

**ABLEREX ELECTRONICS CO., LTD. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
REVIEW REPORT OF INDEPENDENT
ACCOUNTANTS
SEPTEMBER 30, 2016 AND 2015**

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2016, DECEMBER 31, 2015 AND SEPTEMBER 30, 2015

(Expressed in thousands of New Taiwan dollars)

(The consolidated balance sheets as of September 30, 2016 and 2015 are reviewed, not audited)

ASSETS		September 30, 2016		December 31, 2015		September 30, 2015	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets							
1100	Cash and cash equivalents	\$ 366,431	13	\$ 424,743	15	\$ 299,204	11
1150	Notes receivable, net	7,438	-	25,388	1	16,032	1
1170	Accounts receivable, net	453,253	16	596,870	20	576,484	20
1180	Accounts receivable due from related parties, net	1,098	-	-	-	216	-
1200	Other receivables, net	11,042	1	5,370	-	12,847	-
130X	Inventories	900,606	32	922,428	32	952,838	34
1410	Prepayments	27,392	1	34,619	1	27,782	1
1470	Total other current assets	194	-	194	-	194	-
11XX	Total current assets	<u>1,767,454</u>	<u>63</u>	<u>2,009,612</u>	<u>69</u>	<u>1,885,597</u>	<u>67</u>
Non-current assets							
1600	Property, plant and equipment	933,553	33	820,705	28	827,145	29
1780	Intangible assets	47,741	2	45,696	1	45,603	2
1840	Deferred income tax assets	32,299	1	28,915	1	28,673	1
1900	Other non-current assets	15,453	1	27,900	1	17,929	1
15XX	Total non-current assets	<u>1,029,046</u>	<u>37</u>	<u>923,216</u>	<u>31</u>	<u>919,350</u>	<u>33</u>
1XXX	Total assets	<u>\$ 2,796,500</u>	<u>100</u>	<u>\$ 2,932,828</u>	<u>100</u>	<u>\$ 2,804,947</u>	<u>100</u>

(Continued)

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2016, DECEMBER 31, 2015 AND SEPTEMBER 30, 2015
(Expressed in thousands of New Taiwan dollars)

(The consolidated balance sheets as of September 30, 2016 and 2015 are reviewed, not audited)

LIABILITIES AND EQUITY		September 30, 2016		December 31, 2015		September 30, 2015	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities							
2100	Short-term borrowings	\$ 248,674	9	\$ 135,883	5	\$ 247,663	9
2150	Notes payable	7,211	-	3,487	-	8,231	-
2170	Accounts payable	498,211	18	435,787	15	416,650	15
2200	Other payables	116,889	4	124,457	4	103,489	4
2230	Current income tax liabilities	19,221	1	33,965	1	29,038	1
2250	Provisions for liabilities - current	50,741	2	59,944	2	56,579	2
2300	Other current liabilities	172,516	6	308,028	11	145,620	5
21XX	Total current liabilities	<u>1,113,463</u>	<u>40</u>	<u>1,101,551</u>	<u>38</u>	<u>1,007,270</u>	<u>36</u>
Non-current liabilities							
2570	Deferred income tax liabilities	74,896	2	78,612	2	77,171	2
2640	Net defined benefit liability-non-current	21,065	1	21,077	1	23,381	1
25XX	Total non-current liabilities	<u>95,961</u>	<u>3</u>	<u>99,689</u>	<u>3</u>	<u>100,552</u>	<u>3</u>
2XXX	Total liabilities	<u>1,209,424</u>	<u>43</u>	<u>1,201,240</u>	<u>41</u>	<u>1,107,822</u>	<u>39</u>
Equity attributable to owners of parent							
Share capital							
3110	Common stock	450,000	16	450,000	15	450,000	16
Capital surplus							
3200	Capital surplus	819,878	29	819,878	28	819,878	29
Retained earnings							
3310	Legal reserve	184,180	7	166,549	6	166,549	6
3350	Unappropriated retained earnings	131,448	5	255,648	9	210,435	8
Other equity interest							
3400	Other equity interest	(7,273)	-	30,075	1	40,895	1
31XX	Total equity attributable to owners of parent	<u>1,578,233</u>	<u>57</u>	<u>1,722,150</u>	<u>59</u>	<u>1,687,757</u>	<u>60</u>
36XX	Non-controlling interests	<u>8,843</u>	<u>-</u>	<u>9,438</u>	<u>-</u>	<u>9,368</u>	<u>1</u>
3XXX	Total equity	<u>1,587,076</u>	<u>57</u>	<u>1,731,588</u>	<u>59</u>	<u>1,697,125</u>	<u>61</u>
Significant commitments and contingent liabilities							
3X2X	Total liabilities and equity	<u>\$ 2,796,500</u>	<u>100</u>	<u>\$ 2,932,828</u>	<u>100</u>	<u>\$ 2,804,947</u>	<u>100</u>

