Pou Chen Corporation and Subsidiaries

Consolidated Financial Statements for the Nine Months Ended September 30, 2014 and 2013 and Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Pou Chen Corporation

We have reviewed the accompanying consolidated balance sheets of Pou Chen Corporation (the "Company") and its subsidiaries (collectively, the "Group") as of September 30, 2014 and 2013, and the related consolidated statements of comprehensive income for the three months ended September 30, 2014 and 2013, nine months ended September 30, 2014 and 2013, and changes in equity and cash flows for the nine months ended September 30, 2014 and 2013. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews. The Company's investments in Ruen Chen Investment Holding Co., Ltd. were accounted for by the equity method in the consolidated financial statements based on financial statements reviewed by other auditors. Our report, insofar as it relates to Ruen Chen Investment Holding Co., Ltd., is based solely on the review report of the other auditors. As of September 30, 2014 and 2013, the carrying value of the investments was 1.95% ($5,069,871 thousand) and 1.42% ($3,457,581 thousand) of the total assets, respectively. For the three months ended September 30, 2014 and 2013, nine months ended September 30, 2014 and 2013, the share of profit of the associate was 25.95% ($1,580,451 thousand), 14.05% ($899,109 thousand), 24.64% ($2,711,377 thousand) and 15.87% ($2,234,268 thousand) of the income before income tax, respectively.

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

Based on our reviews and the review report of the other auditors, we are not aware of any material modifications that should be made to the consolidated financial statements referred above for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 “Interim Financial Reporting” endorsed by the Financial Supervisory Commission of the Republic of China.

November 14, 2014

Notice to Readers

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

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

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	September 30, 2014 (Reviewed)		December 31, 2013 (Audited)		September 30, 2013 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Notes 4 and 6)	$ 36,648,439	14	$ 29,606,164	12	$ 31,718,523	13
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	222,738	-	630,225	-	456,959	-
Available-for-sale financial assets - current (Notes 4 and 8)	13,881,903	5	14,250,585	6	12,900,654	5
Financial assets measured at cost - current (Notes 4 and 9)	-	-	4,950	-	4,911	-
Debt investments with no active market - current (Notes 4 and 10)	3,313,052	1	1,556,437	1	232,497	-
Notes receivable (Notes 4 and 11)	12,975	-	16,481	-	21,670	-
Notes receivable from related parties (Notes 4, 11 and 38)	103	-	65	-	91	-
Accounts receivable (Notes 4 and 11)	28,683,152	11	29,959,225	12	27,939,680	12
Accounts receivable from related parties (Notes 4, 11 and 38)	209,531	-	215,018	-	251,177	-
Other receivables (Notes 4 and 11)	3,779,671	2	4,180,464	2	2,907,315	1
Inventories - manufacturing and retailing (Notes 4 and 12)	39,027,660	15	37,071,053	15	36,830,072	15
Inventories - construction (Notes 4 and 12)	4,442,176	2	4,011,453	1	3,822,164	2
Prepayments for lease (Notes 4 and 13)	154,169	-	151,409	-	160,861	-
Non-current assets held for sale (Notes 4 and 14)	-	-	-	-	159,648	-
Other current assets (Notes 4 and 15)	9,673,392	4	9,592,557	4	9,623,126	4
Total current assets	140,048,961	54	131,246,086	53	127,029,348	52
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	322,756	-	311,801	-	297,300	-
Available-for-sale financial assets - non-current (Notes 4 and 8)	513,110	-	444,958	-	421,341	-
Financial assets measured at cost - non-current (Notes 4 and 9)	762,260	-	876,405	-	996,343	-
Debt investment with no active market - non-current (Notes 4, 10 and 39)	31,854	-	40,549	-	19,610	-
Investments accounted for using equity method (Notes 4 and 16)	36,341,008	14	34,822,264	14	34,336,905	14
Property, plant and equipment (Notes 4 and 17)	60,301,737	23	59,099,839	24	59,925,847	25
Investment properties (Notes 4, 18 and 39)	2,250,376	1	2,153,463	1	2,079,900	1
Goodwill (Notes 4 and 19)	8,781,055	4	8,599,567	4	8,530,550	4
Other intangible assets (Notes 4 and 20)	3,535,105	1	3,523,633	1	3,854,065	2
Deferred tax assets (Notes 4 and 28)	473,735	-	411,155	-	396,440	-
Long-term prepayments for lease (Notes 4 and 13)	5,210,852	2	5,235,714	2	5,212,927	2
Other non-current assets (Notes 4 and 15)	1,931,896	1	1,363,792	1	1,113,648	-
Total non-current assets	120,455,744	46	116,883,140	47	117,184,876	48
TOTAL	$ 260,504,705	100	$ 248,129,226	100	$ 244,214,224	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 21)	$ 18,110,982	7	$ 16,640,291	7	$ 20,144,391	8
Short-term bills payable (Note 21)	1,875,259	1	2,201,866	1	2,426,003	1
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	529,465	-	20,430	-	24,010	-
Notes payable (Notes 4 and 22)	27,333	-	13,366	-	18,782	-
Notes payable to related parties (Notes 4, 22 and 38)	39,905	-	38,804	-	34,718	-
Accounts payable (Notes 4 and 22)	14,203,150	5	12,762,966	5	11,375,764	5
Accounts payable to related parties (Notes 4, 22 and 38)	1,767,815	1	1,513,745	1	1,459,363	-
Other payables (Notes 23 and 40)	23,894,704	9	20,069,301	8	19,061,480	8
Current tax liabilities (Notes 4 and 28)	1,503,038	1	1,907,298	1	1,749,851	1
Liabilities directly associated with non-current assets held for sale (Notes 4 and 14)	-	-	-	-	53,906	-
Current portion of long-term borrowings (Note 21)	9,541,134	4	8,785,643	3	1,530,163	1
Other current liabilities	3,743,746	1	3,320,149	1	3,761,869	1
Total current liabilities	75,236,531	29	67,273,859	27	61,640,300	25
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 21)	41,024,640	16	39,210,241	16	47,071,297	19
Deferred tax liabilities (Notes 4 and 28)	1,644,903	1	1,769,337	1	1,802,671	1
Long-term payables (Note 23)	671,571	-	683,130	-	668,022	-
Accrued pension liabilities (Note 4)	1,529,257	-	1,534,353	1	1,293,129	1
Other non-current liabilities	40,274	-	38,129	-	36,128	-
Total non-current liabilities	44,910,645	17	43,235,190	18	50,871,247	21
Total liabilities	120,147,176	46	110,509,049	45	112,511,547	46
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 25)						
Share capital						
Common share	29,441,372	11	29,441,372	12	29,441,372	12
Capital surplus	4,577,581	2	4,366,099	1	4,366,010	2
Retained earnings						
Legal reserve	9,398,498	4	8,336,553	3	8,336,553	3
Special reserve	9,180,047	4	4,435,090	2	4,435,090	2
Unappropriated earnings	21,390,126	8	24,000,543	10	21,392,234	9
Total retained earnings	39,968,671	16	36,772,186	15	34,163,877	14
Other equity	(10,279,634)	(4)	(9,180,047)	(4)	(10,339,134)	(4)
Treasury shares	-	-	(188,728)	-	(188,728)	-
Total equity attributable to owners of the Company	63,707,990	25	61,210,882	24	57,443,397	24
NON-CONTROLLING INTERESTS	76,649,539	29	76,409,295	31	74,259,280	30
Total equity	140,357,529	54	137,620,177	55	131,702,677	54
TOTAL	$ 260,504,705	100	$ 248,129,226	100	$ 244,214,224	100

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

(With Deloitte & Touche review report dated November 14, 2014)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2014		2013		2014		2013	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 26 and 38)	$ 59,824,926	100	$ 55,923,992	100	$ 179,652,458	100	$ 166,572,136	100
OPERATING COSTS (Notes 24, 27 and 38)	46,879,361	79	43,463,165	78	139,249,280	78	130,134,767	78
GROSS PROFIT	12,945,565	21	12,460,827	22	40,403,178	22	36,437,369	22
OPERATING EXPENSES (Notes 24, 27 and 40)								
Selling and marketing expenses	5,209,822	9	4,734,486	8	14,912,187	8	13,700,430	8
General and administrative expenses	4,003,702	6	4,169,249	7	15,320,108	8	11,597,221	7
Research and development expenses	1,645,852	3	1,520,414	3	4,810,911	3	4,557,531	3
Total operating expenses	10,859,376	18	10,424,149	18	35,043,206	19	29,855,182	18
PROFIT FROM OPERATIONS	2,086,189	3	2,036,678	4	5,359,972	3	6,582,187	4
NON-OPERATING INCOME AND EXPENSES								
Other income (Note 27)	1,360,566	2	1,531,241	3	2,713,450	1	2,671,149	2
Other gains and losses (Note 27)	430,971	1	1,550,238	3	(930,663)	(1)	2,107,586	1
Finance costs (Note 27)	(256,960)	-	(294,827)	(1)	(793,955)	-	(968,506)	-
Share of the profit of associates and joint ventures (Notes 4 and 16)	2,468,638	4	1,575,855	3	4,655,538	3	3,688,799	2
Total non-operating income and expenses	4,003,215	7	4,362,507	8	5,644,370	3	7,499,028	5
PROFIT BEFORE INCOME TAX	6,089,404	10	6,399,185	12	11,004,342	6	14,081,215	9
INCOME TAX EXPENSE (Notes 4 and 28)	(424,109)	(1)	(489,490)	(1)	(1,532,505)	(1)	(1,405,581)	(1)
NET INCOME	5,665,295	9	5,909,695	11	9,471,837	5	12,675,634	8
OTHER COMPREHENSIVE INCOME (LOSS)								
Exchange differences on translating foreign operations	1,160,015	2	(668,364)	(1)	367,223	-	1,641,950	1
Unrealized gain (loss) on available-for-sale financial assets	(11,567)	-	847,333	1	(26,290)	-	916,256	-
Cash flow hedges	-	-	-	-	-	-	5,430	-
Share of the other comprehensive loss of associates and joint ventures	(4,588,009)	(7)	(3,226,105)	(6)	(1,967,221)	(1)	(10,443,537)	(6)
Other comprehensive loss for the period, net of income tax	(3,439,561)	(5)	(3,047,136)	(6)	(1,626,288)	(1)	(7,879,901)	(5)
TOTAL COMPREHENSIVE INCOME	$ 2,225,734	4	$ 2,862,559	5	$ 7,845,549	4	$ 4,795,733	3

(Continued)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2014		2013		2014		2013	
	Amount	%	Amount	%	Amount	%	Amount	%
NET PROFIT ATTRIBUTABLE TO:								
Owner of the Company	$ 3,935,419	6	$ 3,903,564	7	$ 6,140,622	3	$ 7,896,171	5
Non-controlling interests	1,729,876	3	2,006,131	4	3,331,215	2	4,779,463	3
	$ 5,665,295	9	$ 5,909,695	11	$ 9,471,837	5	$ 12,675,634	8
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owner of the Company	$ 457,655	1	$ 714,346	1	$ 5,041,035	3	$ (417,189)	-
Non-controlling interests	1,768,079	3	2,148,213	4	2,804,514	1	5,212,922	3
	$ 2,225,734	4	$ 2,862,559	5	$ 7,845,549	4	$ 4,795,733	3
EARNINGS PER SHARE (Note 29)								
Basic	$ 1.34		$ 1.33		$ 2.09		$ 2.69	
Diluted	$ 1.31		$ 1.30		$ 2.03		$ 2.63	

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

(With Deloitte & Touche review report dated November 14, 2014) (Concluded)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owner of the Company											
			Retained Earnings			Other Equity						
	Capital Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Loss on Available-for-sale Financial Assets	Cash Flow Hedges	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2013	$ 29,431,849	$ 4,298,105	$ 7,320,919	$ 3,128,375	$ 20,234,617	$ (1,843,619)	$ (176,725)	$ (5,430)	$ (188,728)	$ 62,199,363	$ 70,345,509	$ 132,544,872
Special reserve under Rule No. 1010012865 issued by the FSC	-	-	-	134,641	(134,641)	-	-	-	-	-	-	-
Appropriation of 2012 earnings (Note 25)												
Legal reserve	-	-	1,015,634	-	(1,015,634)	-	-	-	-	-	-	-
Special reserve	-	-	-	1,172,074	(1,172,074)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(4,416,205)	-	-	-	-	(4,416,205)	-	(4,416,205)
	-	-	1,015,634	1,172,074	(6,603,913)	-	-	-	-	(4,416,205)	-	(4,416,205)
Net income for the nine months ended September 30, 2013	-	-	-	-	7,896,171	-	-	-	-	7,896,171	4,779,463	12,675,634
Other comprehensive income (loss) for the nine months ended September 30, 2013	-	-	-	-	-	1,336,584	(9,655,374)	5,430	-	(8,313,360)	433,459	(7,879,901)
Total other comprehensive income (loss) for the nine months ended September 30, 2013	-	-	-	-	7,896,171	1,336,584	(9,655,374)	5,430	-	(417,189)	5,212,922	4,795,733
Execution of employee share options (Notes 25 and 30)	9,523	9,713	-	-	-	-	-	-	-	19,236	-	19,236
Adjustment in capital surplus from cash dividends received by subsidiaries (Notes 4 and 25)	-	14,899	-	-	-	-	-	-	-	14,899	-	14,899
Arising from the excess of the consideration received over the carrying amount of the subsidiaries' net assets during actual disposal or acquisition (Notes 4 and 25)	-	53,920	-	-	-	-	-	-	-	53,920	-	53,920
Arising from share of changes in equities of subsidiaries (Notes 4 and 25)	-	(10,627)	-	-	-	-	-	-	-	(10,627)	-	(10,627)
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,299,151)	(1,299,151)
Change in equity for the nine months ended September 30, 2013	9,523	67,905	1,015,634	1,306,715	1,157,617	1,336,584	(9,655,374)	5,430	-	(4,755,966)	3,913,771	(842,195)
BALANCE AT SEPTEMBER 30, 2013	$ 29,441,372	$ 4,366,010	$ 8,336,553	$ 4,435,090	$ 21,392,234	$ (507,035)	$ (9,832,099)	$ -	$ (188,728)	$ 57,443,397	$ 74,259,280	$ 131,702,677
BALANCE AT JANUARY 1, 2014	$ 29,441,372	$ 4,366,099	$ 8,336,553	$ 4,435,090	$ 24,000,543	$ 20,776	$ (9,200,823)	$ -	$ (188,728)	$ 61,210,882	$ 76,409,295	$ 137,620,177
Appropriation of 2013 earnings (Note 25)												
Legal reserve	-	-	1,061,945	-	(1,061,945)	-	-	-	-	-	-	-
Special reserve	-	-	-	4,744,957	(4,744,957)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(2,944,137)	-	-	-	-	(2,944,137)	-	(2,944,137)
	-	-	1,061,945	4,744,957	(8,751,039)	-	-	-	-	(2,944,137)	-	(2,944,137)
Net income for the nine months ended September 30, 2014	-	-	-	-	6,140,622	-	-	-	-	6,140,622	3,331,215	9,471,837
Other comprehensive income (loss) for the nine months ended September 30, 2014	-	-	-	-	-	897,196	(1,996,783)	-	-	(1,099,587)	(526,701)	(1,626,288)
Total other comprehensive income (loss) for the nine months ended September 30, 2014	-	-	-	-	6,140,622	897,196	(1,996,783)	-	-	5,041,035	2,804,514	7,845,549
The treasury shares resold by the subsidiaries (Note 25)	-	218,295	-	-	-	-	-	-	188,728	407,023	7,682	414,705
Arising from share of changes in net assets of associates or joint ventures (Notes 4 and 25)	-	4,199	-	-	-	-	-	-	-	4,199	-	4,199
Arising from the excess of the consideration received over the carrying amount of the subsidiaries' net assets during actual disposal or acquisition (Notes 4 and 25)	-	(11,012)	-	-	-	-	-	-	-	(11,012)	-	(11,012)
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,571,952)	(2,571,952)
Change in equity for the nine months ended September 30, 2014	-	211,482	1,061,945	4,744,957	(2,610,417)	897,196	(1,996,783)	-	188,728	2,497,108	240,244	2,737,352
BALANCE AT SEPTEMBER 30, 2014	$ 29,441,372	$ 4,577,581	$ 9,398,498	$ 9,180,047	$ 21,390,126	$ 917,972	$ (11,197,606)	$ -	$ -	$ 63,707,990	$ 76,649,539	$ 140,357,529

