	270,650
Restricted deposit (recorded under other non-current assets)	Short-term bank loan	1,846	1,925
		$ 212,383	469,407

(9) Significant Commitments and Contingencies

(a) As of December 31, 2015 and 2014, the Consolidated Company's had outstanding letters of credit for purchase of material and equipment amounting approximately to $1,329 thousand and $143,642 thousand, respectively, on which the Consolidated Company paid no deposits.

(b) As of December 31, 2015 and 2014, the Consolidated Company provided guarantee notes amounting to $1,280,000 thousand and $600,000 thousand, respectively, for usance letters of credits, domestic letters of credit and guarantees for the Consolidated Company's hiring of foreign labors. The customs duty guaranteed by the Consolidated Company for importing raw materials was both $15,000 thousand as December 31, 2015 and 2014.

(c) For expanding the factory, the Consolidated Company entered contracts of construction and purchase of property, plant and equipment. The total contract amount was $1,019,714 thousand and $1,990,723 thousand as of December 31, 2015 and 2014, respectively, of which the Consolidated Company had paid $901,567 thousand and $1,256,774 thousand, respectively, included in the construction in progress and prepayments for equipment accounts.

(d) DELTA NETWORK INC. filed a lawsuit against the Company to Taoyuan District Court for selling deficient product, and claimed compensation of $86,330 thousand (USD2,973 thousand), as December 31, 2015, the case is still in court proceeding.

(10) Significant Losses from Calamity: None.

(11) Significant Subsequent Events: None.

(12) Others

A summary of personnel costs, depreciation, depletion and amortization is as follows:

By function	2015			2014		
By nature	**Operating costs**	**Operating expenses**	**Total**	**Operating costs**	**Operating expenses**	**Total**
Employee benefits						
Salary	3,678,006	429,197	4,107,203	3,282,413	381,868	3,664,281
Labor and health insurance	301,509	23,694	325,203	261,510	24,436	285,946
Pension	164,578	24,057	188,635	142,615	21,473	164,088
Others	196,933	23,248	220,181	163,001	20,946	183,947
Depreciation	845,126	35,205	880,331	781,790	34,898	816,688
Amortization	-	-	-	-	-	-

(Continued)

(13) Other Disclosures

(a) Information on significant transactions

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Consolidated Company:

i) Loans extended to other parties:

No.	Name of lender	Name of borrower	Financial statement account	Related party	Highest balance of financing to other parties during the year	Ending balance	Amount actually drawn (Note 5)	Range of interest rates	Purposes of fund financing for the borrowers (Note 3)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Financing limit for each borrowing company	Maximum financing limit for the lender
													Item	Value		
0	CHIN-POON INDUSTRIAL CO., LTD.	Chin Poon Japan Co., Ltd.	Other receivable from related parties	Yes	6,888	6,833	6,833	1.5%	2	-	Operating capital	-		-	3,822,648 (Note 1)	3,822,648 (Note 1)
1	Chin Poon Holdings Cayman Limited	Chin-Poon (Changshu) Electronic Co., Ltd	Other receivable from related parties	Yes	1,452,352	1,084,842 (Note 4)	1,084,842	1.5056%~ 1.5750%	2	-	Operating capital	-		-	3,282,241 (Note 2)	3,282,241 (Note 2)

Note 1: The total amount lending to the Company's subsidiaries and a company shall not be over 25% of the net worth of the Company.

Note 2: The total amount lending to the subsidiaries and each borrowing company shall not be over 50% of the net worth of Chin Poon Holdings Cayman Limited.

Note 3: Nature of financing activities as follows:

(1) if there are transactions between these two parties, the number is "1".

(2) if it is necessary to loan to other parities, the number is "2".

Note 4: On Nov and Dec, 2015, Chin-Poon (Changshu) Electronic Co., Ltd repaid NTD$195,495 thousand (USD$6,000 thousand) and NTD$163,940 thousand (USD$5,000 thousand) to Chin Poon Holdings Cayman Limited, respectively.

