

**ABLEREX ELECTRONICS CO., LTD. AND  
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND  
NOTES**

**JUNE 30, 2015 AND 2014**

**ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**JUNE 30, 2105, DECEMBER 31, 2014, AND JUNE 30, 2014**

(Expressed in thousands of New Taiwan dollars)

(The consolidated balance sheets as of June 30, 2015 and 2014 are reviewed, not audited)

ASSETS	June 30, 2015		December 31, 2014		June 30, 2014	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>Current assets</b>						
Cash and cash equivalents	\$ 482,790	17	\$ 493,007	17	\$ 591,899	22
Notes receivable, net	16,437	1	22,120	1	11,003	1
Accounts receivable, net	525,743	19	575,365	20	459,916	17
Accounts receivable due from related parties, net	884	-	159	-	252	-
Other receivables, net	11,970	-	27,788	1	10,212	-
Inventories	876,791	31	918,231	31	828,061	30
Prepayments	34,709	1	29,578	1	33,750	1
Other current assets	194	-	194	-	-	-
<b>Total current assets</b>	<u>1,949,518</u>	<u>69</u>	<u>2,066,442</u>	<u>71</u>	<u>1,935,093</u>	<u>71</u>
<b>Non-current assets</b>						
Property, plant and equipment	790,929	28	749,190	26	686,905	25
Intangible assets	45,871	2	43,920	1	43,215	2
Deferred tax assets	27,678	1	26,821	1	24,445	1
Other non-current assets	15,508	-	22,059	1	38,085	1
<b>Total non-current assets</b>	<u>879,986</u>	<u>31</u>	<u>841,990</u>	<u>29</u>	<u>792,650</u>	<u>29</u>
<b>Total assets</b>	<u>\$ 2,829,504</u>	<u>100</u>	<u>\$ 2,908,432</u>	<u>100</u>	<u>\$ 2,727,743</u>	<u>100</u>

(Continued)

**ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**

**JUNE 30, 2015, DECEMBER 31, 2014, AND JUNE 30, 2014**

(Expressed in thousands of New Taiwan dollars)

(The consolidated balance sheets as of June 30, 2015 and 2014 are reviewed, not audited)

LIABILITIES AND EQUITY	June 30, 2015		December 31, 2014		June 30, 2014	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
Short-term borrowings	\$ 146,518	5	\$ 123,384	4	\$ 112,752	4
Notes payable	2,159	-	1,558	-	1,427	-
Accounts payable	429,565	15	556,247	19	523,375	19
Other payables	286,730	10	121,105	4	205,116	8
Current tax liabilities	38,962	2	31,175	1	31,599	1
Provisions - current	55,429	2	54,322	2	54,369	2
Other current liabilities	131,073	5	189,444	7	139,679	5
<b>Total current liabilities</b>	<b>1,090,436</b>	<b>39</b>	<b>1,077,235</b>	<b>37</b>	<b>1,068,317</b>	<b>39</b>
<b>Non-current liabilities</b>						
Deferred tax liabilities	72,884	2	74,462	2	63,056	2
Other non-current liabilities	23,381	1	23,373	1	15,769	1
<b>Total non-current liabilities</b>	<b>96,265</b>	<b>3</b>	<b>97,835</b>	<b>3</b>	<b>78,825</b>	<b>3</b>
<b>Total liabilities</b>	<b>1,186,701</b>	<b>42</b>	<b>1,175,070</b>	<b>40</b>	<b>1,147,142</b>	<b>42</b>
<b>Equity attributable to owners of parent</b>						
<b>Share capital</b>						
Common stock	450,000	16	450,000	15	450,000	17
<b>Capital surplus</b>						
Capital surplus	819,878	29	819,878	28	819,878	30
<b>Retained earnings</b>						
Legal reserve	166,549	6	145,346	5	145,346	5
Unappropriated retained earnings	181,056	6	278,629	10	156,947	6
<b>Other equity interest</b>						
Other equity interest	15,951	1	30,415	1	(631)	-
<b>Total equity attributable to owners of parent</b>	<b>1,633,434</b>	<b>58</b>	<b>1,724,268</b>	<b>59</b>	<b>1,571,540</b>	<b>58</b>
<b>Non-controlling interests</b>	<b>9,369</b>	<b>-</b>	<b>9,094</b>	<b>1</b>	<b>9,061</b>	<b>-</b>
<b>Total equity</b>	<b>1,642,803</b>	<b>58</b>	<b>1,733,362</b>	<b>60</b>	<b>1,580,601</b>	<b>58</b>
<b>Significant commitments and contingent liabilities</b>						
<b>Significant event after the balance sheet date</b>						
<b>Total liabilities and equity</b>	<b>\$ 2,829,504</b>	<b>100</b>	<b>\$ 2,908,432</b>	<b>100</b>	<b>\$ 2,727,743</b>	<b>100</b>

**ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2015 AND 2014**  
(Expressed in thousands of New Taiwan dollars, except for earning per share amount)  
(Unaudited)

Items	Three months ended June 30				Six months ended June 30			
	2015		2014 (adjusted)		2015		2014 (adjusted)	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>Sales revenue</b>	\$ 753,185	100	\$ 690,315	100	\$ 1,442,094	100	\$ 1,293,851	100
<b>Operating costs</b>	( 577,465)	( 77)	( 531,314)	( 77)	( 1,095,815)	( 76)	( 985,870)	( 76)
<b>Gross profit from operations</b>	<u>175,720</u>	<u>23</u>	<u>159,001</u>	<u>23</u>	<u>346,279</u>	<u>24</u>	<u>307,981</u>	<u>24</u>
<b>Operating expenses</b>								
Selling expenses	( 54,140)	( 7)	( 53,747)	( 8)	( 103,389)	( 7)	( 104,689)	( 8)
General and administrative expenses	( 28,014)	( 4)	( 26,398)	( 4)	( 56,610)	( 4)	( 47,456)	( 4)
Research and development expenses	( 31,855)	( 4)	( 29,412)	( 4)	( 62,502)	( 4)	( 57,624)	( 4)
<b>Total operating expenses</b>	<u>( 114,009)</u>	<u>( 15)</u>	<u>( 109,557)</u>	<u>( 16)</u>	<u>( 222,501)</u>	<u>( 15)</u>	<u>( 209,769)</u>	<u>( 16)</u>
<b>Net operating income</b>	<u>61,711</u>	<u>8</u>	<u>49,444</u>	<u>7</u>	<u>123,778</u>	<u>9</u>	<u>98,212</u>	<u>8</u>
<b>Non-operating income and expenses</b>								
Other income	5,397	1	2,578	-	8,990	-	5,557	-
Other gains and losses	( 2,273)	-	3,756	1	( 2,829)	-	8,049	1
Finance costs	( 837)	-	( 248)	-	( 1,470)	-	( 481)	-
<b>Total non-operating income and expenses</b>	<u>2,287</u>	<u>1</u>	<u>6,086</u>	<u>1</u>	<u>4,691</u>	<u>-</u>	<u>13,125</u>	<u>1</u>
<b>Profit before income tax</b>	<u>63,998</u>	<u>9</u>	<u>55,530</u>	<u>8</u>	<u>128,469</u>	<u>9</u>	<u>111,337</u>	<u>9</u>
Income tax expense	( 12,573)	( 2)	( 15,509)	( 2)	( 24,338)	( 2)	( 27,567)	( 2)
<b>Profit for the period</b>	<u>\$ 51,425</u>	<u>7</u>	<u>\$ 40,021</u>	<u>6</u>	<u>\$ 104,131</u>	<u>7</u>	<u>\$ 83,770</u>	<u>7</u>
<b>Other comprehensive income</b>								
Financial statements translation differences of foreign operations	( \$ 9,699)	( 1)	( \$ 11,512)	( 2)	( \$ 17,610)	( 1)	( \$ 11,716)	( 1)
Income tax relating to the components of other comprehensive income	<u>1,591</u>	<u>-</u>	<u>1,950</u>	<u>-</u>	<u>2,920</u>	<u>-</u>	<u>1,978</u>	<u>-</u>
<b>Other comprehensive income, net</b>	<u>( 8,108)</u>	<u>( 1)</u>	<u>( 9,562)</u>	<u>( 2)</u>	<u>( 14,690)</u>	<u>( 1)</u>	<u>( 9,738)</u>	<u>( 1)</u>
<b>Total comprehensive income</b>	<u>\$ 43,317</u>	<u>6</u>	<u>\$ 30,459</u>	<u>4</u>	<u>\$ 89,441</u>	<u>6</u>	<u>\$ 74,032</u>	<u>6</u>
<b>Profit (loss), attributable to:</b>								
Owners of the parent	\$ 51,014	7	\$ 40,075	6	\$ 103,630	7	\$ 83,440	7
Non-controlling interest	<u>411</u>	<u>-</u>	<u>( 54)</u>	<u>-</u>	<u>501</u>	<u>-</u>	<u>330</u>	<u>-</u>
	<u>\$ 51,425</u>	<u>7</u>	<u>\$ 40,021</u>	<u>6</u>	<u>\$ 104,131</u>	<u>7</u>	<u>\$ 83,770</u>	<u>7</u>
<b>Comprehensive income attributable to:</b>								
Owners of the parent	\$ 43,038	6	\$ 30,672	4	\$ 89,166	6	\$ 73,908	6
Non-controlling interest	<u>279</u>	<u>-</u>	<u>( 213)</u>	<u>-</u>	<u>275</u>	<u>-</u>	<u>124</u>	<u>-</u>
	<u>\$ 43,317</u>	<u>6</u>	<u>\$ 30,459</u>	<u>4</u>	<u>\$ 89,441</u>	<u>6</u>	<u>\$ 74,032</u>	<u>6</u>
<b>Earnings per share (in dollars)</b>								
<b>Total basic earnings per share</b>	<u>\$ 1.13</u>		<u>\$ 0.90</u>		<u>\$ 2.30</u>		<u>\$ 1.85</u>	
<b>Total diluted earnings per share</b>	<u>\$ 1.13</u>		<u>\$ 0.89</u>		<u>\$ 2.20</u>		<u>\$ 1.84</u>	