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

(With Deloitte & Touche review report dated November 14, 2014)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 11,004,342	$ 14,081,215
Adjustments for:		
Depreciation expenses	5,367,811	5,679,506
Amortization expenses	307,481	309,359
Impairment loss recognized on accounts receivable	24,120	64,600
Net loss (gain) on fair value change of financial instruments at fair value through profit or loss	567,167	(560,069)
Finance costs	793,955	968,506
Interest income	(363,736)	(251,431)
Dividend income	(610,535)	(545,546)
Compensation income of employee share options	(455)	(4,270)
Share of profit of associates and joint ventures	(4,655,538)	(3,688,799)
Net (gain) loss on disposal of property, plant and equipment	(74,891)	257,120
Net loss (gain) on disposal of investments	44,297	(15,214)
Net loss (gain) on disposal of subsidiaries, associates and joint ventures	27,024	(1,348,222)
Impairment loss	104,339	81,896
Changes in operating assets and liabilities		
Decrease in financial instruments held for trading	261,039	726,313
Decrease in notes receivable	3,506	58,497
(Increase) decrease in notes receivable from related parties	(38)	211
Decrease in accounts receivable	1,251,953	3,139
Decrease (increase) in accounts receivable from related parties	5,487	(58,297)
Decrease in other receivables	405,698	834,192
Increase in inventories	(2,387,330)	(2,250,145)
Increase in other current assets	(80,835)	(2,514,694)
Decrease in other operating assets	64,766	79,276
Increase (decrease) in notes payable	13,967	(12,117)
Increase (decrease) in notes payable to related parties	1,101	(3,464)
Increase in accounts payable	1,440,184	750,817
Increase (decrease) in accounts payable to related parties	254,070	(98,058)
Increase (decrease) in other payables	3,453,713	(499,410)
Increase in other current liabilities	423,597	477,245
(Decrease) increase in accrued pension liabilities	(5,096)	6,464
(Decrease) increase in other operating liabilities	(11,559)	86,031
Cash generated from operations	17,629,604	12,614,651
Interest paid	(767,678)	(959,498)
Income tax paid	(2,236,397)	(1,173,004)
Net cash generated from operating activities	14,625,529	10,482,149

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POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets design at FVTPL	$ (290,975)	$ (298,250)
Proceeds on sale of financial assets design at FVTPL	368,336	5,664
Proceeds on sale of available-for-sale financial assets	164,880	150,440
Acquisition of debt investments with no active market	(4,131,707)	(94,888)
Proceeds on sale of debt investments with no active market	2,383,787	386,286
Acquisition of financial assets measured at cost	(2,688)	(170,411)
Proceed on sale of financial assets measured at cost	221,358	8,977
Acquisition of associates and joint ventures	(96,835)	(2,133,590)
Proceeds from disposal of associates and joint ventures	31,260	1,153,359
Net cash outflow on acquisition of subsidiaries	(141,590)	-
Net cash (outflow) inflow on disposal of subsidiaries	(46,799)	1,700,150
Acquisition of property, plant and equipment	(6,365,276)	(4,053,477)
Proceeds from disposal of property, plant and equipment	945,517	580,981
Increase in refundable deposits	(16,021)	-
Decrease in refundable deposits	-	5,481
Acquisition of intangible assets	(76)	(514)
Acquisition of investment properties	(978)	(360)
Increase in prepayments for equipment	(616,849)	(3,123)
Acquisition of long-term prepayments for lease	(39,394)	(118,250)
Proceeds from disposal of long-term prepayments for lease	-	36,204
Interest received	358,831	266,123
Dividend received	2,134,649	1,421,691
Cash dividend from reduction of capital surplus from associates	-	106,601
Net cash used in investing activities	(5,140,570)	(1,050,906)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,470,691	4,481,744
Repayments of short-term bills payable	(329,000)	(37,000)
Proceeds from long-term borrowings	2,557,391	-
Repayments of long-term borrowings	-	(4,140,535)
Increase in guarantee deposits	2,145	13,199
Cash dividend	(2,944,137)	(4,401,307)
Execution of employee share options	-	19,236
Proceed on sale of treasury shares	414,705	-
Change in non-controlling interests	(2,571,952)	(1,299,151)
Net cash used in financing activities	(1,400,157)	(5,363,814)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(1,042,527)	(1,123,012)

(Continued)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2014	**2013**
NET INCREASE IN CASH AND CASH EQUIVALENTS	$ 7,042,275	$ 2,944,417
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	29,606,164	28,854,625
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 36,648,439	$ 31,799,042

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets as of September 30, 2014 and 2013:

	September 30	
	2014	**2013**
Cash and cash equivalents in consolidated balance sheets	$ 36,648,439	$ 31,718,523
Cash and cash equivalents included in a disposal group held for sale	-	80,519
Cash and cash equivalents in consolidated statements of cash flow	$ 36,648,439	$ 31,799,042

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

(With Deloitte & Touche review report dated November 14, 2014) (Concluded)

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

1. GENERAL INFORMATION

Pou Chen Corporation (the "Company") is located in Changhwa County, Taiwan, and currently has one factory and nine trade departments. The Company's business activities include manufacturing and sales of various kinds of shoes, and import and export of related products and materials. The Company also invests significantly in shoes and electronics industries to diversify its business operation. The Company invested in Yue Yuen Industrial (Holdings) Limited ("Yue Yuen") and other footwear - related companies through Wealthplus Holdings Limited. Yue Yuen and Pou Sheng International (Holdings) Limited ("Pou Sheng"), a subsidiary of Yue Yuen, are listed on Hong Kong Exchange and Clearing Limited.

In January 1990, the Company started to trade its stocks on the Taiwan Stock Exchange.

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

As at September 30, 2014 and 2013, there were 413,629 and 424,855 employees, respectively, in the Company and its subsidiaries (the "Group").

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on November 14, 2014.

3. APPLICATION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

a. The Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) in issue but not yet effective

Rule No. 1030029342 and Rule No. 1030010325 issued by the FSC on April 3, 2014, stipulated that the Group should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the "IFRSs") endorsed by the FSC and the related amendments to the Guidelines Governing the Preparation of Financial Reports by Securities Issuers starting January 1, 2015.

New, Amended and Revised Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB (Note)
Improvements to IFRSs (2009) - amendment to IAS 39	January 1, 2009 and January 1, 2010, as appropriate
Amendment to IAS 39 "Embedded Derivatives"	Effective for annual periods ended on or after June 30, 2009
Improvements to IFRSs (2010)	July 1, 2010 and January 1, 2011, as appropriate

(Continued)

New, Amended and Revised Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB (Note)
Annual Improvements to IFRSs 2009-2011 Cycle	January 1, 2013
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 "Disclosure - Offsetting Financial Assets and Financial Liabilities"	January 1, 2013
Amendment to IFRS 7 "Disclosure - Transfer of Financial Assets"	July 1, 2011
IFRS 10 "Consolidated Financial Statements"	January 1, 2013
IFRS 11 "Joint Arrangements"	January 1, 2013
IFRS 12 "Disclosure of Interests in Other Entities"	January 1, 2013
Amendments to IFRS 10, IFRS 11 and IFRS 12 "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance"	January 1, 2013
Amendments to IFRS 10 and IFRS 12 and IAS 27 "Investment Entities"	January 1, 2014
IFRS 13 "Fair Value Measurement"	January 1, 2013
Amendment to IAS 1 "Presentation of Other Comprehensive Income"	July 1, 2012
Amendment to IAS 12 "Deferred Tax: Recovery of Underlying Assets"	January 1, 2012
IAS 19 (Revised 2011) "Employee Benefits"	January 1, 2013
IAS 27 (Revised 2011) "Separate Financial Statements"	January 1, 2013
IAS 28 (Revised 2011) "Investments in Associates and Joint Ventures"	January 1, 2013
Amendment to IAS 32 "Offsetting Financial Assets and Financial Liabilities"	January 1, 2014
IFRIC 20 "Stripping Costs in Production Phase of a Surface Mine"	January 1, 2013

(Concluded)

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

Except for the following, the initial application of the above 2013 IFRSs version and the related amendments to the Guidelines Governing the Preparation of Financial Reports by Securities Issuers has not had any material impact on the Group's accounting policies:

1) IFRS 10 "Consolidated Financial Statements"

   IFRS 10 replaces IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation - Special Purpose Entities". The Group considers whether it has control over other entities for consolidation. The Group has control over an investee if and only if it has i) power over the investee; ii) exposure, or rights, to variable returns from its involvement with the investee and iii) the ability to use its power over the investee to affect the amount of its returns. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee.

   As at January 1, 2013, the date of initial application of IFRS 10, the Group made an assessment as to whether or not the Group has control over its investees. The Group concluded that it has had control over the investees which are consolidated into the consolidated financial statements before the application of IFRS 10. The adoption of IFRS 10 "Consolidated Financial Statements" had no material impact on the Group's financial position and financial performance.

2) IFRS 11 “Joint Arrangements”

IFRS 11 replaces IAS 31 “Interests in Joint Ventures” and SIC 13 “Jointly Controlled Entities - Non-monetary Contributions by Venturers”. Joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. Joint ventures are accounted for using the equity method. Under IAS 31, Joint arrangements are classified as jointly controlled entities, jointly controlled assets, and jointly controlled operations, and the Group accounts for its jointly controlled entities using the proportionate consolidation method.

The Group reviewed and assessed the classification of the investments in joint arrangements in accordance with the requirements of IFRS 11. The Group concluded that the investment in each of the joint arrangements was classified as “jointly controlled entity” under IAS 31 and was accounted for using the equity method, and should be classified as a joint venture under IFRS 11 and should continue to be accounted for using the equity method. The adoption of IFRS 11 “Joint Arrangements” had no material impact on the Group’s financial position and financial performance.

3) IFRS 12 “Disclosure of Interests in Other Entities”

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

Other than more extensive disclosures, the adoption of IFRS 12 “Disclosure of Interests in Other Entities” had no material impact on the Group’s financial position and financial performance.

4) Revision to IAS 28 “Investments in Associates and Joint Ventures”

Revised IAS 28 requires when a portion of an investment in an associate meets the criteria to be classified as held for sale, that portion is classified as held for sale. Any retained portion that has not been classified as held for sale is accounted for using the equity method. Under current IAS 28, when a portion of an investment in associates meets the criteria to be classified as held for sale, the entire investment is classified as held for sale and ceases to apply the equity method.

The adoption of IAS 28 “Investments in Associates and Joint Ventures” had no material impact on the Group’s financial position and financial performance.

5) IFRS 13 “Fair Value Measurement”

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

The fair value measurements under IFRS 13 will be applied prospectively from January 1, 2015.

The Group made an assessment of adoption of IFRS 13 “Fair Value Measurement”, and found the disclosure requirements are more extensive in the consolidated financial statements.

6) Amendment to IAS 1 "Presentation of Items of Other Comprehensive Income"

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

The adoption of IAS 1 "Presentation of Items of Other Comprehensive Income" had no material impact on the Group's financial position and financial performance.

Except for the above impacts, as of the date the consolidated financial statements were approved, the Group was continuing to assess other possible impacts that the application of the 2013 IFRSs version and the related amendments to the Guidelines Governing the Preparation of Financial Reports by Securities Issuers will have on the Group's financial position and financial performance, and will disclose these other impacts when the assessment is completed.

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

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

New IFRSs	**Effective Date Announced by IASB (Note 1)**
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 4)
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures"	January 1, 2018
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	January 1, 2016 (Note 3)
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, 2017
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	January 1, 2016
Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"	January 1, 2016
Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 27 "Equity Method in Separate Financial Statements"	January 1, 2016
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

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

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

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

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

The initial application of the above New IFRSs has not had any material impact on the Group's accounting policies, except for the following:

1) IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

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

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

a) For debt instruments, if they are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss recognized in profit or loss, if any. Interest revenue is recognized in profit or loss by using the effective interest method;

b) For debt instruments, if they are held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of financial assets, the financial assets are measured at fair value through other comprehensive income (FVTOCI) and are assessed for impairment. Interest revenue is recognized in profit or loss by using the effective interest method, and other gain or loss shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When the debt instrument is derecognized or reclassified the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

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

The impairment of financial assets

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

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

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

In issuing IFRS 13 “Fair Value Measurement”, the IASB made consequential amendment to the disclosure requirements in IAS 36 “Impairment of Assets”, introducing a requirement to disclose in every reporting period the recoverable amount of an asset or each cash-generating unit. The amendment clarifies that such disclosure of recoverable amounts is required only when an impairment loss has been recognized or reversed during the period. Furthermore, the Group is required to disclose the discount rate used in measurements of the recoverable amount based on fair value less costs of disposal measured using a present value technique.

3) Annual Improvements to IFRSs: 2010-2012 Cycle

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

The amended IFRS 2 changes the definitions of “vesting condition” and “market condition” and adds definitions for “performance condition” and “service condition”. The amendment clarifies that a performance target can be based on the operations (i.e. a non-market condition) of the Group or another entity in the same group or the market price of the equity instruments of the Group or another entity in the same group (i.e. a market condition). In addition, a share market index target is not a performance condition because it not only reflects the performance of the Group, but also of other entities outside the Group.

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

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

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

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

4) Annual Improvements to IFRSs: 2011-2013 Cycle

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

5) Amendments to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"

The amendments require that the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3, should apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs with the exception of those principles that conflict with the guidance in IFRS 11. Accordingly, a joint operator that is an acquirer of such an interest has to:

- Measure most identifiable assets and liabilities at fair value;
- Expense acquisition-related costs (other than debt or equity issuance costs);
- Recognizing any goodwill or bargain purchase gain;
- Recognize deferred taxes;
- Perform impairment tests for the cash generating units to which goodwill has been allocated;
- Disclose information required relevant for business combinations.

The amendments also apply to the formation of a joint operation if, and only if, an existing business is contributed to the joint operation on its formation by one of the parties that participate in the joint operation.

The amendments do not apply on the acquisition of an interest in a joint operation when the parties sharing control are under common control before and after the acquisition.

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

6) Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"

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

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

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

a) In which the intangible asset is expressed as a measure of revenue (for example, the contract that specifies the entity's use of the intangible asset will expire upon achievement of a revenue threshold); or

b) When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

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

7) IFRS 15 “Revenue from Contracts with Customers”

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

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

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

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

8) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulated that, when an entity sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when an entity loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when an entity sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the unrelated investors’ interest in the associate or joint venture, i.e. the entity’s share of the gain or loss is eliminated. Also, when an entity loses control of a subsidiary that does not contain a business but retains significant influence or joint control in an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the unrelated investors’ interest in the associate or joint venture, i.e. the entity’s share of the gain or loss is eliminated.

9) Annual Improvements to IFRSs: 2012-2014 Cycle

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset. In addition, the amendments clarify that the offsetting disclosures are not explicitly required for all interim periods.