Note 5: The transaction has already been written off in the consolidated financial statements.

ii) Guarantees and endorsements for other parties:

No.	Name of company	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for one party (Note 2)	Highest balance for guarantees and endorsements during the year	Ending balance of guarantees and endorsements (Note 2)	Amount actually drawn	Property pledged on guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum allowable amount for guarantees and endorsements (Note 2)	Parent company endorsement / guarantees to third parties on behalf of subsidiary	Subsidiary endorsement / guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of company in Mainland China
		Name	Relationship with the company (Note 1)										
0	CHIN-POON INDUSTRIAL CO., LTD.	Chin Poon Holdings Cayman Limited	3	3,058,119	495,120	493,110	230,118	-	3.23%	3,822,648	Y	N	N
0	CHIN-POON INDUSTRIAL CO., LTD.	Chin-Poon (Changshu) Electronic Co., Ltd	4	3,058,119	396,096	394,488	-	-	2.58%	3,822,648	Y	N	Y

Note 1: The guarantee's relationship with the guarantor is as follows:

(1) Ordinary business relationship.

(2) A subsidiary whose common stock is more than 50% directly owned by the guarantor.

(3) An investee whose common stock is more than 50% owned by the parent company and its subsidiary in aggregate.

(4) The parent company owns, directly or indirectly via subsidiaries, more than 50% of the guarantor's common stock.

(5) A company in the same trade that is mutually guaranteed pursuant to the covenants of a construction contract upon contracting a project.

(6) A company that is guaranteed proportionately according to the guarantor's ownership percentage due to co-investment by various investors.

Note 2: The total amount of guarantee shall not exceed 25% of the Company's net worth. The total amount of guarantee provided by the Company to any individual entity shall not exceed 25% of the Company's net worth.

iii) Securities held as of December 31, 2015 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Nature and name of security	Relationship with the security issuer	Account name	Ending balance				Maximum investment in 2013	Remarks
				Number of shares	Book value	Holding percentage	Market value		
The Company	Convertible bonds: Draco PCB Public Co., Ltd.－198A	Subsidiaries	Available-for-sale financial assets－current	2,667,944	234,862	- %	234,862	268,483	Note 1
The Company	Stocks: SIMPLO TCHNOLOGY CO., LTD.	-	Available-for-sale financial assets－non-current	126,536	13,286	- %	13,286	19,929	
The Company	Beneficiary Certificate: Jih Sun Money Market	-	Available-for-sale financial assets－current	24,546,621	358,872	- %	358,872	437,255	
The Company	Mirae Asset Solomon Money Market Fund	-	Available-for-sale financial assets－current	253,096	3,154	- %	3,154	3,154	
The Company	Capital Money Market	-	Available-for-sale financial assets－current	3,182,301	50,694	- %	50,694	207,748	
The Company	Mega Diamond Money Market Fund	-	Available-for-sale financial assets－current	12,517,404	154,965	- %	154,965	258,635	
The Company	Franklin Templeton Sinoam Money Market	-	Available-for-sale financial assets－current	29,043,331	296,242	- %	296,242	296,242	
The Company	Allianz Glbl Inv Global Bd A	-	Available-for-sale financial assets－current	2,516,420	30,851	- %	30,851	30,902	
The Company	Allianz Glbl Investors Taiwan Money Mkt	-	Available-for-sale financial assets－current	16,421,100	203,129	- %	203,129	302,878	

(Continued)

CHIN-POON INDUSTRIAL CO., LTD. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of holder	Nature and name of security	Relationship with the security issuer	Account name	Ending balance				Maximum investment in 2013	Remarks
				Number of shares	Book value	Holding percentage	Market value		
Draco PCB Public Co., Ltd.	TMB Money Fund	-	Available-for-sale financial assets－current	44,921	863	- %	863	863	

Note 1: The transaction has already been written off in the consolidated financial statements.

iv) The accumulated purchase or sale of securities for the period exceeding $300 million or 20% of paid-in capital:

Name of company	Name of security	Account name	Counterparty	Relationship with the Company	Beginning balance		Purchases		Sales				Ending balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Disposal gain	Shares	Amount
Chin-Poon (Changshu) Electronic Co., Ltd	CR Yuanta Cash Earning	Available-for-sale financial assets－current	CR Yuanta Fund	-	-	-	200,000	1,010,140	200,000	1,018,348	1,010,140	8,208	-	-

v) Information on the disposal of real estate which exceeds $300 million or 20% of the paid-in capital for the year ended December 31, 2015: None.