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2016 AND 2015
(Expressed in thousands of New Taiwan dollars, except for earning per share amount)
(Unaudited)

Items	Nine months ended September 30				Nine months ended September 30			
	2016		2015		2016		2015	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Sales revenue	\$ 568,147	100	\$ 595,661	100	\$ 1,789,468	100	\$ 2,037,755	100
5000 Operating costs	(449,413)	(79)	(475,507)	(80)	(1,397,650)	(78)	(1,571,322)	(77)
5950 Gross profit from operations	<u>118,734</u>	<u>21</u>	<u>120,154</u>	<u>20</u>	<u>391,818</u>	<u>22</u>	<u>466,433</u>	<u>23</u>
Operating expenses								
6100 Selling expenses	(43,474)	(8)	(47,815)	(8)	(144,305)	(8)	(151,204)	(7)
6200 General and administrative expenses	(25,778)	(5)	(29,087)	(5)	(92,769)	(5)	(85,697)	(4)
6300 Research and development expenses	(35,756)	(6)	(30,359)	(5)	(102,801)	(6)	(92,861)	(5)
6000 Total operating expenses	<u>(105,008)</u>	<u>(19)</u>	<u>(107,261)</u>	<u>(18)</u>	<u>(339,875)</u>	<u>(19)</u>	<u>(329,762)</u>	<u>(16)</u>
6900 Net operating income	<u>13,726</u>	<u>2</u>	<u>12,893</u>	<u>2</u>	<u>51,943</u>	<u>3</u>	<u>136,671</u>	<u>7</u>
Non-operating income and expenses								
7010 Other income	866	-	2,104	1	7,287	-	11,094	-
7020 Other gains and losses	(3,587)	-	23,825	4	(1,190)	-	20,996	1
7050 Finance costs	(435)	-	(479)	-	(1,294)	-	(1,949)	-
7000 Total non-operating income and expenses	<u>(3,156)</u>	<u>-</u>	<u>25,450</u>	<u>5</u>	<u>4,803</u>	<u>-</u>	<u>30,141</u>	<u>1</u>
7900 Profit before income tax	<u>10,570</u>	<u>2</u>	<u>38,343</u>	<u>7</u>	<u>56,746</u>	<u>3</u>	<u>166,812</u>	<u>8</u>
7950 Income tax expense	(3,412)	(1)	(9,318)	(2)	(17,035)	(1)	(33,656)	(1)
8200 Profit for the year	<u>\$ 7,158</u>	<u>1</u>	<u>\$ 29,025</u>	<u>5</u>	<u>\$ 39,711</u>	<u>2</u>	<u>\$ 133,156</u>	<u>7</u>
Components of other comprehensive income that will be reclassified to profit or loss								
8361 Financial statements translation differences of foreign operations	(\$ 20,379)	(4)	\$ 30,364	5	(\$ 45,637)	(2)	\$ 12,754	-
8399 Income tax relating to the components of other comprehensive income	<u>3,421</u>	<u>1</u>	<u>(5,067)</u>	<u>(1)</u>	<u>7,664</u>	<u>-</u>	<u>(2,147)</u>	<u>-</u>
8360 Components of other comprehensive income that will be reclassified to profit or loss	<u>(16,958)</u>	<u>(3)</u>	<u>25,297</u>	<u>4</u>	<u>(37,973)</u>	<u>(2)</u>	<u>10,607</u>	<u>-</u>
8500 Total comprehensive income	<u>(\$ 9,800)</u>	<u>(2)</u>	<u>\$ 54,322</u>	<u>9</u>	<u>\$ 1,738</u>	<u>-</u>	<u>\$ 143,763</u>	<u>7</u>
Profit (loss) attributable to:								
8610 Owners of the parent	\$ 7,071	1	\$ 29,379	5	\$ 39,681	2	\$ 133,009	7
8620 Non-controlling interest	87	-	(354)	-	30	-	147	-
	<u>\$ 7,158</u>	<u>1</u>	<u>\$ 29,025</u>	<u>5</u>	<u>\$ 39,711</u>	<u>2</u>	<u>\$ 133,156</u>	<u>7</u>
Comprehensive income attributable to:								
8710 Owners of the parent	(\$ 9,628)	(2)	\$ 54,323	9	\$ 2,333	-	\$ 143,489	7
8720 Non-controlling interest	(172)	-	(1)	-	(595)	-	274	-
	<u>(\$ 9,800)</u>	<u>(2)</u>	<u>\$ 54,322</u>	<u>9</u>	<u>\$ 1,738</u>	<u>-</u>	<u>\$ 143,763</u>	<u>7</u>
Earnings(Loss) per share (in dollars)								
9750 Basic earnings (loss) per share	<u>\$ 0.16</u>		<u>\$ 0.65</u>		<u>\$ 0.88</u>		<u>\$ 2.96</u>	
9850 Diluted earnings (loss) per share	<u>\$ 0.16</u>		<u>\$ 0.65</u>		<u>\$ 0.88</u>		<u>\$ 2.94</u>	