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2015 AND 2014  
(Expressed in thousands of New Taiwan dollars)  
(Unaudited)

	Equity attributable to owners of the parent							Non-controlling interests	Total equity
	Common Stock	Capital surplus, additional paid-in capital	Legal reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Total			
<u>2014</u>									
Balance at January 1, 2014	\$ 450,000	\$ 819,878	\$ 130,958	\$ 200,395	\$ 8,901	\$ 1,610,132	\$ 8,937	\$ 1,619,069	
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	14,388	( 14,388 )	-	-	-	-	
Cash dividends to shareholders	-	-	-	( 112,500 )	-	( 112,500 )	-	( 112,500 )	
Profit for the period	-	-	-	83,440	-	83,440	330	83,770	
Other comprehensive income for the period	-	-	-	-	( 9,532 )	( 9,532 )	( 206 )	( 9,738 )	
Balance at June 30, 2014	<u>\$ 450,000</u>	<u>\$ 819,878</u>	<u>\$ 145,346</u>	<u>\$ 156,947</u>	<u>( \$ 631 )</u>	<u>\$ 1,571,540</u>	<u>\$ 9,061</u>	<u>\$ 1,580,601</u>	
<u>2015</u>									
Balance at January 1, 2015	\$ 450,000	\$ 819,878	\$ 145,346	\$ 278,629	\$ 30,415	\$ 1,724,268	\$ 9,094	\$ 1,733,362	
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	21,203	( 21,203 )	-	-	-	-	
Cash dividends to shareholders	-	-	-	( 180,000 )	-	( 180,000 )	-	( 180,000 )	
Profit for the period	-	-	-	103,630	-	103,630	501	104,131	
Other comprehensive income for the period	-	-	-	-	( 14,464 )	( 14,464 )	( 226 )	( 14,690 )	
Balance at June 30, 2015	<u>\$ 450,000</u>	<u>\$ 819,878</u>	<u>\$ 166,549</u>	<u>\$ 181,056</u>	<u>\$ 15,951</u>	<u>\$ 1,633,434</u>	<u>\$ 9,369</u>	<u>\$ 1,642,803</u>	