vi) Information on the disposal of real estate which exceeds $300 million or 20% of the paid-in capital for the year ended December 31, 2015: None.

vii) Information regarding related parties purchase and sale transactions which exceed $100 million or 20% of the paid-in capital:

Name of company	Counter-party	Relationship	Transaction details				Status and reason for deviation from arm's-length transaction		Account / note receivable (payable)		Remarks
			Purchase / Sale	Amount	Percentage of total purchases / sales	Credit period	Unit price	Credit period	Balance	Percentage of total accounts / notes receivable (payable)	
Chin Poon Holdings Cayman Limited	The Company	Parent-subsidiary	Purchase	614,659	34.12 %	Note 1	-		(233,001)	(51.05)%	
The Company	Chin Poon Holdings Cayman Limited	Parent-subsidiary	(Sale)	(614,659)	(3.55) %	Note 1	-		233,001	7.50%	
The Company	Chin-Poon (Changshu) Electronic Co., Ltd	Jointly controlled entities	Purchase	1,259,306	14.61 %	Note 1	-		(203,431)	(8.36)%	
Chin-Poon (Changshu) Electronic Co., Ltd	The Company	Ultimate parent company	(Sale)	(1,259,306)	(22.99) %	Note 1	-		203,431	14.81%	
Chin Poon Holdings Cayman Limited	Chin-Poon (Changshu) Electronic Co., Ltd	Parent-subsidiary	Purchase	1,143,060	63.45 %	Note 1	-		(206,927)	(45.34)%	
Chin-Poon (Changshu) Electronic Co., Ltd	Chin Poon Holdings Cayman Limited	Parent-subsidiary	(Sale)	(1,143,060)	(20.87) %	Note 1	-		206,927	15.08%	
Chin Poon Japan Co., Ltd.	The Company	Parent-subsidiary	Purchase	167,655	100.00 %	Note 1	-		(94,214)	(100.00)%	
The Company	Chin Poon Japan Co., Ltd.	Parent-subsidiary	(Sale)	(167,655)	(0.97) %	Note 1	-		94,214	3.03%	

Note 1: The sales and purchase prices are based on the market prices. The terms of collection and payment are not significantly different from those to third parties.

Note 2: The transaction has already been written off in the consolidated financial statement.

viii) Receivables from related parties in excess of $100 million or 20% of the paid-in capital:

Name of related party	Counter-party	Relationship	Balance of receivables from related party	Turnover rate	Overdue amount		Amounts received in subsequent period	Allowances for bad debts
					Amount	Action taken		
The Company	Chin Poon Holdings Cayman Limited	Parent-subsidiary	233,001	2.85	-		130,666 (As of March 18, 2016)	-
Chin-Poon (Changshu) Electronic Co., Ltd	The Company	Ultimate parent company	203,431	6.51	-		203,431 (As of March 18, 2016)	-
Chin-Poon (Changshu) Electronic Co., Ltd	Chin Poon Holdings Cayman Limited	Parent-subsidiary	206,927	6.07	-		206,927 (As of March 18, 2016)	-
Chin Poon Holdings Cayman Limited	Chin-Poon (Changshu) Electronic Co., Ltd	Parent-subsidiary	1,084,842	-	-		- (As of March 18, 2016)	-

Note 1: The transaction has already been written off in the consolidated financial statement.

(Continued)

ix) Derivative financial instrument transactions:

The Consolidated Company used derivative financial instruments to manage the exposures to fluctuations of foreign exchange risk derived from its operating activities. As of December 31, 2015, Draco PCB Public Co., Ltd.reported the following derivative financial instruments as financial liabilities at fair value through or loss profit without the application of hedge accounting.