As of the date the consolidated financial statements were approved, the Group is continuingly assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance, and will disclose the relevant impact when the assessment is complete.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 and IAS 34 "Interim Financial Reporting" as endorsed by the FSC. Disclosure information included in the consolidated financial reports is less than disclosures required in a full set of annual financial reports.

b. Basis of consolidation

Subsidiary included in consolidated financial statements

Name of Subsidiary	Location of Incorporation	Functional Currency of Incorporation	Ownership Percentage September 30, 2014	Ownership Percentage December 31, 2013	Ownership Percentage September 30, 2013
Wealthplus Holdings Limited	British Virgin Islands	U.S. dollars	100.00	100.00	100.00
Win Fortune Investments Limited	British Virgin Islands	U.S. dollars	100.00	100.00	100.00
Windsor Entertainment Co., Ltd.	ROC	New Taiwan dollars	100.00	100.00	100.00
Pou Shine Investments Co., Ltd.	ROC	New Taiwan dollars	100.00	100.00	100.00
Pan Asia Insurance Services Co., Ltd.	ROC	New Taiwan dollars	100.00	100.00	100.00
Pro Arch International Development Enterprise Inc.	ROC	New Taiwan dollars	100.00	100.00	100.00
Pou Yuen Technology Co., Ltd.	ROC	New Taiwan dollars	99.81	99.81	99.81
Barits Development Corporation	ROC	New Taiwan dollars	99.60	99.60	99.60
LNC Technology Co., Ltd.	ROC	New Taiwan dollars	-	-	-

Wealthplus Holdings Limited ("Wealthplus") invests in companies which are engaged in the design and sale of footwear and electronics peripheral products. The information of Wealthplus's major subsidiaries is as follows:

Name of Subsidiary	Location of Incorporation	Functional Currency of Incorporation	Ownership Percentage September 30, 2014	Ownership Percentage December 31, 2013	Ownership Percentage September 30, 2013
Yue Yuen Industrial (Holdings) Limited	Bermuda	U.S. dollars	48.93	48.93	48.93
Pou Sheng International (Holdings) Limited	Bermuda	U.S. dollars	29.98	29.98	29.98
Crown Master Investments Limited	British Virgin Islands	U.S. dollars	100.00	100.00	100.00
Tetor Ventures Ltd.	British Virgin Islands	U.S. dollars	100.00	100.00	100.00
Star Eagle Consultants Limited	British Virgin Islands	U.S. dollars	100.00	100.00	100.00
Pou Yu Biotechnology Co., Ltd.	ROC	New Taiwan dollars	69.44	69.44	69.44
Dong Guan Pou Yu Precision Ceramics Industrial Co., Ltd.	People's Republic of China ("PRC")	RMB	69.44	69.44	69.44

Win Fortune Investments Limited ("Win Fortune") invests in Yue Yuen (as at September 30, 2014, the ownership percentage was 1.05%) as its primary operation activities.

Windsor Entertainment Co., Ltd. ("Windsor Entertainment") is primarily engaged in entertainment and resort operation.

Pou Shine Investments Co., Ltd. ("Pou Shine") is primarily engaged in investing activities.

Pan Asia Insurance Services Co., Ltd. ("Pan Asia Insurance Services") is primarily engaged in agency of property and casualty insurance.

Pro Arch International Development Enterprise Inc. ("Pro Arch International") is primarily engaged in landscape architecture business. The information of Pro Arch International's subsidiary is as follows:

Name of Subsidiary	Location of Incorporation	Functional Currency of Incorporation	Ownership Percentage September 30, 2014	Ownership Percentage December 31, 2013	Ownership Percentage September 30, 2013
Pro Arch Technology BVI Inc.	British Virgin Islands	U.S. dollars	100.00	100.00	100.00

Pou Yuen Technology Co., Ltd. ("Pou Yuen Technology") is primarily engaged in tooling design software and information technology software service. The information of Pou Yuen Technology's subsidiary is as follows:

Name of Subsidiary	Location of Incorporation	Functional Currency of Incorporation	Ownership Percentage September 30, 2014	Ownership Percentage December 31, 2013	Ownership Percentage September 30, 2013
Vantage Capital Investments Ltd.	British Virgin Islands	U.S. dollars	100.00	100.00	100.00

Barits Development Corporation ("Barits Development") is primarily engaged in import and export of the shoe related materials and investing activities. The information of Barits Development's subsidiaries is as follows:

Name of Subsidiary	Location of Incorporation	Functional Currency of Incorporation	Ownership Percentage September 30, 2014	Ownership Percentage December 31, 2013	Ownership Percentage September 30, 2013
Song Ming Investments Co., Ltd.	ROC	New Taiwan dollars	100.00	100.00	100.00
Pou Chin Development Co., Ltd.	ROC	New Taiwan dollars	100.00	100.00	100.00
Yu Hong Development Co., Ltd.	ROC	New Taiwan dollars	100.00	100.00	100.00
Wang Yi Construction Co., Ltd.	ROC	New Taiwan dollars	89.75	89.75	89.75
Pou Yii Development Co., Ltd.	ROC	New Taiwan dollars	75.00	75.00	75.00

LNC Technology Co., Ltd. ("LNC Technology") is primarily engaged in manufacturing and sale of precision instruments and computer numerical controlled machine.

On August 30, 2013, the Company had decided to sell the 77% ownership of LNC Technology, which amounted to 38,498 thousand shares, to non-related parties. The deal was made at $14.72 per share; the total amount was $566,665 thousand. The Company lost the controlling power over LNC Technology after the transaction. Therefore, LNC Technology was no longer included as a consolidated entity in the consolidated financial statements since August 31, 2013. However, profit of LNC Technology during the period from January 1, 2013 to August 30, 2013, are still included in the consolidated financial statements for the nine months ended September 30, 2013.

c. Others significant accounting policies

The same accounting policies of these consolidated financial statements have been followed as were applied in the preparation of the Group's consolidated financial statements for the year ended December 31, 2013, except for those described below.

1) Retirement benefit costs

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year.

2) Income taxes

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

3) Share-based payment arrangements

Restricted shares for employees are measured at fair value on the date of grant, with a corresponding increase in capital surplus - restricted shares for employees. Dividends paid to employees on the restricted shares that do not need to be returned if employees resign in the vesting period, are recognized as expenses when the dividends are declared with a corresponding adjustment in capital surplus - restricted shares for employees.

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the capital surplus - restricted shares for employees.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2013.

6. CASH AND CASH EQUIVALENTS

	September 30, 2014	December 31, 2013	September 30, 2013
Cash on hand	$ 144,425	$ 50,669	$ 54,027
Checking accounts and demand deposits	24,646,568	20,318,118	24,623,670
Cash equivalent			
Time deposits with original maturities less than three months	11,488,207	9,230,050	7,024,319
Repurchase agreements collateralized by bonds	369,239	7,327	16,507
	$ 36,648,439	$ 29,606,164	$ 31,718,523

Cash and cash equivalents at the end of reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the balance sheets as follows:

	September 30, 2014	December 31, 2013	September 30, 2013
Cash and cash equivalents balances	$ 36,648,439	$ 29,606,164	$ 31,718,523
Cash and bank balances included in a disposal group held for sale	-	-	80,519
	$ 36,648,439	$ 29,606,164	$ 31,799,042

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2014	December 31, 2013	September 30, 2013
Financial assets designated as at FVTPL			
Structured deposit (a)	$ 322,756	$ 375,703	$ 297,300
Financial assets held for trading			
Derivative financial assets (not under hedge accounting)			
JV Call Options (b)	-	-	-
Derivative embedded in Convertible Note (c)	-	-	-
Forward exchange contracts (d)	2,318	183,042	171,853
Exchange rate option contracts (e)	50,366	223,020	100,181
Exchange rate swap contracts (f)	-	13,523	-
Cross-currency swap contracts (g)	11,414	-	-
Non-derivative financial assets			
Open-ended mutual funds	158,640	146,738	184,925
	$ 545,494	$ 942,026	$ 754,259
Current	$ 222,738	$ 630,225	$ 456,959
Non-current	322,756	311,801	297,300
	$ 545,494	$ 942,026	$ 754,259
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Forward exchange contracts (d)	$ 270,527	$ -	$ 6,934
Exchange rate option contracts (e)	239,448	2,798	8,339
Interest rate swap contracts (h)	19,490	17,632	8,737
	$ 529,465	$ 20,430	$ 24,010
Current	$ 529,465	$ 20,430	$ 24,010

a. Wealthplus entered into a five years USD structured time deposit contract with a bank in January 2013. The structured time deposit contract includes an embedded derivative instrument which is not closely related to the host contract, recorded under "financial assets at FVTPL, non-current".

   Pou Sheng entered into a RMB structured time deposit contract with a bank in December 2013. The structured time deposit contract includes an embedded derivative instrument which is not closely related to the host contract. The RMB structured time deposit contract can be readily cancelled, and was recorded under "financial assets at FVTPL, current". The RMB structured time deposit contract had been cancelled in March 2014.

   Pou Sheng entered into a three months RMB structured time deposit contract with a bank in May 2014. The structured time deposit contract includes an embedded derivative instrument which is not closely related to the host contract. The RMB structured time deposit contract can be readily cancelled, and was recorded under "financial assets at FVTPL, current". The RMB structured time deposit contract had expired on August 6, 2014.

b. In October 2007, Pou Sheng entered into call option (the "JV Call Options") agreements with the shareholders (the "Relevant Partners") of certain associates, jointly controlled entities and subsidiaries (the "Relevant Companies"), in return for its payment of a premium to each of the Relevant Partners (the "Option Premium"). Pou Sheng has the right (but not the obligation) exercisable at its discretion to acquire each of the Relevant Partners their respective equity interests, in the Relevant Companies.

   1) Term: Five years, from December 6, 2008 to December 6, 2013. The JV Call Options were exercisable within five years commencing from the expiry of the first six months after the dealing of the shares of Pou Sheng on the Hong Kong Exchanges and Clearing Limited commenced.

   2) The option premium: The option premium was determined based on the actual profit of the Relevant Companies attributable to the Relevant Partners during the pre-determined evaluation periods and the price earnings ratio of Pou Sheng during a specified period.

   3) Settlement: The option premium was to be settled by the issue of shares of Pou Sheng and the number of shares issued was determined with reference to the offering price of Pou Sheng's shares on the Hong Kong Exchanges and Clearing Limited.

      Each of the Relevant Partners has agreed not to transfer or dispose of the Relevant Equity Interests during the JV Call Options exercisable period without Pou Sheng's prior written consent.

      The fair value measurement of the JV Call Options were mainly attributable to the expectation of the management that the remaining unexercised JV Call Options would not be exercised to acquire the Relevant Company. The valuation of the JV Call Options at September 30, 2013 was considered to be zero.

      The remaining unexercised JV Call Options were expired on December 6, 2013.

c. On April 27, 2012, Yue Yuen received a convertible note ("Convertible Note") with principal amount of US$4,600 thousand issued by Luen Thai Holdings Limited ("Luen Thai") as a consideration for disposal 50% equity interest in Yuen Thai Industrial Company Limited. The Convertible Note carries interest at 6.5% per annum with maturity on May 30, 2014 at redemption amount of 100% of the principal amount together with interest accrued as at the redemption date.

   The Convertible Note was convertible at the option of the holders into common shares of Luen Thai at convertible price of HK$1.2 each from the issue date up to the maturity date. The Convertible Note was fully converted into 29,747 thousand common shares of Luen Thai in April and July 2013.

d. At the end of the reporting period, outstanding forward exchange contracts not under hedge accounting were as follows:

September 30, 2014

Notional Amount	Forward Exchange Rates
HK$ 299,000,000	Sell HK/buy US at 7.7501 to 7.7504
US$ 10,000,000	Sell US/buy NTD at 30.040 to 30.155
US$ 305,000,000	Sell US/buy RMB at 6.1650 to 6.2280
US$ 17,000,000	Sell US/buy VND at 21,381 to 21,433

December 31, 2013

Notional Amount	Forward Exchange Rates
HK$ 530,000,000	Sell HK/buy US at 7.7502
US$ 132,000,000	Sell US/buy RMB at 6.2348 to 6.3680

September 30, 2013

Notional Amount	Forward Exchange Rates
HK$ 288,000,000	Sell HK/buy US at 7.7529
US$ 193,999,810	Sell US/buy RMB at 6.2348 to 6.3680

The Group entered into forward exchange contracts for the nine months ended September 30, 2014 and 2013 to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

e. At the end of the reporting period, outstanding exchange rate option contracts not under hedge accounting were as follows:

September 30, 2014

Item	Type	Buy/Sale	Premium Amount	Notional Amount	Fair Value
Exchange rate option contracts	Put	Sell	$ -	US$ 56,000,000	$ 6,665
"	Put	Sell	-	56,000,000	7,268
"	Put	Sell	-	10,000,000	2,430
"	Put	Sell	-	5,000,000	1,114
"	Put	Sell	-	10,000,000	2,919
"	Put	Sell	-	88,000,000	3,600
"	Put	Sell	-	104,000,000	12,377
"	Put	Sell	-	66,000,000	2,072
"	Put	Sell	-	110,000,000	6,155
"	Put	Sell	-	24,000,000	103
"	Put	Sell	-	20,000,000	206
"	Put	Sell	-	120,000,000	5,457
"	Put	Sell	-	88,000,000	(29,572)
"	Put	Sell	-	104,000,000	(2,024)
"	Put	Sell	-	80,000,000	(7,610)

(Continued)

Item	Type	Buy/Sale	Premium Amount	Notional Amount	Fair Value
Exchange rate option contracts	Put	Sell	$ -	US$ 64,000,000	$ (21,673)
"	Put	Sell	-	100,000,000	(1,386)
"	Put	Sell	-	48,000,000	(2,958)
"	Put	Sell	-	80,000,000	(7,804)
"	Put	Sell	-	16,000,000	(5,009)
"	Put	Sell	-	16,000,000	(4,789)
"	Put	Sell	-	24,000,000	(2,215)
"	Put	Sell	-	24,000,000	(3,136)
"	Put	Sell	-	20,000,000	(340)
"	Put	Sell	-	24,000,000	(168)
"	Put	Sell	-	24,000,000	(2,119)
"	Put	Sell	-	96,000,000	(3,175)
"	Put	Sell	-	24,000,000	(3,233)
"	Put	Sell	-	48,000,000	(5,542)
"	Put	Sell	-	24,000,000	(2,235)
"	Put	Sell	-	221,000,000	(95,367)
"	Put	Sell	-	96,000,000	(34,863)
"	Put	Sell	1,382	12,000,000	(1)
"	Put	Sell	135	10,000,000	(19)
"	Put	Sell	224	10,000,000	(50)
"	Put	Sell	479	10,000,000	(4,160)
					$ (189,082)

(Concluded)

December 31, 2013

Item	Type	Buy/Sale	Premium Amount	Notional Amount	Fair Value
Exchange rate option contracts	Put	Sell	$ -	US$ 5,000,000	$ 728
"	Put	Sell	-	10,000,000	1,463
"	Put	Sell	-	10,000,000	1,462
"	Put	Sell	-	75,000,000	5,888
"	Put	Sell	-	28,000,000	7,627
"	Put	Sell	-	14,000,000	3,571
"	Put	Sell	-	28,000,000	7,803
"	Put	Sell	-	42,000,000	-
"	Put	Sell	-	72,000,000	25,648
"	Put	Sell	-	72,000,000	29,763
"	Put	Sell	-	72,000,000	31,847
"	Put	Sell	-	152,000,000	20,947
"	Put	Sell	-	136,000,000	21,489
"	Put	Sell	-	112,000,000	15,708
"	Put	Sell	-	110,000,000	18,035
"	Put	Sell	-	88,000,000	6,185
"	Put	Sell	-	128,000,000	8,465
"	Put	Sell	-	66,000,000	5,371
"	Put	Sell	-	44,000,000	530

(Continued)

Item	Type	Buy/Sale	Premium Amount	Notional Amount	Fair Value
Exchange rate option contracts	Put	Sell	$ -	US$ 80,000,000	$ 1,905
"	Put	Sell	-	80,000,000	8,585
"	Put	Sell	2,701	35,000,000	(21)
"	Put	Sell	3,553	10,000,000	(2,586)
"	Put	Sell	1,431	14,000,000	(2)
"	Put	Sell	2,487	24,000,000	(3)
"	Put	Sell	1,949	12,000,000	(122)
"	Put	Sell	1,382	12,000,000	(64)
					$ 220,222

(Concluded)