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2015 AND 2014  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)  
(Unaudited)

	2015	2014
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Consolidated profit before tax for the period	\$ 128,469	\$ 111,337
Adjustments to reconcile net income to net cash (used in) provided by operating activities		
Income and expenses having no effect on cash flows		
Provision (reversal) for bad debts	329	( 1,113 )
Net loss on financial liabilities at fair value through profit or loss	-	49
Depreciation expense	27,478	25,710
Amortisation expense (including amortisation charges on long-term prepaid rent)	3,256	3,934
Loss on disposal of property, plant and equipment	76	309
Interest income	( 1,720 )	( 2,022 )
Financial costs	1,470	481
Unrealised foreign exchange loss	1,420	592
Changes in assets/liabilities relating to operating activities		
Net changes in assets relating to operating activities		
Notes receivable, net	5,683	13,382
Account receivable	49,293	( 12,802 )
Accounts receivable due from related parties, net	( 725 )	( 252 )
Inventories	41,440	( 124,629 )
Other receivables	15,718	( 4,194 )
Prepayments	( 5,131 )	( 17,714 )
Net changes in liabilities relating to operating activities		
Financial liabilities at fair value through profit or loss	-	( 49 )
Notes payable	601	( 766 )
Accounts payable	( 126,682 )	96,850
Other payables	( 12,490 )	( 19,118 )
Provisions - current	1,107	4,693
Other current liabilities	( 58,371 )	( 28,543 )
Other non-current liabilities	8	( 2 )
Cash generated from operations	71,229	46,133
Interest received	1,820	2,086
Interest paid	( 3,355 )	( 2,591 )
Income tax paid	( 15,618 )	( 22,568 )
Net cash provided by operating activities	54,076	23,060

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ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2015 AND 2014  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)  
(Unaudited)

	2015	2014
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from disposal of property, plant and equipment	\$ 80	\$ -
Acquisition of property, plant and equipment	( 78,296 )	( 12,821 )
Acquisition of intangible assets	( 1,520 )	-
Other non-current assets	2,453	9,240
Net cash used in investing activities	( 77,283 )	( 3,581 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in short-term borrowings	425,755	416,083
Repayment of short-term borrowings	( 402,621 )	( 357,618 )
Net cash provided by financing activities	23,134	58,465
Effect of exchange rate changes on cash and cash equivalents	( 10,144 )	( 6,001 )
(Decrease) increase in cash and cash equivalents	( 10,217 )	71,943
Cash and cash equivalents at beginning of period	493,007	519,956
Cash and cash equivalents at end of period	\$ 482,790	\$ 591,899

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
SIX MONTHS ENDED JUNE 30, 2015 AND 2014

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

(Reviewed, not audited)

SUPPLEMENTARY DISCLOSURES

(1) Significant transaction information

The Group discloses related information of the following for the six-month periods ended June 30, 2015:

Ablerex Electronics Co., Ltd. (The Company)

Ablerex Electronics (Samoa) Co., Ltd. (Ablerex-Samoa)

Joint Rewards Trading Corp. (Joint)

Ablerex Corporation (Ablerex-USA)

Ablerex International Co., Ltd. (Ablerex-HK)

Ablerex Electronics (Suzhou) Co., Ltd. (Ablerex-SZ)

Ablerex Overseas Co., Ltd. (Ablerex-Overseas)

Ablerex Electronics (S) Pte Limited (Ablerex-SG)

Ablerex Electronics (Beijing) Corporation Limited (Ablerex-BJ)

Ablerex Electronics U.K. Limited (Ablerex-UK)

Ablerex Electronics Italy S.R.L. (Ablerex-IT)

Excluding the presentation and disclosures of Ablerex-Samoa, Ablerex-Overseas and Ablerex-SZ concurrently reviewed by the Certified Public Accountant, the above-listed related parties disclosed below are presentations and disclosures on investees that were not concurrently reviewed by the Certified Public Accountant. For consolidated reporting purposes, all individuals disclosed below have eliminated all inter-group transactions. The disclosed information below is prepared for reference:

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

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.