	December 31, 2015			
	Contract amount (in thousands)	Currency	Expiry date	Fair value assets (liability)
Forward Contracts	$ 574	USD	2016.3	(53)

x) Business relationships and significant intercompany transactions:

No.	Name of company	Name of counter-party	Existing relationship with the counter-party	Transaction details			
				Account name	Amount	Trading terms	Percentage of the total consolidated revenue or total assets
0	The Company	Chin-Poon (Changshu) Electronic Co., Ltd	1	Cost of goods sold	1,259,306	Note 3	5.49%
0	The Company	Chin Poon Holdings Cayman Limited	1	Sales revenue	614,659	Note 3	2.68%
1	Chin Poon Holdings Cayman Limited	Chin-Poon (Changshu) Electronic Co., Ltd	3	Cost of goods sold	1,143,060	Note 3	4.98%
1	Chin Poon Holdings Cayman Limited	Chin-Poon (Changshu) Electronic Co., Ltd	3	Other receivable-related parties	1,084,842	The rate of interests are determined in accordance with mutual agreement	4.43%

Note 1: Company numbering is as follows:
(1) Parent company - 0.
(2) Subsidiary starts from 1.

Note 2: The number of the relationship with the transaction counterparty represents the following:
(1) 1 represents downstream transactions.
(2) 2 represents upstream transactions.
(3) 3 represents sidestream transactions.

Note 3: The sales and purchase prices are based on the market prices. The terms of collection and payment are not significantly different from those to third parties.

Note 4: For balance sheet items, over 1% of total consolidated assets, and for profit or loss items, over 1% of total consolidated revenue were selected for disclosure.

Note 5: The transactions have already been written off in the consolidated financial statements.

(b) Information on investees:

The following is the information on investees for the year 2015 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Address	Scope of business	Original cost		Ending balance			Maximum investment amount in 2014	Net income of investee	Investment income (losses)	Remarks
				December 31, 2015	December 31, 2014	Shares	Percentage of ownership	Book value				
The Company	VEGA International Enterprise Co., Ltd.	British Virgin Islands	Investment	3,070,205	3,070,205	92,354,035	100.00%	6,564,480	92,354,035	450,231	450,231	Subsidiary (Notes 2 and 4)
The Company	Chin Poon Japan Co., Ltd.	Japan	Trading of printed circuit board	3,229	3,229	180	100.00%	5,388	180	116	116	Subsidiary (Notes 2)
The Company	Draco PCB Public Co., Ltd.	Thailand	Trading of printed circuit board	457,420	310,422	129,982,641	52.59%	587,103	129,982,641	(146,136)	(82,434)	Subsidiary (Notes 3 and 4)
VEGA International Enterprise Co., Ltd.	Chin-Poon Holdings Cayman Limited	Cayman Islands	Investment	2,756,306	2,756,306	92,354,035	100.00%	6,564,481	92,354,035	450,231	450,231	Subsidiary (Notes 2)

Note 1: The transaction has already been written off in the consolidated financial statements.

Note 2: The investment income (loss) was recognized under the equity method and based on the financial statements audited by the auditor of the Company.

Note 3: The financial statements was audited by on intemational accounting firm in cooperation with the R.O.C. accounting firm.

Note 4: In 2015, VEGA International Enterprise Co., Ltd. and Draco PCB Public Co., Ltd. resdved to distribute cash dividends to the Company amounted to $115,950 thousand and $12,378 thousand, respectively. As of December 31, 2015, the amounts have been collected.

(c) Information on investment in Mainland China:

i) Information on investment in Mainland China:

Name of investee in Mainland China	Scope of business	Issued capital	Method of investment (Note 1)	Cumulative investment (amount) from Taiwan as of January 1, 2015	Investment flow during current period		Cumulative investment (amount) from Taiwan as of December 31, 2015	Net income of investee	Direct / indirect investment holding percentage	Maximum investment in 2015	Investment income (loss)	Book value	Accumulated remittance of earnings in current period
					Remittance amount	Repatriation amount							
Chin-Poon (Changshu) Electronic Co., Ltd	Trading of printed circuit board	2,536,825	(2)	2,536,825	-	-	2,536,825	415,321	100.00%	2,536,825	415,321	5,194,786	657,347

(Continued)

Note 1: The method of investment is divided into the following three categories:
(1) Invest directly in a company in Mainland China.
(2) Through the establishment of third-region companies then investing in Mainland China. (The Company invests Chin-Poon (Changshu) Electronic Co., Ltd. through Chin Poon Holdings Cayman Limited.)
(3) Other methods.