September 30, 2013

Item	Type	Buy/Sale	Premium Amount	Notional Amount	Fair Value
Exchange rate option contracts	Put	Sell	$ -	US$ 16,000,000	$ 2,219
"	Put	Sell	-	16,000,000	2,226
"	Put	Sell	-	8,000,000	1,080
"	Put	Sell	-	10,000,000	2,691
"	Put	Sell	-	51,000,000	8,847
"	Put	Sell	-	72,000,000	21,725
"	Put	Sell	-	72,000,000	9,643
"	Put	Sell	-	72,000,000	7,011
"	Put	Sell	-	34,000,000	6,046
"	Put	Sell	-	17,000,000	2,744
"	Put	Sell	-	34,000,000	5,879
"	Put	Sell	-	90,000,000	8,428
"	Put	Sell	-	80,000,000	3,047
"	Put	Sell	-	80,000,000	3,290
"	Put	Sell	-	160,000,000	4,599
"	Put	Sell	-	152,000,000	5,589
"	Put	Sell	-	136,000,000	5,117
"	Put	Sell	3,859	50,000,000	(117)
"	Put	Sell	4,662	20,000,000	(2,256)
"	Put	Sell	2,044	20,000,000	(64)
"	Put	Sell	3,067	30,000,000	(39)
"	Put	Sell	3,419	33,000,000	(111)
"	Put	Sell	1,036	10,000,000	(16)
"	Put	Sell	-	112,000,000	(4,320)
"	Put	Sell	1,949	12,000,000	(1,192)
"	Put	Sell	370	47,000,000	(224)
					$ 91,842

The Group entered into exchange rate option contracts for the nine months ended September 30, 2014 and 2013 to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

f. At the end of the reporting period, outstanding exchange rate swap contracts not under hedge accounting were as follows:

December 31, 2013

Bank	Notional Amount	Maturity Date	Rate	Fair Value
ANZ Bank	US$ 20,000,000	2014.02.25	29.226	$ 10,050
DBS Bank	5,000,000	2014.01.06	29.510	1,410
DBS Bank	7,000,000	2014.01.28	29.481	2,063
				$ 13,523

The Group entered into exchange rate swap contracts for the nine months ended September 30, 2014 to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

g. At the end of the reporting period, outstanding cross-currency swap contracts not under hedge accounting were as follows:

September 30, 2014

Bank	Notional Amount	Maturity Date	Rate	Interest %	Fair Value
ANZ Bank	US$ 50,000,000	2015.05.18	30.18	0.74	$ 11,414

The Group entered into cross-currency swap contracts for the nine months ended September 30, 2014 to manage exposures to exchange rate and interest rate fluctuations of foreign currency denominated assets and liabilities.

h. At the end of the reporting period, outstanding interest rate swap contracts not under hedge accounting were as follows:

September 30, 2014

Bank	Item	Notional Amount	Maturity Date	Pay Rate (Fixed Rate %)	Received Rate (Floating Rate %)	Fair Value
Chinatrust Commercial Bank	Interest rate swap contracts	$ 187,500	2014.12.02	1.135	0.877	$ (120)
Chinatrust Commercial Bank	"	125,000	2014.12.02	0.935	0.877	(18)
Chinatrust Commercial Bank	"	600,000	2018.06.01	1.310	-	(1,773)
Citibank	"	187,500	2014.12.02	1.135	0.877	(120)
Citibank	"	125,000	2014.12.02	0.843	0.877	11
Citibank	"	500,000	2018.06.01	1.340	-	(1,926)
Taipei Fubon Bank	"	125,000	2014.12.02	1.140	0.877	(82)
Taipei Fubon Bank	"	875,000	2016.09.29	1.066	0.877	(911)
Taipei Fubon Bank	"	700,000	2016.09.29	1.180	0.877	(1,813)
Taipei Fubon Bank	"	500,000	2016.09.29	0.967	0.877	152
Taipei Fubon Bank	"	700,000	2016.09.29	0.990	0.877	(14)
Taipei Fubon Bank	"	900,000	2018.06.01	1.310	-	(2,642)
Taipei Fubon Bank	"	500,000	2018.06.01	1.278	-	(1,036)
Taipei Fubon Bank	"	300,000	2018.06.01	1.265	-	(517)
E.SUN Bank	"	125,000	2014.12.02	1.140	0.877	(82)
E.SUN Bank	"	700,000	2016.09.29	1.183	0.877	(1,779)
E.SUN Bank	"	700,000	2016.09.29	0.990	0.877	56
E.SUN Bank	"	500,000	2018.06.01	1.290	-	(1,213)
SinoPac Bank	"	875,000	2016.09.29	1.066	0.877	(780)
SinoPac Bank	"	700,000	2016.09.29	1.183	0.877	(1,736)
SinoPac Bank	"	600,000	2016.09.29	0.990	0.877	84

(Continued)

Bank	Item	Notional Amount	Maturity Date	Pay Rate (Fixed Rate %)	Received Rate (Floating Rate %)	Fair Value
Ta Chong Bank	Interest rate swap contracts	$ 700,000	2016.09.29	1.183	0.877	$ (1,780)
ANZ Bank	"	500,000	2018.06.01	1.280	-	(1,113)
ANZ Bank	"	200,000	2018.06.01	1.260	-	(338)
		$ 11,925,000				$ (19,490)

(Concluded)

December 31, 2013

Bank	Item	Notional Amount	Maturity Date	Pay Rate (Fixed Rate %)	Received Rate (Floating Rate %)	Fair Value
Chinatrust Commercial Bank	Interest rate swap contracts	$ 375,000	2014.12.02	1.135	0.863	$ (731)
Chinatrust Commercial Bank	"	250,000	2014.12.02	0.935	0.863	(113)
Chinatrust Commercial Bank	"	600,000	2018.06.01	1.310	-	(348)
Citibank	"	375,000	2014.12.02	1.135	0.863	(753)
Citibank	"	250,000	2014.12.02	0.843	0.863	44
Citibank	"	500,000	2018.06.01	1.340	-	(738)
Taipei Fubon Bank	"	250,000	2014.12.02	1.140	0.863	(496)
Taipei Fubon Bank	"	875,000	2016.09.29	1.066	0.883	(1,368)
Taipei Fubon Bank	"	700,000	2016.09.29	1.180	0.883	(2,766)
Taipei Fubon Bank	"	500,000	2016.09.29	0.967	0.883	255
Taipei Fubon Bank	"	700,000	2016.09.29	0.990	0.883	16
Taipei Fubon Bank	"	900,000	2018.06.01	1.310	-	(519)
Taipei Fubon Bank	"	500,000	2018.06.01	1.278	-	140
Taipei Fubon Bank	"	300,000	2018.06.01	1.265	-	188
E.SUN Bank	"	250,000	2014.12.02	1.140	0.863	(431)
E.SUN Bank	"	700,000	2016.09.29	1.183	0.883	(2,862)
E.SUN Bank	"	700,000	2016.09.29	0.990	0.883	(31)
E.SUN Bank	"	500,000	2018.06.01	1.290	-	(157)
SinoPac Bank	"	875,000	2016.09.29	1.066	0.883	(1,400)
SinoPac Bank	"	700,000	2016.09.29	1.183	0.883	(2,826)
SinoPac Bank	"	600,000	2016.09.29	0.990	0.883	(9)
Ta Chong Bank	"	700,000	2016.09.29	1.183	0.883	(2,822)
ANZ Bank	"	500,000	2018.06.01	1.280	-	(9)
ANZ Bank	"	200,000	2018.06.01	1.260	-	104
		$ 12,800,000				$ (17,632)

September 30, 2013

Bank	Item	Notional Amount	Maturity Date	Pay Rate (Fixed Rate %)	Received Rate (Floating Rate %)	Fair Value
Chinatrust Commercial Bank	Interest rate swap contracts	$ 562,500	2014.12.02	1.135	0.897	$ (830)
Chinatrust Commercial Bank	"	375,000	2014.12.02	0.935	0.897	7
Citibank	"	562,500	2014.12.02	1.135	0.897	(855)
Citibank	"	375,000	2014.12.02	0.843	0.897	247
Citibank	"	500,000	2018.06.01	1.340	-	(240)
Taipei Fubon Bank	"	375,000	2014.12.02	1.140	0.897	(566)
Taipei Fubon Bank	"	875,000	2016.09.29	1.066	0.896	(370)
Taipei Fubon Bank	"	700,000	2016.09.29	1.180	0.896	(2,163)
Taipei Fubon Bank	"	500,000	2016.09.29	0.967	0.896	947
Taipei Fubon Bank	"	700,000	2016.09.29	0.990	0.896	945
E.SUN Bank	"	375,000	2014.12.02	1.140	0.897	(517)
E.SUN Bank	"	700,000	2016.09.29	1.183	0.896	(2,234)
E.SUN Bank	"	700,000	2016.09.29	0.990	0.896	926
SinoPac Bank	"	875,000	2016.09.29	1.066	0.896	(380)
SinoPac Bank	"	700,000	2016.09.29	1.183	0.896	(2,214)
SinoPac Bank	"	600,000	2016.09.29	0.990	0.896	802
Ta Chong Bank	"	700,000	2016.09.29	1.183	0.896	(2,242)
		$ 10,175,000				$ (8,737)

The Group entered into interest swap contracts for the nine months ended September 30, 2014 and 2013 to manage exposures to interest rate fluctuations.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	September 30, 2014	December 31, 2013	September 30, 2013
Domestic investments			
Listed shares	$ 13,612,571	$ 13,820,265	$ 12,451,746
Foreign investments			
Listed shares	782,442	875,278	870,249
	$ 14,395,013	$ 14,695,543	$ 13,321,995
Current	$ 13,881,903	$ 14,250,585	$ 12,900,654
Non-current	513,110	444,958	421,341
	$ 14,395,013	$ 14,695,543	$ 13,321,995

9. FINANCIAL ASSETS MEASURED AT COST

	September 30, 2014	December 31, 2013	September 30, 2013
Domestic investments			
Unlisted shares	$ 62,225	$ 62,225	$ 62,225
Foreign investments			
Unlisted shares	266,228	280,692	278,479
Mutual funds	433,807	538,438	660,550
	700,035	819,130	939,029
	$ 762,260	$ 881,355	$ 1,001,254
Current	$ -	$ 4,950	$ 4,911
Non-current	762,260	876,405	996,343
	$ 762,260	$ 881,355	$ 1,001,254
Classified according to financial asset measurement categories			
Available-for-sale financial assets	$ 762,260	$ 881,355	$ 1,001,254

a. Management believed that the above investments held by the Group, whose fair value cannot be reliably measured due to the range of reasonable fair value estimates was so significant; therefore, they were measured at cost less impairment at the end of reporting period.

b. The Group had recorded impairment loss equal to the investment cost for Ryco Investment Ltd., Huan Shey Co., Ltd. and DTE Technologies Corp., respectively. In addition, DTE Technologies Corp. was liquidated and dissolved on November 25, 2013.

10. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	September 30, 2014	December 31, 2013	September 30, 2013
Time deposits with original maturity more than three months	$ 3,313,052	$ 1,556,437	$ 232,497
Other	31,854	40,549	19,610
	$ 3,344,906	$ 1,596,986	$ 252,107
Current	$ 3,313,052	$ 1,556,437	$ 232,497
Non-current	31,854	40,549	19,610
	$ 3,344,906	$ 1,596,986	$ 252,107

Refer to Note 39 for information relating to debt investments with no active market pledged as security.

11. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	September 30, 2014	December 31, 2013	September 30, 2013
Notes receivable			
Notes receivable - operating	$ 11,324	$ 15,573	$ 20,530
Notes receivable - non-operating	1,754	973	1,231
Less: Allowance for doubtful accounts	-	-	-
	$ 13,078	$ 16,546	$ 21,761
Accounts receivable			
Accounts receivable	$ 29,826,489	$ 31,089,853	$ 29,453,558
Less: Allowance for doubtful accounts	(933,806)	(915,610)	(1,262,701)
	$ 28,892,683	$ 30,174,243	$ 28,190,857
Other receivables			
Tax refund receivables	$ 885,954	$ 696,636	$ 802,973
Other	2,900,745	3,527,211	2,147,392
Less: Allowance for doubtful accounts	(7,028)	(43,383)	(43,050)
	$ 3,779,671	$ 4,180,464	$ 2,907,315

In determining the recoverability of accounts receivable, the Group considered any change in the credit quality of the accounts receivable since the date credit was initially granted to the end of the reporting period. Allowance for doubtful account was recognized based on past due of the reporting period and past default experience.

a. Notes receivable

The notes receivable balances at September 30, 2014, December 31, 2013 and September 30, 2013 were not past due.

b. Accounts receivable

1) The aging analysis of the accounts receivable as at September 30, 2014, December 31, 2013 and September 30, 2013 were as follows:

September 30, 2014

	Not Past Due and Not Impaired	Not Past Due but Impaired	Past Due but Not Impaired	Past Due and Impaired	Total
Less than 30 days	$ 19,859,599	$ -	$ -	$ -	$ 19,859,599
31-90 days	7,481,634	-	1,337,141	19,050	8,837,825
More than 91 days	-	-	214,309	914,756	1,129,065
	$ 27,341,233	$ -	$ 1,551,450	$ 933,806	$ 29,826,489

December 31, 2013

	Not Past Due and Not Impaired	Not Past Due but Impaired	Past Due but Not Impaired	Past Due and Impaired	Total
Less than 30 days	$ 21,768,448	$ -	$ -	$ -	$ 21,768,448
31-90 days	7,139,947	-	1,023,265	119	8,163,331
More than 91 days	-	-	242,583	915,491	1,158,074
	$ 28,908,395	$ -	$ 1,265,848	$ 915,610	$ 31,089,853

September 30, 2013

	Not Past Due and Not Impaired	Not Past Due but Impaired	Past Due but Not Impaired	Past Due and Impaired	Total
Less than 30 days	$ 19,681,938	$ -	$ -	$ -	$ 19,681,938
31-90 days	7,428,148	-	822,982	10,645	8,261,775
More than 91 days	-	-	257,789	1,252,056	1,509,845
	$ 27,110,086	$ -	$ 1,080,771	$ 1,262,701	$ 29,453,558

The above aging schedule was based on the invoice date.

2) Movements of the allowance for accounts receivable were as follows:

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2014	$ 915,610	$ -	$ 915,610
Add: Provision	24,120	-	24,120
Less: Reversal	(20,668)	-	(20,668)
Add: Effect of exchange rate changes	14,744	-	14,744
Balance at September 30, 2014	$ 933,806	$ -	$ 933,806

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2013	$ 1,196,679	$ -	$ 1,196,679
Add: Provision	64,600	-	64,600
Less: Reversal	(762)	-	(762)
Less: Amount reversed from disposal of subsidiary	(23,176)	-	(23,176)
Add: Effect of exchange rate changes	25,360	-	25,360
Balance at September 30, 2013	$ 1,262,701	$ -	$ 1,262,701

12. INVENTORIES

	September 30, 2014	December 31, 2013	September 30, 2013
Inventories - manufacturing and retailing	$ 39,027,660	$ 37,071,053	$ 36,830,072
Inventories - construction	4,442,176	4,011,453	3,822,164
	$ 43,469,836	$ 41,082,506	$ 40,652,236

a. Inventories - manufacturing and retailing at the end of the reporting period consisted of the following:

	September 30, 2014	December 31, 2013	September 30, 2013
Raw materials	$ 7,937,050	$ 6,602,285	$ 7,333,983
Work in progress	5,206,243	4,615,801	5,129,913
Finished goods and merchandise	25,884,367	25,852,967	24,366,176
	$ 39,027,660	$ 37,071,053	$ 36,830,072

1) The cost of inventories recognized as cost of goods sold for the three months ended September 30, 2014 and 2013, and the nine months ended September 30, 2014 and 2013 was $46,878,823 thousand, $43,454,078 thousand, $139,247,508 thousand and $130,121,985 thousand, respectively.