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2016 AND 2015
(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	Retained Earnings		Financial statements translation differences of foreign operations	Total			
Legal reserve			Unappropriated retained earnings						
<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	-	-	-	133,009	-	133,009	147	133,156	
Other comprehensive income for the period/year	-	-	-	-	10,480	10,480	127	10,607	
Balance at September 30, 2015	<u>\$ 450,000</u>	<u>\$ 819,878</u>	<u>\$ 166,549</u>	<u>\$ 210,435</u>	<u>\$ 40,895</u>	<u>\$ 1,687,757</u>	<u>\$ 9,368</u>	<u>\$ 1,697,125</u>	
<u>2016</u>									
Balance at January 1, 2016	\$ 450,000	\$ 819,878	\$ 166,549	\$ 255,648	\$ 30,075	\$ 1,722,150	\$ 9,438	\$ 1,731,588	
Appropriation and distribution of retained earnings :									
Legal reserve	-	-	17,631	(17,631)	-	-	-	-	
Cash dividends to shareholders	-	-	-	(146,250)	-	(146,250)	-	(146,250)	
Profit for the period	-	-	-	39,681	-	39,681	30	39,711	
Other comprehensive income for the year	-	-	-	-	(37,348)	(37,348)	(625)	(37,973)	
Balance at September 30, 2016	<u>\$ 450,000</u>	<u>\$ 819,878</u>	<u>\$ 184,180</u>	<u>\$ 131,448</u>	<u>(\$ 7,273)</u>	<u>\$ 1,578,233</u>	<u>\$ 8,843</u>	<u>\$ 1,587,076</u>	

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2016 AND 2015
(Expressed in thousands of New Taiwan dollars)
(Unaudited)

	2016	2015
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	\$ 56,746	\$ 166,812
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	38,393	41,078
Amortisation expense (including amortisation charges on long-term prepaid rent)	6,100	4,951
Provision (reversal) for bad debts	(4,402)	3,104
Financial costs	1,294	1,949
Interest income	(1,194)	(2,142)
Loss on disposal of property, plant and equipment	587	2,272
Unrealised foreign exchange loss (gain)	993	716
Changes in operating assets and liabilities		
Changes in operating assets		
Notes receivable, net	17,950	6,088
Accounts receivable	147,505	(4,099)
Accounts receivable due from related parties, net	(1,098)	(57)
Other receivables	(5,772)	14,841
Inventories	25,410	(35,431)
Prepayments	7,227	1,796
Changes in operating liabilities		
Notes payable	3,724	6,673
Accounts payable	62,424	(139,597)
Other payables	(4,296)	(16,690)
Provisions for liabilities - current	(9,203)	2,257
Other current liabilities	(135,512)	(43,824)
Defined benefit liability	(12)	8
Cash inflow generated from operations	206,864	10,705
Interest received	1,294	2,242
Interest paid	(4,566)	(2,875)
Income tax paid	(30,379)	(39,877)
Net cash flows from (used in) operating activities	173,213	(29,805)

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ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2016 AND 2015
(Expressed in thousands of New Taiwan dollars)
(Unaudited)