D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.

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

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

G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 3.

H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.

I. Derivative financial instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

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

- (a) Purchasing amount and percentage and related receivables' percentage and balance at June 30, 2015: Please see Note 13(1) G.
- (b) Selling amount and percentage and related receivables' percentage and balance at June 30, 2015: Please refer to table 8.
- (c) Property transaction amounts and gains and loss arising from them: None.
- (d) Balance and purpose of provision of endorsements/guarantees or collaterals at June 30, 2015: None.
- (e) Maximum balance, ending balance, interest rate range and interest for financing during the month ended June 30, 2015: Please see Note 13(1) A.
- (f) Other significant transactions that affected the gains and losses or financial status for the period, i.e. rendering/receiving of service: Please refer to table 8.

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES

Loans to others

For the six-month period ended June 30, 2015

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six-month period ended June 30, 2015	Balance at June 30, 2015	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
0	The Company	Ablerex-IT	Other receivables	Y	\$ 6,260	\$ 6,172	\$ 6,172	1.75%	Short-term financing	\$ -	Turnover of operation	\$ -	None	\$ -	\$ 326,687	\$ 653,374	Note 1 Note 3
1	Ablerex-HK	Ablerex-SZ	Business transaction	Y	93,900	92,580	92,580	3.25%	Short-term financing	-	Turnover of operation	-	None	-	326,687	653,374	Note 1 Note 2 Note 4

Note 1: In accordance with the Company's "Procedures for Provision of Loans", limit on total loans to others is 40% of the Company's net assets. Limit on loans to a single party with business transactions is the higher value of purchases or sales during current year on the year of financing. Limit on loans to a single party with short-term financing is 20% of the Company's net assets; but limit on total loans to subsidiaries is 40% of the parent company's current net assets. Furthermore, for the foreign companies which the Group holds 100% of the voting rights directly or indirectly, limit on loans is not restricted.

Note 2: In accordance with the Ablerex-HK's "Procedures for Provision of Loans", limit on total loans to others is 40% of the parent company's net assets. Limit on loans to a single party with business transactions is the higher value of purchases or sales during current year. Limit on loans to a single party with short-term financing is 20% of the parent company's net assets; but limit on total loans to subsidiaries is 40% of the parent company's current net assets. Furthermore, for the foreign companies which the Group holds 100% of the voting rights directly or indirectly, limit on loans is not restricted. The deadline of each loan is 1 year from the lending day.

Note 3: The maximum loan grant allowed resolved by the Board of Directors is US \$200 thousand. As of June 30, 2015, loan grant allowed of US \$200 thousand is equivalent to the actual loans granted.

Note 4: The maximum loan grant allowed resolved by the Board of Directors is US \$3 million. As of June 30, 2015, loan grant allowed of US \$3 million is equivalent to the actual loans granted.

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES

Provision of endorsements and guarantees to others

For the six-month period ended June 30, 2015

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of June 30, 2015	Outstanding endorsement/ guarantee amount at June 30, 2015	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/ guarantor											
0	The Company	Ablerex-HK	Subsidiary	\$ 326,687	\$ 281,700	\$ 277,740	\$ 108,010	\$ -	17%	\$ 816,717	Y	N	N	Note

Note: In accordance with the Company's "Procedures for Provision of Endorsements and Guarantees", limit on the Company endorsements/guarantees to others is 50% of the Company's net assets, and limit on the Company's endorsements/guarantees to a single party is 20% of the Company's net assets. Limit on endorsements/guarantees for companies with business relations is the higher value of purchases or sales during current year.