2) The cost of inventories recognized as cost of goods sold for the nine months ended September 30, 2014 and 2013 included inventory write-downs of $408,869 thousand and $57,544 thousand, respectively.

b. Inventories - construction at the end of the reporting period consisted of the following:

	September 30, 2014	December 31, 2013	September 30, 2013
Land and buildings held for development	$ 4,269,008	$ 3,835,874	$ 3,634,060
Land and buildings held for sale	53,368	55,779	61,446
Land held for construction site	119,800	119,800	126,658
	$ 4,442,176	$ 4,011,453	$ 3,822,164

The cost of inventories recognized as cost of goods sold for the three months ended September 30, 2014 and 2013, and the nine months ended September 30, 2014 and 2013 was $538 thousand, $9,087 thousand, $1,772 thousand and $12,782 thousand, respectively.

13. PREPAYMENTS FOR LEASE

	September 30, 2014	December 31, 2013	September 30, 2013
PRC	$ 3,286,210	$ 3,322,113	$ 3,372,638
Indonesia	930,426	925,952	930,923
Vietnam	1,148,385	1,139,058	1,070,227
	$ 5,365,021	$ 5,387,123	$ 5,373,788
Current	$ 154,169	$ 151,409	$ 160,861
Non-current	5,210,852	5,235,714	5,212,927
	$ 5,365,021	$ 5,387,123	$ 5,373,788

14. NON-CURRENT ASSETS HELD FOR SALE

	September 30, 2014	December 31, 2013	September 30, 2013
Assets associated with non-current assets held for sale			
Cash and cash equivalents	$ -	$ -	$ 80,519
Property, plant and equipment	-	-	17,091
Inventories	-	-	8,930
Accounts receivable	-	-	32,971
Other receivables	-	-	20,137
	$ -	$ -	$ 159,648
Liabilities directly associated with non-current assets held for sale			
Accrued expense and other payables	$ -	$ -	$ 53,906

Yue Yuen resolved to dispose subsidiaries for total consideration of $105,742 thousand (US$3,576 thousand) in the period ended September 30, 2013. The Group had reclassified the associated assets and liabilities to "non-current assets held for sale" and "liabilities directly associated with non-current assets held for sale".

15. OTHER ASSETS

	September 30, 2014	December 31, 2013	September 30, 2013
Prepayments	$ 8,086,739	$ 8,503,618	$ 8,394,172
Refundable deposits	162,072	146,051	156,595
Prepaid pension cost	111,168	108,875	124,455
Prepayments for equipment	977,888	361,039	342,833
Others	2,267,421	1,836,766	1,718,719
	$ 11,605,288	$ 10,956,349	$ 10,736,774
Current	$ 9,673,392	$ 9,592,557	$ 9,623,126
Non-current	1,931,896	1,363,792	1,113,648
	$ 11,605,288	$ 10,956,349	$ 10,736,774

16. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	September 30, 2014	December 31, 2013	September 30, 2013
Investments in associates	$ 22,192,003	$ 21,079,930	$ 20,324,868
Investments in joint ventures	14,149,005	13,742,334	14,012,037
	$ 36,341,008	$ 34,822,264	$ 34,336,905

a. Investments in associates

	September 30, 2014	December 31, 2013	September 30, 2013
Foreign listed companies	$ 3,059,272	$ 3,050,469	$ 3,003,659
Domestic listed companies	7,704,654	7,703,025	7,952,113
Unlisted companies	11,428,077	10,326,436	9,369,096
	$ 22,192,003	$ 21,079,930	$ 20,324,868

1) At the end of the reporting period, the proportion of ownership and voting rights in associates held by the Group were as follows:

Name of Associate	September 30, 2014	December 31, 2013	September 30, 2013
Luen Thai Holdings Ltd.	9.74%	9.74%	9.74%
Eagle Nice (International) Holdings Limited	38.42%	38.42%	38.42%
Evermore Chemical Industry Co., Ltd.	28.19%	28.19%	28.19%
San Fang Chemical Industry Co., Ltd.	44.72%	44.72%	44.72%
Elitegroup Computer Systems Co., Ltd.	19.52%	19.38%	19.38%
Ace Top Group Limited	40.00%	40.00%	40.00%
Bigfoot Limited	48.76%	48.76%	48.76%
Enthroned Group Limited	48.76%	48.76%	48.76%
Faith Year Investments Ltd.	30.00%	30.00%	30.00%

(Continued)

Name of Associate	September 30, 2014	December 31, 2013	September 30, 2013
Full Pearl International Ltd.	40.04%	40.04%	40.04%
Haicheng Information Technology Co., Ltd.	50.00%	50.00%	50.00%
Hengqin New District of Zhuhai City Baolee Property Management Co., Ltd.	40.00%	-	-
Just Lucky Investments Limited	38.30%	38.30%	38.30%
Kleine Developments Ltd.	33.33%	33.33%	33.33%
Natural Options Limited	38.30%	38.30%	38.30%
Oftenrich Holdings Limited	45.00%	45.00%	45.00%
Original Designs Developments Limited	49.47%	49.47%	49.47%
Pine Wood Industries Limited	37.00%	37.00%	37.00%
Pou Ming Paper Products Manufacturing Co., Ltd.	20.00%	20.00%	-
Prosperlink Limited	38.00%	38.00%	38.00%
Prosperous Industrial (Holdings) Ltd.	30.00%	30.00%	30.00%
Rise Bloom International Limited	38.00%	47.00%	47.00%
Silver Island Trading Ltd.	50.00%	50.00%	50.00%
Supplyline Logistics Ltd.	49.00%	49.00%	49.00%
Talent Pool Management Ltd.	30.00%	30.00%	30.00%
Venture Well Holdings Ltd.	31.55%	31.55%	31.55%
Zhejiang Baohong Sports Goods Company Limited	49.00%	49.00%	49.00%
Zhuhai Poulik Properties Management Co., Ltd.	40.00%	40.00%	40.00%
Nan Pao Resins Chemical Co., Ltd.	21.32%	21.32%	21.15%
Techview International Technology Inc.	50.00%	50.00%	50.00%
Ruen Chen Investment Holding Co., Ltd.	20.00%	20.00%	20.00%

(Concluded)

2) Because the Group is able to exercise significant influence over Luen Thai Holdings Ltd., it has the power to appoint the management team of Luen Thai Holdings Ltd. since September 2007.

3) The Group holds less than 20% interest of Elite Computer Systems Co., Ltd. but the Group has the power to appoint three out of the nine directors of Elite Computer Systems Co., Ltd.; therefore, the Group is able to exercise significant influence over Elite Computer Systems Co., Ltd.

4) Ruen Chen issued 1,000,000 thousand shares with $10 per share in September 2013, of which 200,000 thousand shares in the amount of $2,000,000 thousand, were subscribed by the Group in proportion to the percentage of ownership.

5) The quoted market price of investments in associates which are publishly traded stocks is summarized as follows (based on the closing price of those investments at the balance sheet date):

Name of Associate	September 30, 2014	December 31, 2013	September 30, 2013
Luen Thai Holdings Ltd.	$ 753,899	$ 1,053,339	$ 1,133,477
Eagle Nice (International) Holdings Limited	$ 992,939	$ 952,031	$ 1,083,741
Evermore Chemical Industry Co., Ltd.	$ 344,050	$ 361,266	$ 355,964
San Fang Chemical Industry Co., Ltd.	$ 4,959,129	$ 5,105,835	$ 4,786,646
Elitegroup Computer Systems Co., Ltd.	$ 3,206,429	$ 2,423,387	$ 2,934,381

b. Investments in joint ventures

	September 30, 2014	December 31, 2013	September 30, 2013
Unlisted companies	$ 14,149,005	$ 13,742,334	$ 14,012,037

At the end of the reporting period, the proportion of ownership and voting rights in joint ventures held by the Group were as follows:

Name of Associate	September 30, 2014	December 31, 2013	September 30, 2013
Artesol Limited	50.00%	50.00%	-
Beijing Baojing Kangtai Trading Co., Ltd.	50.00%	50.00%	50.00%
Best Focus Holdings Ltd.	50.00%	50.00%	50.00%
Blessland Enterprises Limited	50.00%	50.00%	50.00%
Cohen Enterprises Inc.	50.00%	50.00%	50.00%
Coprospects Holdings Ltd.	-	-	50.00%
Din Tsun Holding Co., Ltd.	50.00%	50.00%	50.00%
Great Skill Industrial Limited	50.00%	50.00%	50.00%
Guiyang Baoshang Sports Goods Company Limited	50.00%	50.00%	50.00%
Hangzhou Baohong Sports Goods Company Limited	50.00%	50.00%	50.00%
Hefei Tengrei Sports Goods Company Limited	50.00%	50.00%	50.00%
High Style Investments Limited	-	50.00%	50.00%
Hua Jian Industrial Holding Co., Limited	50.00%	50.00%	50.00%
Jilin Lingpao Sports Goods Company Limited	50.00%	50.00%	50.00%
Jilin Xinfangwei Sports Goods Company Limited	50.00%	50.00%	50.00%
Jumbo Power Enterprises Limited	50.00%	50.00%	50.00%
Ka Yuen Rubber Factory Limited	50.00%	50.00%	50.00%
Most Honour International Limited	50.00%	50.00%	50.00%
Poulik Properties Management Co., Ltd.	30.00%	30.00%	30.00%
Precise Zone Investments Limited	-	47.65%	47.65%
Pygf Co., Ltd.	-	50.00%	50.00%
Rising Developments Ltd.	-	-	50.00%
Shaanxi Jixian Longyue Sports Goods Company Limited	50.00%	50.00%	50.00%
Smart Shine Industries Limited	50.00%	50.00%	50.00%
Texas Clothing Holdings Corp.	49.99%	49.99%	49.99%
Topmost Industries Limited	50.00%	50.00%	50.00%
Twinways Investments Limited	50.00%	50.00%	50.00%
Well Success Investment Limited	40.00%	40.00%	40.00%
Willpower Industries Limited	44.84%	44.84%	44.84%
Zhong Ao Multiplex Management Limited	46.82%	46.82%	46.82%
Hebei Olivier Trading Co., Ltd.	45.00%	45.00%	45.00%

17. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2014	December 31, 2013	September 30, 2013
Land	$ 2,243,625	$ 2,305,337	$ 2,312,668
Buildings and improvements	38,559,744	39,408,078	39,056,596
Machinery and equipment	14,379,451	14,059,370	14,562,155
Transportation equipment	407,813	420,948	428,848
Office equipment	2,113,736	1,967,595	1,997,720
Other equipment	19,808	25,349	28,172
Construction in Progress	2,577,560	913,162	1,539,688
	$ 60,301,737	$ 59,099,839	$ 59,925,847

a. Except for depreciation recognized, the Group had no significant addition, disposal and impairment of property, plant and equipment during the three months ended September 30, 2014 and 2013, and the nine months ended September 30, 2014 and 2013.

b. The above items of property, plant and equipment were depreciated on a straight-line basis over the estimated useful life of the asset:

Items	Estimated Useful Life
Buildings and improvements	
Main buildings	55 years
Elevators	15 years
Machinery and equipment	5-12 years
Transportation equipment	5 years
Office equipment	3-7 years
Other equipment	3-10 years

c. The Group has three parcels of land located in Changhwa County with carrying value of $56,102 thousand. Due to certain restrictions under the land regulations, the ownership for these three parcels of land resides with a trustee through a trust agreement which prohibits the trustee from selling, pledging or hypothecating the property.

18. INVESTMENT PROPERTIES

	September 30, 2014	December 31, 2013	September 30, 2013
Investment properties	$ 2,250,376	$ 2,153,463	$ 2,079,900

a. Except for depreciation expenses recognized the Group had no significant addition, disposal and impairment on investment properties during the three months ended September 30, 2014 and 2013, and the nine months ended September 30, 2014 and 2013.

b. The investment properties were depreciated on a straight-line method over 30-55 year.

c. The fair values of the Group's investment properties as of December 31, 2013 and January 1, 2013 was $3,072,904 thousand and $2,039,302 thousand, respectively. Group's management team evaluated the fair value of investment properties in the nine months ended September 30, 2014 and 2013 had not changed significantly.

d. Refer to Note 39 for the carrying amount of investments properties pledged by the Group to secure borrowings.

19. GOODWILL

There is no indication of impairment after the Group's goodwill has been tested at December 31, 2013 and 2012. The Group's management team evaluated goodwill as at September 30, 2014 and 2013 had not changed significantly and impaired.

20. OTHER INTANGIBLE ASSETS

	September 30, 2014	December 31, 2013	September 30, 2013
Patents	$ 508	$ 518	$ 512
Trademark	36	134	138
Customer relationship	118,942	141,425	159,737
Brandnames	2,009,180	2,004,386	2,114,699
Licensing agreements	394,031	245,921	249,482
Non-compete agreements	1,012,408	1,131,249	1,329,497
	$ 3,535,105	$ 3,523,633	$ 3,854,065

a. Except for amortization recognized, the Group had no significant addition, disposal, nor impairment of other intangible assets during the three months ended September 30, 2014 and 2013, and the nine months ended September 30, 2014 and 2013.

b. The above items of other intangible assets were amortized on a straight-line basis over the estimated useful life of the asset:

Items	Estimated Useful Life
Patents	10-20 years
Trademark	5-10 years
Customer relationship	8 years
Licensing agreements	10 years
Non-compete agreements	5-20 years

The brandnames are considered by the management of the Group as having indefinite useful life because they are expected to contribute to net cash inflows to the Group indefinitely.

21. BORROWINGS

a. Short-term borrowings

	September 30, 2014	December 31, 2013	September 30, 2013
Unsecured borrowings			
Credit borrowings	$ 18,110,982	$ 16,640,291	$ 20,144,391

The range of effective interest rate on bank borrowings was 0.83%-6.33%, 0.80%-7.02% and 0.78%-7.02% per annum as of September 30, 2014, December 31, 2013 and September 30, 2013, respectively.

b. Short-term bills payable

September 30, 2014

	Annual Interest Rate %	Amount
Commercial paper	0.65-0.93	$ 1,876,000
Less: Unamortized discount on bills payable		(741)
		$ 1,875,259

December 31, 2013

	Annual Interest Rate %	Amount
Commercial paper	0.65-1.03	$ 2,205,000
Less: Unamortized discount on bills payable		(3,134)
		$ 2,201,866