Note 2: The investment income was recognized under the equity method and based on the financial statements audited by the auditor of the Company.

Note 3: The transaction has already been written off in the consolidated financial statements.

ii) Limitation on investment in Mainland China:

Company name	Accumulated investment amount in Mainland China as of December 31, 2015	Investment (amount) approved by Investment Commission, Ministry of Economic Affairs	Maximum investment amount set by Investment Commission, Ministry of Economic Affairs
CHIN-POON INDUSTRIAL CO., LTD.	2,536,825	2,686,050	9,174,356 (Note 1)

Note 1: 60% of the net worth.

iii) Significant transactions with investees in Mainland China:

Related refer to note 13(a) for the indirect and direct business transactions in China. All transactions were eliminated upon consolidation.

(14) Segment Information

(a) General information

There are three service departments which should be reported: Taiwan, China and Others. Each department manufactures and sells related products respectively.

A reportable department is a strategic business unit providing different products and services. Because each strategic business unit requires different kinds of techniques and marketing tactics, it should be separately managed.

(b) Information on income and loss, assets, liabilities, basis of measurement, and the reconciliation for reportable segments

The Consolidated Company uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The measured amounts of the assets and liabilities of the reportable segments of the Consolidated Company are not provided to the chief operating decision maker. Because taxation is managed on a Consolidated Company basis, it is not able to be allocated to each reportable segment. In addition, all profit or loss from reportable segments includes significant non-cash items such as depreciation and amortization. The reportable amount is consistent with that in the report used by the chief operating decision maker.

The operating segment accounting policies are consistent with those described in note 4 "Significant Accounting Policies".

The Consolidated Company treated intersegment sales and transfers as third-party transactions. They are measured at market price.

Information on reportable segments and reconciliation for the Consolidated Company is as follows:

	2015				
	Taiwan	**China**	**Others**	**Adjustments or elimination**	**Total**
Revenue:					
Revenue from external customers	$ 16,484,804	3,039,235	3,120,066	-	22,644,105
Inter-segment revenues	808,610	2,438,053	106,604	(3,353,267)	-
Total revenue	**$ 17,293,414**	**5,477,288**	**3,226,670**	**(3,353,267)**	**22,644,105**
Reportable segment profit or loss	**$ 2,072,019**	**605,065**	**(111,273)**	**-**	**2,565,811**

	2014				
	Taiwan	**China**	**Others**	**Adjustments or elimination**	**Total**
Revenue:					
Revenue from external customers	$ 15,673,988	2,964,322	2,665,350	-	21,303,660
Inter-segment revenues	709,195	1,885,575	34,356	(2,629,126)	-
Total revenue	**$ 16,383,183**	**4,849,897**	**2,699,706**	**(2,629,126)**	**21,303,660**
Reportable segment profit or loss	**$ 2,003,623**	**341,934**	**(656)**	**-**	**2,344,901**

In 2015 and 2014, inter-segment revenues of $3,353,267 thousand and $2,629,126 thousand respectively, should be eliminated from total revenue.

(c) Information on products and services

The Consolidated Company is engaged in one industry which manufactures and sells printed circuit boards. The revenues from outer customers are disclosed on the information of operating segments.

(d) Geographical information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers, and segment non-current assets are based on the geographical location of the assets.

Geographical information	**2015**	**2014**
Revenue from external customers:		
Taiwan	$ 872,298	1,310,798
Germany	2,927,210	3,113,472
China	4,337,601	4,160,274
United States	3,009,732	4,422,337
Hungary	1,729,110	1,225,967
Other counties	9,768,154	7,070,812
Total	**$ 22,644,105**	**21,303,660**

Geographical information		December 31, 2015	December 31, 2014
Non-current assets:			
Taiwan	$	5,252,485	3,986,211
United States		2,853,429	3,151,588
Thailand		1,108,516	910,080
Total	$	**9,214,430**	**8,047,879**

Non-current assets include property, plant and equipment, and other assets, but do not include financial instruments, and deferred tax assets.

(e) Information about major customers

There was no major customer whose revenue was more than 10% of operating revenue of the Consolidated Company in 2015 and 2014.