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES

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

For the six-month period ended June 30, 2015

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
The Company	Ablerex-HK	Subsidiary	Purchases	\$ 800,356	77%	Note1	Note1	Note1	(\$ 258,857)	(67%)	-
Ablerex-HK	The Company	Parent Company	(Sales)	(USD 25,669 thousand)	(93%)	Note1	Note1	Note1	USD 8,388 thousand	84%	-
Ablerex-HK	Ablerex-SZ	An indirectly-owned Subsidiary	Purchases	USD 25,669 thousand	93%	Note 2	Note 2	Note 2	(USD 8,792 thousand)	(99%)	-
Ablerex-SZ	Ablerex-HK	An indirectly-owned Subsidiary	(Sales)	(RMB 158,973 thousand)	(90%)	Note 2	Note 2	Note 2	RMB 53,589 thousand	77%	-

Note 1: The transaction price is commensurate with the purchase price from AblereX-SZ; the receivable (payable) policy is Net 60 E.O.M.

Note 2: The transaction price is the AblereX-SZ production cost plus an agreed gross margin; the receivable (payable) policy is Net 60 E.O.M.

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES

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

June 30, 2015

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2015	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Ablerex-HK	The Company	Subsidiary	USD 8,388 thousand	5.62	\$ -	-	USD 4,969 thousand	\$ -
Ablerex-SZ	Ablerex-HK	Affiliate	RMB 53,589 thousand	5.38	-	-	RMB 11,607 thousand	-

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES  
Significant inter-company transactions during the reporting periods  
For the six-month period ended June 30, 2015

Table 5

Expressed in thousands of NTD

Individual transactions not exceeding \$10,000 and their corresponding transactions are not disclosed.

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	The Company	Ablerex-HK	1	Purchases	\$ 800,356	Note 4	55%
		Ablerex-HK	1	Sales	53,822	Note 5	4%
		Ablerex-HK	1	Account payable	258,857		9%
		Ablerex-USA	1	Sales	49,305	Note 6	3%
		Ablerex-USA	1	Account receivable	12,220		0%
		Ablerex-SG	1	Sales	75,783	Note 7	5%
		Ablerex-SG	1	Account receivable	72,276		3%
		Ablerex-IT	1	Sales	14,584	Note 7	1%
		Ablerex-IT	1	Account receivable	14,717		1%
1	Ablerex-HK	Ablerex-SZ	3	Purchases	796,910	Note 4	55%
		Ablerex-SZ	3	Sales	56,010	Note 5	4%
		Ablerex-SZ	3	Account receivable	34,080		1%
		Ablerex-SZ	3	Account payable	266,692		9%
		Ablerex-SZ	3	Other receivables	108,526	Note 9	4%
2	Ablerex-SZ	Ablerex-BJ	3	Purchases	13,458	Note 8	1%
		Ablerex-BJ	3	Sales	51,189	Note 8	4%
		Ablerex-BJ	3	Account receivable	38,659		1%
		Ablerex-BJ	3	Account payable	15,154		1%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Ablerex-HK conducted purchases from Ablerex-SZ, whereby the prices were based on Ablerex-SZ's production costs. The purchases were then resold to Ablerex with a zero contribution margin; the term for receivables and payables is Net 60 days E.O.M.

Note 5: Ablerex conducted sales to Ablerex-HK with a zero contribution margin. The sales were then resold to Ablerex-SZ with a zero contribution margin; the terms for receivables are coherent with general customers.

Note 6: Commensurate with general sale terms; the term for receivables is Net 120 days E.O.M.

Note 7: Transaction prices are determined according to the agreements between the parties; the credit term is Net 120 days E.O.M.

Note 8: Transaction prices are determined according to the agreements between the parties; the credit term is coherent with general customers.

Note 9: Ablerex-HK's loan to Ablerex-SZ, in accordance with their agreement, carries an annual interest rate of 3.25%.