September 30, 2013

	Annual Interest Rate %	Amount
Commercial paper	0.68-1.03	$ 2,430,000
Less: Unamortized discount on bills payable		(3,997)
		$ 2,426,003

c. Long-term borrowings

	Term	Article	Interest Rate %	September 30, 2014	December 31, 2013	September 30, 2013
Mizuho Bank	2013.03.28-2016.03.28	Facility is US$70,000 thousand. The principal will be fully repaid upon maturity. Interest is paid quarterly.	1.08	$ 2,129,400	$ 2,086,350	$ 2,069,900
SMBC	2013.04.16-2016.04.16	Facility is US$50,000 thousand. The principal will be fully repaid upon maturity. Interest is paid quarterly.	1.18	1,521,000	1,490,250	1,478,500
Citibank	2013.04.23-2016.04.23	Facility is US$40,000 thousand. The principal will be fully repaid upon maturity. Interest is paid quarterly.	1.08	1,216,800	1,192,200	1,182,800
Scotiabank	2013.04.19-2016.04.19	Facility is US$70,000 thousand. The principal will be fully repaid upon maturity. Interest is paid quarterly.	1.09	2,129,400	2,086,350	2,069,900
Bank of America	2013.05.10-2016.05.10	Facility is US$70,000 thousand. The principal will be fully repaid upon maturity. Interest is paid quarterly.	1.08	2,129,400	2,086,350	2,069,900
HSBC	2013.04.23-2016.04.23	Facility is US$50,000 thousand. The principal will be fully repaid upon maturity. Interest is paid quarterly.	1.14	1,521,000	1,490,250	1,478,500
ANZ Bank	2013.02.27-2015.05.09	Facility is US$50,000 thousand. The principal will be fully repaid upon maturity. Interest is paid monthly.	2.18	1,478,134	1,490,250	1,301,080
Chinatrust Commercial Bank (lead lender) syndication loan	2011.05.12-2016.06.10	Facility is US$300,000 thousand. The principal will be repaid in semiannual installment payments from January 12, 2015. Interest is paid quarterly or semiannually.	0.78	9,126,000	8,941,500	8,871,000
First Commercial Bank (lead lender) syndication loan	2011.06.29-2016.09.29	Facility is $13,000,000 thousand. The rate is based on the average interest rate of a 90-day or 180-day short-term bill of secondary market. The principal will be repaid in semiannual installment payments from March 27, 2015. Interest is paid quarterly of semiannually.	1.46	7,000,000	7,000,000	7,000,000
Bank of Taiwan (lead lender) syndication loan	2013.06.03-2018.06.03	Facility is $10,000,000 thousand. The rate is based on the average interest rate of a 90-day or 180-day short-term bill of secondary market. The principal will be repaid in semiannual installment payments from December 2, 2016. Interest is paid quarterly of semiannually.	1.59	10,000,000	10,000,000	10,000,000
Industrial Bank of Taiwan	2012.12.26-2015.12.25	Facility is $400,000 thousand. The above facility may be used on a revolving basis. The principal will be fully repaid upon maturity. Interest is paid monthly.	1.28	100,000	400,000	400,000
Yuanta Bank	2013.06.13-2016.06.12	Facility is $500,000 thousand. The above facility may be used on a revolving basis. The principal will be fully repaid upon maturity. Interest is paid monthly.	1.21-1.23	500,000	500,000	412,000
Chang Hwa Bank	2013.05.07-2019.05.07	Facility is $488,000 thousand. The principal will be fully repaid upon maturity. Interest is paid monthly.	2.50	488,000	488,000	488,000
Mizuho Bank	2014.05.27-2019.05.27	Facility is US$100,000 thousand. The principal will be full repaid upon maturity. Interest in paid quarterly.	1.43	3,042,000	-	-
SMBC	2014.04.25-2019.05.02	Facility is US$100,000 thousand. The principal will be full repaid upon maturity. Interest in paid quarterly.	1.43	3,042,000	-	-
Scotiabank	2014.05.07-2019.05.14	Facility is US$90,000 thousand. The principal will be full repaid upon maturity. Interest in paid quarterly.	1.43	2,737,800	-	-

(Continued)

	Term	Article	Interest Rate %	September 30, 2014	December 31, 2013	September 30, 2013
BNP Paribas	2014.05.12-2019.05.14	Facility is US$80,000 thousand. The principal will be full repaid upon maturity. Interest in paid quarterly.	1.43	$ 2,433,600	$ -	$ -
Citibank (lead lender) syndication loan	2011.10.20-2014.10.20	Facility is US$350,000 thousand, including HK$2,028,000 thousand and US$90,000 thousand. The principal will be fully repaid upon maturity. Interest is paid semiannually. The principal were fully prepaid in August 2014.	-	-	8,361,006	8,295,083
Citic Bank	2012.09.06-2014.09.08	Facility is US$14,997 thousand. The principal due in semiannual installments commencing from September 2013. Interest is paid quarterly. The principal were fully repaid in September 2014	-	-	424,637	421,288
Taipei Fubon Bank	2008.11.27-2013.11.27	Facility is US$150,000 thousand. The principal due in semiannual installments commencing from May 2012. Interest is paid quarterly. The principal were fully repaid in November 2013.	-	-	-	1,108,875
				50,594,534	48,037,143	48,646,826
Less: Current portion				(9,541,134)	(8,785,643)	(1,530,163)
Less: Long-term expenses for syndication loan				(28,760)	(41,259)	(45,366)
				$ 41,024,640	$ 39,210,241	$ 47,071,297

(Concluded)

The Group provided collaterals in accordance with the requirements of the bank, refer to Note 39.

22. NOTES PAYABLE AND ACCOUNTS PAYABLE

	September 30, 2014	December 31, 2013	September 30, 2013
Notes payable			
Operating	$ 65,422	$ 49,435	$ 50,492
Non-operating	1,816	2,735	3,008
	$ 67,238	$ 52,170	$ 53,500
Accounts payable	$ 15,970,965	$ 14,276,711	$ 12,835,127

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

23. OTHER PAYABLES

	September 30, 2014	December 31, 2013	September 30, 2013
Payable for salaries	$ 8,936,104	$ 9,812,602	$ 7,871,362
Payable for purchase of property, plant and equipment	1,137,456	783,209	601,743
Compensation due to directors and supervisors	187,569	210,538	271,455
Employee bonus payable	334,363	317,893	209,889
Interest payable	102,759	85,316	91,080
Payable for acquisition of subsidiary and business	543,727	562,420	565,615
Payable for annual leave	1,155,996	1,145,388	1,033,139
Payable for dividends	1,130,974	-	1,100,737
Others (Note 40)	11,037,327	7,835,065	7,984,482
	$ 24,566,275	$ 20,752,431	$ 19,729,502
Current	$ 23,894,704	$ 20,069,301	$ 19,061,480
Non-current	671,571	683,130	668,022
	$ 24,566,275	$ 20,752,431	$ 19,729,502

24. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Group's defined benefit retirement plans were calculated using the actuarially determined pension cost discount rate as of December 31, 2013 and 2012, and recognized in the following line items in their respective periods:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Operating cost	$ 122	$ 223	$ 383	$ 710
Marketing expenses	$ 10	$ 16	$ 30	$ 61
Administration expenses	$ 8,733	$ 4,451	$ 25,748	$ 13,409
Research and development expenses	$ 2,778	$ 5,088	$ 8,660	$ 15,195

25. EQUITY

a. Share capital

	September 30, 2014	December 31, 2013	September 30, 2013
Numbers of shares authorized (in thousands)	4,500,000	4,500,000	4,500,000
Shares authorized	$ 45,000,000	$ 45,000,000	$ 45,000,000
Number of shares issued and fully paid (in thousands)	2,944,137	2,944,137	2,944,137
Shares issued	$ 29,441,372	$ 29,441,372	$ 29,441,372

The Company's employee share options were exercised for 952 thousand shares (amounted to $9,523 thousand) during the nine months ended September 30, 2013.

b. Capital surplus

	September 30, 2014	December 31, 2013	September 30, 2013
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Arising from issuance of common shares	$ 827,403	$ 827,403	$ 827,403
Arising from conversion of bonds	1,447,492	1,447,492	1,447,492
Arising from treasury share transactions	1,824,608	1,606,313	1,606,313
Arising from the excess of the consideration received over the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	454,091	465,103	465,148

(Continued)

	September 30, 2014	December 31, 2013	September 30, 2013
May be used to offset a deficit only (2)			
Arising from share of changes in equities of subsidiaries	$ 19,788	$ 19,788	$ 19,654
May not be used for any purpose			
Arising from share of changes in net assets of associates or joint ventures	4,199	-	-
	$ 4,577,581	$ 4,366,099	$ 4,366,010

(Concluded)

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

2) Such capital surplus arises from share of changes in equities of subsidiaries resulted from equity transactions, or from share of changes in capital surplus of subsidiaries accounted by using equity method when the Company is not actual disposal or acquisition of subsidiaries.

c. Retained earnings and dividend policy

Under the Company Law of the ROC and the Company's Articles of Incorporation, the annual net profits should be appropriated as follows:

1) For paying taxes,

2) For offsetting deficits,

3) For legal reserve at 10% of the profits left over, and according to Article 41-1 of Securities Transaction Act, in addition to the appropriation for legal reserve, appropriation for special reserve in amount equal to debit balances, if any, in shareholders' equity (such as unrealized gain or loss on available for sale assets and exchange differences on translation foreign operations). The special reserve can be reversed and distributed as retained earnings if such deduction of shareholders' equity reversed.

4) Bonus to directors and supervisors of the Company of not more than 3% after the items one to three above were appropriated,

5) Bonus to employees of the Company of not more than 5% and not less than 1% after the items one to four above were appropriated,

6) As special reserve or being retained partially, if necessary,

7) Dividends to shareholders as proposed according to stock ownership proportion.

8) For share bonus to qualified employees, including the employees of subsidiaries of the Company meeting specific requirements. Regarding the terms and proportion, the board of directors of the Company is authorized to resolve.

For the nine months ended September 30, 2014 and 2013, the bonus to employees was $130,817 thousand and $35,534 thousand, respectively, and the remuneration to directors and supervisors was $66,404 thousand and $18,037 thousand, respectively. The bonus to employees and remuneration to directors and supervisors were both expense based on estimated amount of past payment experience according to the articles of incorporation.

Under Rule No. 1010012865, No. 1010047490 issued by the FSC and the "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", a special reserve from unappropriated earnings shall be made. The special reserve can be reversed and distributed as retained earnings if such deduction of shareholders' equity reversed.

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

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

The appropriations of earnings for 2013 and 2012 had been approved in the shareholders' meetings on June 17, 2014 and June 14, 2013, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		**Dividends Per Share (NT$)**	
	For Year 2013	**For Year 2012**	**For Year 2013**	**For Year 2012**
Legal reserve	$ 1,061,945	$ 1,015,634	$ -	$ -
Special reserve	4,744,957	1,172,074	-	-
Cash dividends	2,944,137	4,416,205	1.00	1.50

	2014		**2013**	
	Cash Dividend	**Share Dividend**	**Cash Dividend**	**Share Dividend**
Bonus to employees	$ 142,211	$ -	$ 235,472	$ -
Remuneration to directors and supervisors	72,188	-	119,529	-

There was no difference between the amounts of the bonus to employees and the remuneration to directors and supervisors approved in the shareholders' meetings on June 17, 2014 and June 14, 2013 and the amounts recognized in the financial statements for the years ended December 31, 2013 and 2012.

Information about the bonus to employees, directors and supervisors approved by the Company's shareholder's meeting is available on the Market Observation Post System website of the Taiwan Stock Exchange.

d. Other equity item

1) Exchange differences on translation foreign operations

	For the Nine Months Ended September 30	
	2014	2013
Balance at January 1	$ 20,776	$ (1,843,619)
Exchange differences arising on translation of foreign operations	883,961	1,285,732
Share of other comprehensive income of associates and joint ventures	13,235	50,852
Balance at September 30	$ 917,972	$ (507,035)

2) Unrealized gain or loss on available-for-sale financial assets

	For the Nine Months Ended September 30	
	2014	2013
Balance at January 1	$ (9,200,823)	$ (176,725)
Unrealized (loss) gain on available-for-sale financial assets	(16,327)	839,015
Unrealized loss on available-for-sale financial assets of associates and joint ventures	(1,980,456)	(10,494,389)
Balance at September 30	$ (11,197,606)	$ (9,832,099)

3) Cash flow hedges

	For the Nine Months Ended September 30	
	2014	2013
Balance at January 1	$ -	$ (5,430)
Gain arising on the changes in the fair value of hedges instruments - interest rate swaps	-	5,430
Balance at September 30	$ -	$ -

e. Non-controlling interests

	For the Nine Months Ended September 30	
	2014	2013
Balance at January 1	$ 76,409,295	$ 70,345,509
Share of non-controlling interests		
Net income	3,331,215	4,779,463
Exchange differences arising on translation of foreign operations	(516,738)	356,218
Unrealized (loss) gain on available-for-sale financial assets	(9,963)	77,241
Change in non-controlling interests	(2,564,270)	(1,299,151)
Balance at September 30	$ 76,649,539	$ 74,259,280

f. Treasury shares

The changes in treasury shares were summarized as follows:

	Beginning of Year	Addition	Reduction	End of Year
For the nine months ended September 30, 2014				
Shares held by subsidiaries	9,934,059	-	(9,934,059)	-
For the nine months ended September 30, 2013				
Shares held by subsidiaries	9,934,059	-	-	9,934,059

The Company’s shares held by its subsidiaries at the end of the reporting periods were as follows:

Name of Subsidiary	Number of Shares Held	Carrying Amount	Market Price
December 31, 2013			
Pou Shine Investments Co., Ltd.	3,586,358	$ 68,161	$ 159,772
Barits Development Corporation	4,827,561	96,361	215,068
Song Ming Investments Corporation	91,094	1,818	4,058
Pou Yii Development Co., Ltd.	1,615,313	25,415	71,962
		$ 191,755	$ 450,860
September 30, 2013			
Pou Shine Investments Co., Ltd.	3,586,358	$ 68,161	$ 123,550
Barits Development Corporation	4,827,561	96,361	166,309
Song Ming Investments Corporation	91,094	1,818	3,138
Pou Yii Development Co., Ltd.	1,615,313	25,415	55,648
		$ 191,755	$ 348,645

1) The Company’s shares held by its subsidiaries were deducted total consideration of 9,934,059 shares which were sold by Pou Shine Investments Co., Ltd. and other companies during the nine months ended September 30, 2014. And the profit of $218,295 thousand was recognized as capital surplus from treasury shares transactions.

2) The subsidiaries holding treasury shares, however, retain shareholders’ rights, except the rights to participate in any share issuance for cash and to vote.

26. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Revenue from the products	$ 59,685,453	$ 55,785,949	$ 179,203,345	$ 166,120,612
Revenue from the rendering of services	10,635	13,664	67,919	69,823
Rental income	7,278	6,537	21,913	19,514
Revenue from entertainment and resort	121,560	117,842	359,281	362,187
	$ 59,824,926	$ 55,923,992	$ 179,652,458	$ 166,572,136

27. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations consisted of the following:

a. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Rental income				
Rental income from operating lease				
Investment properties	$ 5,542	$ 13,125	$ 17,902	$ 28,593
Other	67,763	80,836	221,068	213,893
	73,305	93,961	238,970	242,486
Interest income				
Cash in bank	114,165	87,123	297,438	231,644
Repurchase agreements collateralized by bonds	1,252	1,637	3,199	11,174
Debt investment with no active market	22,093	1,437	60,120	5,341
Other	1,370	1,077	2,979	3,272
	138,880	91,274	363,736	251,431
Dividend income	588,346	540,785	610,535	545,546
Other	560,035	805,221	1,500,209	1,631,686
	$ 1,360,566	$ 1,531,241	$ 2,713,450	$ 2,671,149

b. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Net (loss) gain on disposal of property, plant and equipment	$ (31,564)	$ (186,348)	$ 74,891	$ (257,120)
Net foreign exchange gain (loss)	169,930	35,844	(166,668)	685,825

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Net (loss) gain on disposal of subsidiaries, joint ventures and associates	$ (23,917)	$ 1,268,249	$ (27,024)	$ 1,348,222
Net gain (loss) on disposal of available-for-sale financial assets	-	22	(128,103)	25,483
Net gain (loss) on disposal of financial asset measured at cost	53,451	(10,269)	83,806	(10,269)
Net gain (loss) arising on financial assets designated as at FVTPL	58,253	235,059	(30,608)	480,056
Net gain (loss) arising on financial liabilities designated as at FVTPL	261,711	322,047	(536,559)	80,013
Impairment loss	(24,166)	(102,711)	(104,339)	(81,896)
Others	(32,727)	(11,655)	(96,059)	(162,728)
	$ 430,971	$ 1,550,238	$ (930,663)	$ 2,107,586

(Concluded)

c. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Interest on bank borrowings	$ 252,052	$ 289,372	$ 780,154	$ 951,714
Interest on short-term bills payable	4,104	5,284	12,914	16,246
Other interest expense	804	171	887	546
	$ 256,960	$ 294,827	$ 793,955	$ 968,506

d. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Property, plant and equipment	$ 1,829,073	$ 1,896,461	$ 5,349,989	$ 5,666,200
Investment properties	6,105	4,481	17,822	13,306
Other intangible assets	59,650	61,675	175,661	182,888
Prepayments for lease	44,527	37,977	131,820	126,471
	$ 1,939,355	$ 2,000,594	$ 5,675,292	$ 5,988,865

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
An analysis of deprecation by function				
Operating costs	$ 1,235,078	$ 1,264,583	$ 3,478,614	$ 3,707,276
Operating expenses	598,520	634,305	1,883,392	1,961,743
Non-operating expenses	1,580	2,054	5,805	10,487
	$ 1,835,178	$ 1,900,942	$ 5,367,811	$ 5,679,506
An analysis of amortization by function				
Operating costs	$ 292	$ 176	$ 880	$ 526
Operating expenses	103,885	99,476	306,601	308,833
	$ 104,177	$ 99,652	$ 307,481	$ 309,359