	<u>2016</u>	<u>2015</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of property, plant and equipment	(\$ 163,076)	(\$ 115,405)
Proceeds from disposal of property, plant and equipment	-	523
Acquisition of intangible assets	(1,252)	(1,694)
Increase in other non-current assets	(5,005)	(1,169)
Net cash flows used in investing activities	(169,333)	(117,745)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in short-term borrowings	755,893	1,112,141
Repayment of short-term borrowings	(643,102)	(987,862)
Cash dividends paid	(146,250)	(180,000)
Net cash flows used in financing activities	(33,459)	(55,721)
Effect of exchange rate changes on cash and cash equivalents	(28,733)	9,468
Net decrease in cash and cash equivalents	(58,312)	(193,803)
Cash and cash equivalents at beginning of period	<u>424,743</u>	<u>493,007</u>
Cash and cash equivalents at end of period	<u>\$ 366,431</u>	<u>\$ 299,204</u>

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2016

(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 nine-month periods ended September 30, 2016:

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)
Wada Denki Co., Ltd. (Ablerex-JP)

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 September 30, 2016: Please see Note 13(1) G.
- (b) Selling amount and percentage and related receivables' percentage and balance at September 30, 2016: 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 September 30, 2016: None.
- (e) Maximum balance, ending balance, interest rate range and interest for financing during the year ended and at September 30, 2016: 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 nine-month period ended September 30, 2016

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 nine-month period ended September 30, 2016	Balance at September 30, 2016	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	\$ 31,360 (USD 1,000 thousand)	\$ 21,952 (USD 700 thousand)	\$ 15,411 (USD 491 thousand)	1.5%-1.75%	Short-term financing	\$ -	Turnover of operation	\$ -	None	\$ -	\$ 315,647	\$ 631,293	Note 1 Note 3
0	The Company	Ablerex-IT	Other receivables	Y	\$ 6,467 (USD 203 thousand)	\$ -	\$ -	-	Business dealings	34,382	Turnover of operation	-	None	-	34,382	631,293	Note 1
1	Ablerex-HK	Ablerex-SZ	Inter-company transactions	Y	\$ 96,840 (USD 3,000 thousand)	\$ 94,080 (USD 3,000 thousand)	\$ 62,720 (USD 2,000 thousand)	3.25%	Short-term financing	-	Turnover of operation	-	None	-	315,647	631,293	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 credit to be drawn as approved by the Board of Directors was USD1 million. The period-end available credit balance was USD700 thousand. The actual amount drawn was USD491 thousand.

Note 4: The maximum credit to be drawn as approved by the Board of Directors was USD3 million. The period-end available credit balance was USD3 million. The actual amount drawn was USD2 million.

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES

Provision of endorsements and guarantees to others

For the nine-month period ended September 30, 2016

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 September 30, 2016	Outstanding endorsement/ guarantee amount at September 30, 2016	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	\$ 315,647	\$ 290,520	\$ 282,240	\$ 42,336	\$ -	18%	\$ 789,117	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 nine-month period ended September 30, 2016

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	\$ 806,764	70%	Note 1	Note 1	Note 1	(\$ 174,186)	(40%)	-
Ablerex-HK	The Company	Parent Company	(Sales)	(USD 24,877 thousand)	(95%)	Note 1	Note 1	Note 1	USD 5,554 thousand	89%	-
Ablerex-HK	Ablerex-SZ	An indirectly-owned Subsidiary	Purchases	USD 24,877 thousand	95%	Note 2	Note 2	Note 2	(USD 5,814 thousand)	(99%)	-
Ablerex-SZ	Ablerex-HK	An indirectly-owned Subsidiary	(Sales)	(RMB 163,101 thousand)	(89%)	Note 2	Note 2	Note 2	RMB 38,825 thousand	87%	-

Note 2: The transaction price is commensurate with the purchase price from AblereX-SZ; the receivable (payable) policy is Net 60 E.O.M.

Note 3: 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

September 30, 2016

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2016	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 5,554 thousand	4.77	\$ -	-	USD 1,900 thousand	\$ -
Ablerex-SZ	Ablerex-HK	Affiliate	RMB 38,825 thousand	4.21	-	-	RMB 25,874 thousand	-

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
For the nine-month period ended September 30, 2016