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES

Information on investees

For the six-month period ended June 30, 2015

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2015			Net profit (loss) of the investee for the six-month period ended June 30, 2015	Investment income(loss) recognised by the Company for the six-month period ended June 30, 2015	Footnote
				Balance as at June 30, 2015	Balance as at December 31, 2014	Number of shares	Ownership (%)	Book value			
The Company	Ablerex-Samoa	Samoa	Holding company	\$ 217,445	\$ 217,445	6,635,000	100	\$ 541,537	\$ 9,057	\$ 14,065	Subsidiary
The Company	Joint	BVI	Providing management service	104	104	3,000	100	59	( 33)	( 33)	Subsidiary
The Company	Ablerex-USA	U.S.	Sales of uninterruptible power supply, solar energy products, and related systems	8,303	8,303	250,000	100	44,653	2,000	2,028	Subsidiary
The Company	Ablerex-HK	Hong Kong	Sales of uninterruptible power supply, solar energy products, and related systems	43	43	10,000	100	27,870	1,131	1,131	Subsidiary
The Company	Ablerex-SG	Singapore	Sales of uninterruptible power supply, solar energy products, and related systems	48,008	48,008	2,140,763	100	66,933	1,617	1,969	Subsidiary
The Company	Ablerex-UK	UK	Holding company	4,674	4,674	100,000	100	2,788	( 1,667)	( 1,967)	Subsidiary
Ablerex-Samoa	Ablerex -Overseas	Hong Kong	Holding company	217,445	217,445	6,635,000	100	550,445	9,090	-	Indirect subsidiary
Ablerex-UK	Ablerex-IT	Italy	Sales of uninterruptible power supply, solar energy products, and related systems	4,674	4,674	100,000	100	2,788	( 1,667)	-	Indirect subsidiary

Note: Excluding the presentation and disclosures of AblereX-Samoa and AblereX-Overseas concurrently reviewed by the Certified Public Accountant, the above-listed related parties disclosed below are presentations and disclosures on investees that were not concurrently reviewed by the Certified Public Accountant. For consolidated reporting purposes, all individuals disclosed below have eliminated all inter-group transactions.

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China

For the six-month period ended June 30, 2015

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2015	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the six-month period ended June 30, 2015		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2015	Net income of investee as of June 30, 2015	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six-month period ended June 30, 2015	Book value of investments in Mainland China as of June 30, 2015	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2015	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Ablerex-SZ	Manufacturing and sales of uninterruptible power supply, solar energy products, and related systems	\$ 168,496	Note 1	\$ 168,496	\$ -	\$ -	\$ 168,496	\$ 7,085	100	\$ 7,085	\$ 512,910	\$ -	Note 2
Ablerex-BJ	Manufacturing and sales of uninterruptible power supply, solar energy products, and related systems	49,766	Note 1	36,261	-	-	36,261	2,506	80	2,005	37,475	-	Note 2

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2015	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
ABLEREX ELECTRONICS CO., LTD.	\$ 204,757	\$ 204,757	\$ 980,060

Note 1: Invested in cash through the third region's subsidiary, Ablere-Samoa which invested in Ablere-Overseas and then reinvested in Ablere-SZ and Ablere-BJ. The investments were approved by the Investment Commission of the Ministry of Economic Affairs.

Note 2: Excluding the presentation and disclosures of Ablere-SZ concurrently reviewed by the Certified Public Accountant, the above-listed related parties disclosed below are presentations and disclosures on investees that were not concurrently reviewed by the Certified Public Accountant. For consolidated reporting purposes, all individuals disclosed below have eliminated all inter-group transactions.

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

For the six-month period ended June 30, 2015

Table 8

(2) Selling amount and percentage and related receivables' percentage and balance at June 30, 2015:

Company name	General ledger amount	For the six-month periods ended June 30, 2015		Footnote
		Amount	%	
Ablerex-HK	Sales	<u>\$ 53,822</u>		Resold to AblereX-SZ through AblereX-HK

(6) Other significant transactions that affected the gains and losses or financial status for the period, i.e. rendering/receiving of service:

Company name	General ledger amount	For the six-month periods ended June 30, 2015		Footnote
		Amount	%	
Ablerex-HK	Miscellaneous income	<u>\$ 512</u>	<u>16%</u>	The Company purchased the critical raw materials of \$7,660 on behalf of AblereX-SZ, and collectd revenue through AblereX-HK's transshipment.
AblereX-SZ	Deduction from management fee	<u>\$ 3,736</u>	<u>16%</u>	Provide management service to AblereX-SZ and collectd payment through Joint.
June 30, 2015				
Company name	General ledger amount	Amount	%	Footnote
Ablerex-HK	Other receivables	<u>\$ 5,213</u>	<u>30%</u>	