(Concluded)

e. Direct expenses with investment properties

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Direct operating expenses from investment properties that generated rental income	$ 8,944	$ 15,734	$ 28,779	$ 25,431

f. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Post-employment benefits				
Defined contribution plans (Note 40)	$ 1,436,981	$ 651,362	$ 5,550,994	$ 1,645,565
Defined benefit plans	11,643	9,778	34,821	29,375
	1,448,624	661,140	5,585,815	1,674,940
Share-based payments				
Equity-settled share-based payments	390	(4,090)	(455)	(4,270)
Termination benefits	24,806	7,291	34,768	20,894
Other employee benefits (Note 40)	13,788,765	13,502,491	42,988,458	40,612,639
Total employee benefits expense	$ 15,262,585	$ 14,166,832	$ 48,608,586	$ 42,304,203

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
An analysis of employee benefits expense by function				
Operating costs	$ 11,361,034	$ 10,499,927	$ 33,918,111	$ 31,442,146
Operating expenses	3,901,551	3,666,905	14,690,475	10,862,057
	$ 15,262,585	$ 14,166,832	$ 48,608,586	$ 42,304,203

(Concluded)

28. INCOME TAXES

a. Income tax recognized in profit or loss

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Current tax				
In respect of the current period	$ 450,218	$ 464,712	$ 1,344,042	$ 1,088,389
Income tax expense of unappropriated earnings	-	-	186,848	357,273
	450,218	464,712	1,530,890	1,445,662
Deferred tax	(26,200)	21,671	1,664	20,975
Adjustments of prior year's income tax	91	3,107	(49)	(61,056)
Income tax expense recognized in profit or loss	$ 424,109	$ 489,490	$ 1,532,505	$ 1,405,581

b. Integrated income tax

	September 30, 2014	December 31, 2013	September 30, 2013
Unappropriated earnings			
Unappropriated earnings generated before January 1, 1998	$ 221,425	$ 221,425	$ 221,425
Unappropriated earnings generated on and after January 1, 1998	21,168,701	23,779,118	21,170,809
	$ 21,390,126	$ 24,000,543	$ 21,392,234
Imputation credits accounts	$ 1,392,486	$ 877,346	$ 849,251

The creditable ratio for distribution of earnings of 2013 and 2012 was 8.85% and 5.74%, respectively.

Under the Income Tax Law, for distribution of earnings generated after January 1, 1998, the imputation credit allocated to ROC resident shareholders of the Company was calculated based on the creditable ratio as of the date of dividend distribution.

According to legal interpretation No. 10204562810 announced by the Taxation Administration of the Ministry of Finance, when calculating imputation credits in the year of first-time adoption of IFRSs, the cumulative retained earnings include the net increase or net decrease in retained earnings arising from first-time adoption of IFRSs

c. Income tax assessments

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

29. EARNINGS PER SHARE

The basic earnings per share and diluted earnings per share for the three months ended September 30, 2014 and 2013 and the nine months ended September 30, 2014 and 2013 were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	**2013**	**2014**	**2013**
Net income (in thousand dollars)				
Earnings used in the computation of earnings per share	$ 3,935,419	$ 3,903,564	$ 6,140,622	$ 7,896,171
Weighted average number of shares outstanding (in thousand shares)				
Weighted average number of common shares in computation of basic earnings per share	2,944,137	2,934,203	2,944,137	2,933,932
Effect of potentially dilutive common shares:				
Employee share options	65,690	57,790	73,781	57,011
Bonus to employee	3,870	1,031	6,274	8,824
Weighted average number of common shares used in the computation of diluted earnings per share	3,013,697	2,993,024	3,024,192	2,999,767
Earnings per share (in dollars)				
Basic earnings per share	$1.34	$1.33	$2.09	$2.69
Diluted earnings per share	$1.31	$1.30	$2.03	$2.63

If the Company offered to settle the bonuses paid to employees by cash or shares, the Company assumed the entire amount of the bonus would be settled in shares and the resulting potential shares were be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

30. SHARE-BASED PAYMENT ARRANGEMENTS

a. No share options were guaranteed during the nine months ended September 30, 2014 and 2013. Information about outstanding share options was as follows:

	For the Nine Months Ended September 30			
	2014		2013	
Employee Share Options	**Number of Stock Purchasable (Thousand Shares)**	**Weighted-average Exercise Price (NT$)**	**Number of Stock Purchasable (Thousand Shares)**	**Weighted-average Exercise Price (NT$)**
Balance at January 1	148,441	$ 19.20	149,393	$ 20.20
Share options exercised	-	-	(952)	20.20
Balance at September 30	148,441	18.70	148,441	19.20
Exercisable share options at September 30	148,441	18.70	148,441	19.20

Information about outstanding and exercisable share options as at September 30, 2014 and 2013, was summarized as follows:

	Share Options Outstanding			Share Options Exercisable	
Range of Exercise Price (NT$)	**Number of Stock Purchasable (Thousand Shares)**	**Weighted-average Predicted Remaining Period of Exercise (Years)**	**Weighted-average Exercise Price (NT$)**	**Number of Stock Purchasable (Thousand Shares)**	**Weighted-average Exercise Price (NT$)**
For the nine months ended September 30, 2014					
$18.70-$19.20	148,441	3.10	$ 18.70	148,441	$ 18.70
For the nine months ended September 30, 2013					
$19.20-$20.20	148,441	4.10	$ 19.20	148,441	$ 19.20

b. On January 28, 2014, the board of directors of Yue Yuen adopted a share award scheme. Under the share award scheme, a trustee which is independent of Yue Yuen purchased the shares on the secondary market, and vest to the selected participant through a trust agreement. The awarded shares shall not exceed 2% of the issued share capital of Yue Yuen as at the date of grant (January 28, 2014) during the valid period (from January 28, 2014 to January 28, 2024). The maximum number of shares which may be awarded to a selected participant under the scheme shall not exceed 1% of the issued share capital of Yue Yuen.

c. Except for those described below, Pou Sheng's employee share options had no significant change during the nine months ended September 30, 2014 and 2013.

1) On May 9, 2014, the board of directors of Pou Sheng adopted a share award scheme. Under the share award scheme, a trustee which is independent of Pou Sheng purchased the shares on the secondary market, and vest to the selected participant through a trust agreement. The awarded shares shall not exceed 2% of the issued share capital of Pou Sheng as at the date of grant (May 9, 2014) during the valid period (from May 9, 2014 to May 9, 2024). The maximum number of shares which may be awarded to a selected participant under the scheme shall not exceed 1% of the issued share capital of Pou Sheng.

2) Information about the Pou Sheng adopted a share award scheme for the nine months ended September 30, 2014 and 2013 was as follows:

	For the Nine Months Ended September 30			
	2014		2013	
Employee Share Options	**Number of Stock Purchasable (Thousand Shares)**	**Weighted-average Exercise Price (HK$)**	**Number of Stock Purchasable (Thousand Shares)**	**Weighted-average Exercise Price (HK$)**
Balance at January 1	57,067	$ 1.38	76,335	$ 1.41
Share options terminated	(1,855)	1.31	(18,488)	1.49
Balance at September 30	55,212	1.39	57,847	1.38
Exercisable share options at September 30	49,462	1.41	36,266	1.40

Information about outstanding employee share options as at September 30, 2014 and 2013, respectively, was summarized as follows:

	Share Options Outstanding			Share Options Exercisable	
Range of Exercise Price (HK$)	**Number of Stock Purchasable (Thousand Shares)**	**Weighted-average Predicted Remaining Period of Exercise (Years)**	**Weighted-average Exercise Price (HK$)**	**Number of Stock Purchasable (Thousand Shares)**	**Weighted-average Exercise Price (HK$)**
For the nine months ended September 30, 2014					
$1.05-$1.62	55,212	3.93	$ 1.39	49,462	$ 1.41
For the nine months ended September 30, 2013					
$1.05-$1.62	57,847	4.94	$ 1.38	36,266	$ 1.40

Pou Sheng recognized $455 thousand and $4,270 thousand compensation income for the nine months ended September 30, 2014 and 2013, respectively.

31. BUSINESS COMBINATIONS

The Group acquired of subsidiaries during the nine months ended September 30, 2014 as follows:

	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Welcome Wealth Group	Retailing of sporting goods	2014.04.07	100	$ 201,887

The Group acquired these subsidiaries in order to continue the expansion of the Group's retailing of sporting goods and brand licensing business.

a. Considerations transferred

Cash and cash equivalents	$ 201,887

b. Assets acquired and liabilities assumed at the date of acquisition

Assets	
Cash and cash equivalents	$ 60,297
Receivables and other receivables	175,397
Inventories	130,660
Property, plant and equipment	3,255
Intangible assets	176,204
Others	20,995
Liabilities	
Payables and other payables	(224,465)
Bank borrowings	(98,555)
Deferred tax liabilities	(41,901)
	$ 201,887

c. Net cash outflow on acquisition of subsidiaries

Consideration paid in cash	$ 201,887
Less: Cash and cash equivalent balances acquired	(60,297)
	$ 141,590

32. DISPOSAL OF SUBSIDIARIES

a. The Group dispose of subsidiaries during the nine months ended September 30, 2014. The assets and liabilities on the date of disposal were as follows:

Assets	
Cash and cash equivalents	$ 53,578
Receivables and other receivables	247,909
Inventories	152,491
Property, plant and equipment	66,957
Liabilities	
Payables and other payables	(185,730)
	$ 335,205

1) Gain on disposal of subsidiaries

Net assets disposed of	$ 335,205
Less: Non-controlling interests	(162,973)
Cumulative exchange differences reclassified from equity to profit or loss on loss of control of subsidiary	(657)
Net value of net assets disposed of	$ 171,575
Consideration received in associated interest	$ 168,228
Consideration received in cash and cash equivalents	6,779
	175,007
Net value of net assets disposed of	(171,575)
Gain on disposal	$ 3,432

2) Net cash outflow on disposal of subsidiaries

Consideration received in cash and cash equivalents	$ 6,779
Less: Cash and cash equivalents balance disposed of	(53,578)
	$ (46,799)

b. The Group dispose of subsidiaries during the nine months ended September 30, 2013. The assets and liabilities on the date of disposal were as follows:

Assets	
Cash and cash equivalents	$ 250,638
Receivables and other receivables	164,414
Inventories	134,261
Property, plant and equipment	33,390
Intangible assets	11,379
Others	564,551

(Continued)

Liabilities

Payables and other payables	$ (99,871)
Tax payable	(916)
Other liabilities, current	(7,192)
	$ 1,050,654
	(Concluded)

1) Gain on disposal of subsidiaries

Net assets disposed of	$ 1,050,654
Less: Non-controlling interests	(115,671)
Cumulative exchange differences reclassified from equity to profit or loss on loss of control of subsidiary	(706)
Net value of net assets disposed of	$ 934,277
Consideration received in cash and cash equivalents	$ 2,101,595
Net value of net assets disposed of	(934,277)
Gain on disposal	$ 1,167,318

2) Net cash inflow on disposal of subsidiaries

Consideration received in cash and cash equivalents	$ 2,101,595
Less: Cash consideration advances in 2012	(150,807)
Cash and cash equivalents balance disposed of	(250,638)
	$ 1,700,150

33. NON-CASH TRANSACTIONS

For the nine months ended September 30, 2014, the Group entered into non-cash investing activities which refer to the associated interest received as consideration in the disposal of subsidiaries (see Note 32).

34. OPERATING LEASES ARRANGEMENTS

a. The Group as lessee

The future minimum lease payments of non-cancellable operating leases commitments were as follows:

	September 30, 2014	December 31, 2013	September 30, 2013
Not later than 1 year	$ 1,351,622	$ 2,090,254	$ 2,184,218
Later than 1 year and not later than 5 years	1,337,111	2,482,578	2,747,201
Later than 5 years	1,244,847	1,294,014	1,281,416
	$ 3,933,580	$ 5,866,846	$ 6,212,835

b. The Group as lessor

The future minimum lease payments of non-cancellable operating leases commitments were as follows:

	September 30, 2014	December 31, 2013	September 30, 2013
Not later than 1 year	$ 296,230	$ 232,360	$ 229,581
Later than 1 year and not later than 5 years	479,936	379,775	571,411
Later than 5 years	867,670	1,238,517	1,529,065
	$ 1,643,836	$ 1,850,652	$ 2,330,057

35. EXPLANATORY COMMENTS ABOUT THE SEASONALITY OR CYCLICALITY OF INTERIM OPERATIONS

The Group's industry is not seasonal in nature. Based on historical experience, the sales of the Group do not concentrate on specific season.

36. CAPITAL MANAGEMENT

The Group's capital management policy is to ensure the Group has sufficient financial resources and operating plans to balance the working capital, capital expenditure, research and development expenditure, repayment of debt and dividends paid to shareholders within twelve months.

37. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

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

Management believes the carrying amounts of financial assets and financial liabilities in the following table approximate their fair values or their fair values cannot be reliably measured.

	September 30, 2014		December 31, 2013		September 30, 2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Debt investment with no active market	$ 3,344,906	$ 3,344,906	$ 1,596,986	$ 1,596,986	$ 252,107	$ 252,107
Financial assets measured at cost	762,260	-	881,355	-	1,001,254	-
Other loans and receivables	69,495,943	69,495,943	64,123,468	64,123,468	62,995,051	62,995,051
Financial liabilities						
Bank borrowings	68,676,756	68,676,756	64,636,175	64,636,175	68,745,851	68,745,851
Short-term bills payable	1,875,259	1,875,259	2,201,866	2,201,866	2,426,003	2,426,003
Financial liabilities measured at amortized cost	40,633,340	40,633,340	35,108,030	35,108,030	32,642,845	32,642,845

2) Fair value measurements recognized in the consolidated balance sheets

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 2 based on the degree to which the fair value is observable:

a) Level 1 fair value measurements are those derived from quoted prices in active market for identical assets or liabilities.

	September 30, 2014	December 31, 2013	September 30, 2013
Financial assets			
Financial assets at FVTPL			
Non-derivative financial assets held for trading	$ 158,640	$ 146,738	$ 184,925
Available-for-sale financial assets			
Domestic listed securities			
Equity investment	13,612,571	13,820,265	12,451,746
Foreign listed securities			
Equity investment	782,442	875,278	870,249

b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

	September 30, 2014	December 31, 2013	September 30, 2013
Financial assets			
Financial assets at FVTPL			
Derivative financial instruments	$ 64,098	$ 419,585	$ 272,034
Financial assets designated as at FVTPL	322,756	375,703	297,300
Financial liabilities			
Financial liabilities at FVTPL			
Derivative financial instruments	529,465	20,430	24,010

3) Valuation techniques and assumptions applied for the purpose of measuring fair value

The fair value of financial assets and financial liabilities are determined as follows:

a) The fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices (includes listed bonds). Where such prices were not available, valuation techniques were applied. The estimates and assumptions used by the Group are consistent with those that market participants would use in setting a price for the financial instrument.

b) The fair value of derivative instruments were calculated using quoted prices. When such prices were not available, a valuation method was used and the estimates and assumptions used by the Group are consistent with those that market participants would use in setting a price for the financial instrument.

b. Categories of financial instruments

	September 30, 2014	December 31, 2013	September 30, 2013
Financial assets			
Fair value through profit or loss (FVTPL)			
Held for trading	$ 222,738	$ 566,323	$ 456,959
Designated as at FVTPL	322,756	375,703	297,300
Loans and receivables (Note 1)	72,840,849	65,720,454	63,247,158
Available-for-sale financial assets	14,395,013	14,695,543	13,321,995
Financial assets measured at cost	762,260	881,355	1,001,254
Investments accounted for using equity method	36,341,008	34,822,264	34,336,905
Financial liabilities			
Fair value through profit or loss (FVTPL)			
Held for trading	529,465	20,430	24,010
Amortized cost (Note 2)	111,185,355	101,946,071	103,814,699

Note 1: The balances included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, debt investments with no active market, notes receivable, accounts receivable, other receivables, and refundable deposits.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, accounts payable, other payables, long-term borrowings, long-term payable and guarantee deposits.

c. Financial risk management objectives and policies

The Group's major financial instruments included equity investments, loans, receivables, payables, guarantee deposits paid and guarantee deposits received. The Group's treasury function monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include exchange rate risk, interest rate risk, credit risk and liquidity risk.

1) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing forward foreign exchange contracts and other derivate instruments.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities and the carrying amount of the derivatives exposing to foreign currency risk at the end of the reporting period are set out in Note 41.

Sensitivity analysis

The Group was mainly exposed to the USD, RMB, HKD, VND and IDR.

The following table details the Group's sensitivity to 5% increase (decrease) in New Taiwan dollars (the functional currency) against the relevant foreign currencies. A positive (negative) number below indicates an increase (decrease) in pre-tax profit with New Taiwan dollars strengthened (weakened) 5% against the relevant currency. For a 5% weakening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	For the Nine Months Ended September 30	
	2014	**2013**
USD	$ 89,841	$ 30,680
RMB	(400,585)	(332,186)
HKD	(169,135)	222,890
VND	11,061	9,313
IDR	(4,619)	(8,542)

b) Interest rate risk

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

The carrying amounts of the Group's financial liabilities with exposure to interest rates at the end of the reporting periods were as follows.

	September 30, 2014	**December 31, 2013**	**September 30, 2013**
Cash flow interest rate risk			
Financial liabilities	$ 70,552,015	$ 66,838,041	$ 71,171,854

Sensitivity analysis

The sensitivity analyses below were based on the Group's floating rate liabilities. The analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole period. If 1% increase in interest rate would cause the Group to increase its cash-out by $529,140 thousand and $533,789 thousand during the nine months ended September 30, 2014 and 2013, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities and mutual funds. The investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period. If equity price declined by 1%, the fair value of the investments at September 30, 2014, December 31, 2013 and September 30, 2013 would have decrease by $248,241 thousand, $247,533 thousand and $237,844 thousand, respectively.

2) Credit risk

Financial instruments are evaluated for credit risk which represents the potential loss that would be incurred by the Company if the counter-parties or third-parties breached the contracts. The risk includes centralization of credit risk, components, contracts figure, and its accounts receivable. Besides, the Company requires significant clients to provide guarantees or other rights to reduce credit risk of the Company effectively.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of September 30, 2014, December 31, 2013 and September 30, 2013, the Group had available unutilized short-term bank borrowing facilities set out in (c) below.

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

The tables had been drawn up based on the undiscounted cash flows of financial liabilities included both interest and principal from the earliest date on which the Group can be required to pay.

September 30, 2014

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities						
Non-interest bearing	-	$ 23,586,146	$ 10,844,431	$ 4,800,687	$ 684,906	$ 143,114
Variable interest rate liabilities	1.27	8,182,824	1,255,703	18,455,452	40,401,108	-
Fixed interest rate liabilities	1.00	2,638,728	-	-	-	-
Financial guarantee contracts	-	3,063,933	-	-	-	-
		$ 37,471,631	$ 12,100,134	$ 23,256,139	$ 41,086,014	$ 143,114

December 31, 2013

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities						
Non-interest bearing	-	$ 18,693,606	$ 7,786,167	$ 7,172,144	$ 143,674	$ 202,734
Variable interest rate liabilities	1.39	8,458,391	6,765,979	7,437,398	25,941,500	488,000
Fixed interest rate liabilities	0.91	1,156,434	-	-	-	-
Financial guarantee contracts	-	2,742,060	-	-	-	-
		$ 31,050,491	$ 14,552,146	$ 14,609,542	$ 26,085,174	$ 690,734

September 30, 2013

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities						
Non-interest bearing	-	$ 17,812,849	$ 8,848,439	$ 4,345,409	$ 793,108	$ 139,115
Variable interest rate liabilities	1.24	8,391,700	6,605,756	8,039,803	46,359,461	488,000
Fixed interest rate liabilities	0.74	-	-	1,905,786	-	-
Financial guarantee contracts	-	2,720,440	-	-	-	7,500,000
		$ 28,924,989	$ 15,454,195	$ 14,290,998	$ 47,152,569	$ 8,127,115

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

b) Liquidity and interest rate risk tables for derivative financial liabilities

The following table detailed the Group’s liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

September 30, 2014

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Interest rate swaps contracts	$ -	$ 412	$ -	$ 19,078	$ -
Forward exchange contracts	270,527	-	-	-	-
Exchange rate option contracts	130,249	4,210	-	104,989	-
	$ 400,776	$ 4,622	$ -	$ 124,067	$ -

December 31, 2013

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Interest rate swaps contracts	$ -	$ -	$ 2,480	$ 15,152	$ -
Exchange rate option contracts	-	-	2,798	-	-
	$ -	$ -	$ 5,278	$ 15,152	$ -

September 30, 2013

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Interest rate swaps contracts	$ -	$ -	$ -	$ 8,737	$ -
Forward exchange contracts	6,934	-	-	-	-
Exchange rate option contracts	104	247	3,669	4,319	-
	$ 7,038	$ 247	$ 3,669	$ 13,056	$ -

c) Financing facilities

	September 30, 2014	December 31, 2013	September 30, 2013
Unsecured bank facility, reviewed annually and payable at call:			
Amount used	$ 70,294,000	$ 61,156,398	$ 70,889,191
Amount unused	21,674,482	20,364,630	18,642,742
	$ 91,968,482	$ 81,521,028	$ 89,531,933
Secured bank facility:			
Amount used	$ 488,000	$ 488,000	$ 488,000
Amount unused	-	-	-
	$ 488,000	$ 488,000	$ 488,000

38. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

a. Operating revenue

Account Items	Related Parties Types	For the Three Months Ended September 30 2014	For the Three Months Ended September 30 2013	For the Nine Months Ended September 30 2014	For the Nine Months Ended September 30 2013
Sales	Associates and joint ventures	$ 255,907	$ 78,245	$ 664,992	$ 250,952
	Others	17,172	20,440	24,041	44,342
		$ 273,079	$ 98,685	$ 689,033	$ 295,294

Sales to related parties have prices and receivable terms that have no significant differences with non-related parties.

b. Purchases

Related Parties Types	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Associates and joint ventures	$ 1,929,151	$ 1,735,862	$ 4,760,567	$ 5,451,515

Purchases from related parties have prices and payment terms that have no significant differences with non-related parties.

c. Receivables from related parties

Account Items	Related Parties Types	September 30, 2014	December 31, 2013	September 30, 2013
Notes receivable, accounts receivable	Associates and joint ventures	$ 203,114	$ 199,600	$ 233,526
	Others	6,520	15,483	17,742
		$ 209,634	$ 215,083	$ 251,268

No expense was recognized for the nine months ended September 30, 2014 and 2013 for allowance for impaired accounts receivable with respect to the amounts owed by related parties.

d. Payables to related parties

Account Items	Related Parties Types	September 30, 2014	December 31, 2013	September 30, 2013
Notes payable, accounts payable	Associates and joint ventures	$ 1,807,720	$ 1,552,549	$ 1,494,081

e. Property guarantees

The Company has provided 820,000 thousand shares of Ruen Chen Investment Holding Co., Ltd. as collateral of the long-term borrowings made by Ruen Chen Investment Holding Co., Ltd. as of September 30, 2013. The maximum amount guaranteed by Pou Chen was set at $7,500,000 thousand.

f. Compensation of key management personnel

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

Related Parties Types	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Short-term employee benefits	$ 32,301	$ 41,812	$ 165,056	$ 128,357
Post-employment benefits	515	478	1,503	1,326
	$ 32,816	$ 42,290	$ 166,559	$ 129,683

The remuneration of directors and key executives was determined by the remuneration committee having regard to the performance of individuals and market trends.

39. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings and operation:

	September 30, 2014	December 31, 2013	September 30, 2013
Debt investmtnet with no active market	$ 31,854	$ 40,549	$ 19,610
Investment accounted for using equity method	-	-	7,500,000
Investment properties	657,296	657,296	657,296
	$ 689,150	$ 697,845	$ 8,176,906

40. SIGNIFICANT COMMITMENTS AND UNRECOGNIZED LIABILITIES

a. Outstanding letters of credit of the Group at the end of reporting period were as follows:

(Units: In Thousands of Foreign Currencies)

	September 30, 2014	December 31, 2013	September 30, 2013
USD	$ 4,936	$ 2,901	$ 4,620
EUR	481	490	308
HKD	100	67,747	100
IDR	9,174,576	7,467,389	2,679,613
GBP	87	-	-

b. The Company invests in Nan Shan Life Insurance Co., Ltd. through Ruen Chen Investment Holding Co., Ltd. According to a request by the FSC, the Company provides shares of Yue Yuen in the custody during the period from June 27, 2011 to June 27, 2021. The Company will not disposal or do encumbrance to the shares of Wealthplus which is equal to the shares of Yue Yuen during the trust period.

c. Because of the Company's investment in Nan Shan Life Insurance Co., Ltd. through Ruen Chen Investment Holding Co., Ltd., the Company received a request by the FSC for the Company to provide 490,000 thousand ordinary shares of Ruen Chen in the custody of the trust department of First Bank, and the trust period is ten years.

d. Yue Yuen's factory in China, Gaobu Factory, took a big strike on April 14, 2014 to strive for adjustments of social insurance benefit and housing provident fund (collectively, the "Employee Benefit Payments"). Yue Yuen had reviewed its employee benefits policy in China following the Gaobu Factory incident. After such review, Yue Yuen's board of directors also decided to raise contributions to the Employee Benefit Payments for employees of Yue Yuen's other factories in China, excluding the Gaobu Factory (the "Other Factories"). The main reasons for making the Employee Benefit Contributions are to assist Yue Yuen in staff retention and recruitment under the increasingly competitive labor market conditions in China so as to ensure Yue Yuen's normal business operation and production in the Other Factories.

   Set out below is a summary of the provisions for contributions to and adjustments of Employee Benefit Payments for Gaobu Factory and the Other Factories:

   1) Provision for additional Employee Benefit Payments of Gaobu Factory and the Other Factories is estimated to be US$37,000 thousand and US$53,000 thousand, respectively. This provision had been reflected in the consolidated financial results for the nine months ended September 30, 2014.

2) Adjustment of Employee Benefit Payments and monthly living allowance of Gaobu Factory and the Other Factories is estimated to be US$31,000 thousand and US$46,000 thousand, respectively. This provision had been reflected in the consolidated financial results for the nine months ended September 30, 2014.

41. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities denominated in foreign currencies were as follows:

Unit: In Thousands of Foreign Currencies/ In Thousands of New Taiwan Dollars

September 30, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 98,569	30.42	$ 2,998,478
NTD	109,581	1	109,581
RMB	1,888,276	4.934	9,316,753
HKD	916,670	3.918	3,591,513
VND	334,552,518	0.00139	465,028
IDR	122,557,708	0.00253	310,071
Non-monetary items			
NTD	362,548	1	362,548
HKD	119,065	3.918	466,495
Financial liabilities			
Monetary items			
USD	157,636	30.42	4,795,273
NTD	1,129,294	1	1,129,294
RMB	266,475	4.934	1,314,786
HKD	53,735	3.918	210,532
VND	492,563,309	0.00139	684,663
IDR	87,027,668	0.00253	220,180

December 31, 2013

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 72,031	29.805	$ 2,146,897
NTD	261,867	1	261,867
RMB	2,040,868	4.889	9,977,802

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
HKD	$ 65,720	3.843	$ 252,562
VND	328,271,069	0.00137	449,731
IDR	280,571,759	0.00243	681,789
Non-monetary items			
USD	454	29.805	13,523
NTD	342,042	1	342,042
HKD	194,187	3.843	746,260
Financial liabilities			
Monetary items			
USD	180,387	29.805	5,376,431
NTD	1,259,972	1	1,259,972
RMB	249,438	4.889	1,219,501
HKD	1,701,680	3.843	6,539,555
VND	699,873,613	0.00137	958,827
IDR	61,707,389	0.00243	149,949

(Concluded)

September 30, 2013

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 146,132	29.57	$ 4,321,118
NTD	347,780	1	347,780
RMB	1,618,399	4.833	7,821,724
HKD	549,236	3.813	2,094,237
VND	281,585,099	0.00135	380,140
IDR	145,683,826	0.00258	375,864
Non-monetary items			
NTD	330,038	1	330,038
HKD	193,009	3.813	735,944
Financial liabilities			
Monetary items			
USD	166,879	29.57	4,934,623
NTD	1,260,184	1	1,260,184
RMB	245,744	4.833	1,187,679
HKD	1,716,195	3.813	6,543,852
VND	414,637,111	0.00135	559,760
IDR	79,976,535	0.00258	206,339

42. SEGMENT INFORMATION

a. Information about reportable segments

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were as follows:

1) Manufacturing of shoes and apparel;
2) Retailing of sporting goods and brand licensing business;
3) Others.

b. Segment revenues and results

The Group's revenue and results by reportable segment were as follows:

For the nine months ended September 30, 2014

	Manufacturing of Shoes and Apparel	**Retailing of Sporting Goods and Brand Licensing Business**	**Others**	**Total**
Revenues from external customers	$ 135,203,583	$ 43,858,433	$ 590,442	$ 179,652,458
Segment income	$ 17,990,720	$ 2,334,331	$ 355,029	$ 20,680,080
Administrative cost, director's and supervisor's salaries				(15,320,108)
Rental income				238,970
Interest income				363,736
Dividend income				610,535
Other income				1,500,209
Net gain on disposal of property, plant and equipment				74,891
Net foreign exchange loss				(166,668)
Net loss on disposal of subsidiaries, associates and joint ventures				(27,024)
Net loss on disposal of available-for-sale financial assets				(128,103)
Net gain on disposal of financial assets measured at cost				83,806
Net loss arising on financial assets designated as at FVTPL				(30,608)
Net loss arising on financial liabilities designated as at FVTPL				(536,559)
Impairment loss				(104,339)
Other loss				(96,059)
Finance costs				(793,955)
Share of profit of associates and joint ventures				4,655,538
Net income before income tax				$ 11,004,342

For the nine months ended September 31, 2013

	Manufacturing of Shoes and Apparel	Retailing of Sporting Goods and Brand Licensing Business	Others	Total
Revenues from external customers	$ 127,767,126	$ 37,865,849	$ 939,161	$ 166,572,136
Segment income	$ 16,565,115	$ 1,189,063	$ 425,230	$ 18,179,408
Administrative cost, director's and supervisor's salaries				(11,597,221)
Rental income				242,486
Interest income				251,431
Dividend income				545,546
Other income				1,631,686
Net loss on disposal of property, plant and equipment				(257,120)
Net foreign exchange gain				685,825
Net gain on disposal of subsidiaries, associates and joint ventures				1,348,222
Net gain on disposal of available-for-sale financial assets				25,483
Net loss on disposal of financial assets measured at cost				(10,269)
Net gain arising on financial assets designated as at FVTPL				480,056
Net gain arising on financial liabilities designated as at FVTPL				80,013
Impairment loss				(81,896)
Other loss				(162,728)
Finance costs				(968,506)
Share of profit of associates and joint ventures				3,688,799
Net income before income tax				$ 14,081,215

1) Sales between segments were made at market price.

2) Segment profit represented the profit before tax earned by each segment without allocation of administration costs, director's and supervisor's salaries, rental income, interest income, dividend income, other income, net gain or loss on disposal of property, plant and equipment, net foreign exchange loss or gain, net gain or loss on disposal of subsidiaries, associates and joint ventures, net loss or gain on disposal of available-for-sale financial assets, net gain or loss on disposal of financial assets measured at cost, loss or gain on financial instruments, impairment loss, other loss, finance costs and share of profit of associates and joint ventures. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.