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	Sales	\$ 44,552	Note 9	2%
		Ablerex-HK	1	Purchases	806,764	Note 4	45%
		Ablerex-HK	1	Account Payable	174,186		6%
		Ablerex-HK	1	Other Receivable	11,663		0%
		Ablerex-USA	1	Sales	62,747	Note 6	4%
		Ablerex-SG	1	Sales	74,816	Note 7	4%
		Ablerex-SG	1	Account Receivable	25,343		1%
		Ablerex-IT	1	Sales	30,905	Note 7	2%
		Ablerex-IT	1	Account Receivable	21,912		1%
		Ablerex-IT	1	Other Receivable	15,411	Note 10	1%
1	Ablerex-HK	Ablerex-SZ	3	Purchases	803,744	Note 4	45%
		Ablerex-SZ	3	Sales	44,597	Note 9	2%
		Ablerex-SZ	3	Account Payable	183,313		7%
		Ablerex-SZ	3	Other Receivable	75,835	Note 5	3%
2	Ablerex-SZ	Ablerex-BJ	3	Sales	39,138	Note 8	2%
		Ablerex-BJ	3	Purchase	22,018	Note 8	1%
		Ablerex-BJ	3	Account Payable	26,435		1%
		Ablerex-BJ	3	Account Receivable	19,939		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-HK's loan to Ablerex-SZ, in accordance with their agreement, carries an annual interest rate of 3.25%.

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 conducts purchases from Ablerex, whereby the prices were determined according to the agreements between the parties. The purchases were then sold to Ablerex-SZ with a zero contribution margin; the credit term is coherent with general customers.

Note 10: Ablerex's loan to Ablerex-IT, in accordance with their agreement, carries an annual interest rate of 1.5%~1.75%

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES

Information on investees

For the nine-month period ended September 30, 2016

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2016			Net profit (loss) of the investee for the nine-month period ended September 30, 2016	Investment income(loss) recognised by the Company for the nine-month period ended September 30, 2016	Footnote
				Balance as at September 30, 2016	Balance as at December 31, 2015	Number of shares	Ownership (%)	Book value			
The Company	Ablerex-Samoa	Samoa	Holding company	\$ 217,445	\$ 217,445	6,635,000	100	\$ 543,355	\$ 20,408	\$ 24,838	Subsidiary
The Company	Joint	BVI	Providing management service	104	104	3,000	100	20	(41)	(41)	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	49,831	2,438	2,511	Subsidiary
The Company	Ablerex-HK	Hong Kong	Sales of uninterruptible power supply, solar energy products, and related systems	43	43	10,000	100	30,195	472	472	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	75,557	2,905	3,204	Subsidiary
The Company	Ablerex-UK	UK	Holding company	4,674	4,674	100,000	100	(344)	(1,014)	(2,145)	Subsidiary
The Company	Ablerex-JP	Japan	Sales of uninterruptible power supply, solar energy products, and related systems	-	-	-	-	(91)	(88)	(88)	Subsidiary
Ablerex-Samoa	Ablerex-Overseas	Hong Kong	Holding company	217,445	217,445	6,635,000	100	549,859	20,442	-	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	(344)	(1,014)	-	Indirect subsidiary

Note: Excluding the presentation and disclosures of Ablere-Samoa and Ablere-Overseas concurrently reviewed by the Certified Public Accountant, the above-listed related parties disclosed below are presentations and disclosures on investee 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 nine-month period ended September 30, 2016

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, 2016	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine-month period ended September 30, 2016		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2016	Net income of investee as of September 30, 2016	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2016	Book value of investments in Mainland China as of September 30, 2016	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2016	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Ablerex-SZ	Manufacturing and sales of uninterruptible power supply, solar energy products, and related systems	\$ 171,226	Note 1	\$ 171,226	\$ -	\$ -	\$ 171,226	\$ 20,361	100	\$ 20,361	\$ 514,505	\$ -	Note 2
Ablerex-BJ	Manufacturing and sales of uninterruptible power supply, solar energy products, and related systems	47,215	Note 1	36,848	-	-	36,848	151	80	121	35,371	-	Note 2

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2016	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.	\$ 208,074	\$ 208,074	\$ 946,940

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

Note 2: Excluding the presentation and disclosures of 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.

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 nine-month period ended September 30, 2016

Table 8

(2) Selling amount and percentage and related receivables' percentage and balance at September 30, 2016:

Company name	General ledger amount	For the nine-month period ended September 30, 2016		Footnote
		Amount	%	
Ablerex-SZ	Sales	\$ 44,597	5%	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 nine-month period ended September 30, 2016		Footnote
		Amount	%	
Ablerex-SZ	Miscellaneous income	\$ 1,396	- %	The Company purchased the critical raw materials of \$16,771 on behalf of AblereX-SZ, and collectd revenue through AblereX-HK's transshipment.
Ablerex-SZ	Deduction from management fee	\$ 8,756	100%	Provide management service to AblereX-SZ and collectd payment through Joint.

Company name	General ledger amount	September 30, 2016		Footnote
		Amount	%	
Ablerex-SZ	Other receivables	\$ 13,115	17%	