Pou Chen Corporation and Subsidiaries

Consolidated Financial Statements for the Nine Months Ended September 30, 2015 and 2014 and Independent Auditors' Review Report

Deloitte.
勤業眾信

勤業眾信聯合會計師事務所
10596 台北市民生東路三段156號12樓

Deloitte & Touche
12th Floor, Hung Tai Financial Plaza
156 Min Sheng East Road, Sec. 3
Taipei 10596, Taiwan, R.O.C.

Tel : +886 (2) 2545-9988
Fax: +886 (2) 4051-6888
www.deloitte.com.tw

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Stockholders
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, 2015 and 2014, and the related consolidated statements of comprehensive income for the three months ended September 30, 2015 and 2014, nine months ended September 30, 2015 and 2014, and changes in equity and cash flows for the nine months ended September 30, 2015 and 2014. 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 reviewed report of other auditors. As of September 30, 2015 and 2014, the carrying value of the investments was 1.83% ($5,138,446 thousand) and 1.95% ($5,069,871 thousand) of the total assets, respectively. For the three months ended September 30, 2015 and 2014, nine months ended September 30, 2015 and 2014, the share of profit of the associate was 28.89% ($1,661,781 thousand), 25.95% ($1,580,451 thousand), 21.81% ($3,570,707 thousand) and 24.64% ($2,711,377 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.

Deloitte & Touche

November 13, 2015

<u>Notice to Readers</u>

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, 2015 (Reviewed)		December 31, 2014 (Audited)		September 30, 2014 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Notes 4 and 6)	$ 38,274,519	14	$ 34,734,908	13	$ 36,648,439	14
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	543,739	-	227,685	-	222,738	-
Available-for-sale financial assets - current (Notes 4 and 8)	12,548,307	4	13,568,135	5	13,881,903	5
Held-to-maturity financial assets - current (Notes 4 and 9)	84,237	-	-	-	-	-
Debt investments with no active market - current (Notes 4 and 10)	1,377,821	1	2,908,384	1	3,313,052	1
Notes receivable (Notes 4 and 11)	20,452	-	18,249	-	12,975	-
Notes receivable from related parties (Notes 4, 11 and 40)	174	-	53	-	103	-
Accounts receivable (Notes 4 and 11)	31,292,333	11	31,231,528	12	28,683,152	11
Accounts receivable from related parties (Notes 4, 11 and 40)	223,787	-	189,500	-	209,531	-
Other receivables (Notes 4 and 11)	4,045,315	1	4,228,115	2	3,779,671	2
Inventories - manufacturing and retailing (Notes 4 and 12)	42,100,859	15	41,899,068	15	39,027,660	15
Inventories - construction (Notes 4 and 12)	4,373,523	2	4,541,642	2	4,442,176	2
Prepayments for lease (Notes 4 and 13)	182,231	-	175,911	-	154,169	-
Non-current assets held for sale (Notes 4 and 14)	-	-	484,910	-	-	-
Other current assets (Notes 4 and 15)	10,831,255	4	9,386,875	3	9,673,392	4
Total current assets	145,898,552	52	143,594,963	53	140,048,961	54
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	667,035	-	337,449	-	322,756	-
Available-for-sale financial assets - non-current (Notes 4 and 8)	852,725	-	569,519	-	513,110	-
Held-to-maturity financial assets - non-current (Notes 4 and 9)	1,285,000	1	-	-	-	-
Financial assets measured at cost - non-current (Notes 4 and 16)	671,209	-	741,401	-	762,260	-
Debt investments with no active market - non-current (Notes 4, 10 and 41)	27,336	-	21,542	-	31,854	-
Investments accounted for using equity method (Notes 4 and 18)	36,856,179	13	41,071,544	15	36,341,008	14
Property, plant and equipment (Notes 4 and 19)	68,203,617	24	63,500,454	23	60,301,737	23
Investment properties (Notes 4, 20 and 41)	2,336,342	1	2,254,309	1	2,250,376	1
Goodwill (Notes 4 and 21)	9,549,190	4	9,136,165	4	8,781,055	4
Other intangible assets (Notes 4 and 22)	3,455,329	1	3,590,003	1	3,535,105	1
Deferred tax assets (Notes 4 and 30)	619,943	-	556,638	-	473,735	-
Prepayments for investment	583,443	-	-	-	-	-
Long-term prepayments for lease (Notes 4 and 13)	5,696,662	2	5,685,844	2	5,210,852	2
Other non-current assets (Notes 4 and 15)	4,063,684	2	1,982,114	1	1,931,896	1
Total non-current assets	134,867,694	48	129,446,982	47	120,455,744	46
TOTAL	$ 280,766,246	100	$ 273,041,945	100	$ 260,504,705	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 23)	$ 18,352,318	6	$ 18,422,674	7	$ 18,110,982	7
Short-term bills payable (Note 23)	2,175,077	1	1,752,076	1	1,875,259	1
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	998,961	-	674,234	-	529,465	-
Notes payable (Notes 4 and 24)	37,964	-	38,302	-	27,333	-
Notes payable to related parties (Notes 4, 24 and 40)	19,140	-	36,515	-	39,905	-
Accounts payable (Notes 4 and 24)	15,519,772	5	13,379,025	5	14,203,150	5
Accounts payable to related parties (Notes 4, 24 and 40)	1,937,821	1	1,719,010	-	1,767,815	1
Other payables (Note 25)	25,867,552	9	23,856,859	9	23,894,704	9
Current tax liabilities (Notes 4 and 30)	2,493,096	1	1,350,485	-	1,503,038	1
Liabilities directly associated with non-current assets held for sale (Notes 4 and 14)	-	-	180,911	-	-	-
Current portion of long-term borrowings (Note 23)	18,681,852	7	8,247,500	3	9,541,134	4
Other current liabilities	4,539,664	2	4,981,142	2	3,743,746	1
Total current liabilities	90,623,217	32	74,638,733	27	75,236,531	29
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 23)	32,293,070	11	41,968,390	15	41,024,640	16
Deferred tax liabilities (Notes 4 and 30)	1,712,076	1	1,882,324	1	1,644,903	1
Long-term payables (Note 25)	589,905	-	671,180	-	671,571	-
Net defined benefit liabilities (Note 4)	1,620,418	1	1,714,985	1	1,529,257	-
Other non-current liabilities	39,820	-	40,738	-	40,274	-
Total non-current liabilities	36,255,289	13	46,277,617	17	44,910,645	17
Total liabilities	126,878,506	45	120,916,350	44	120,147,176	46
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 27)						
Share capital						
Common shares	29,467,872	11	29,441,372	11	29,441,372	11
Capital surplus	4,628,082	2	4,627,549	2	4,577,581	2
Retained earnings						
Legal reserve	10,260,048	3	9,398,498	3	9,398,498	4
Special reserve	5,608,553	2	9,180,047	3	9,180,047	4
Unappropriated earnings	30,314,449	11	23,675,306	9	21,390,126	8
Total retained earnings	46,183,050	16	42,253,851	15	39,968,671	16
Other equity	(11,234,330)	(4)	(5,608,553)	(2)	(10,279,634)	(4)
Total equity attributable to owners of the Company	69,044,674	25	70,714,219	26	63,707,990	25
NON-CONTROLLING INTERESTS	84,843,066	30	81,411,376	30	76,649,539	29
Total equity	153,887,740	55	152,125,595	56	140,357,529	54
TOTAL	$ 280,766,246	100	$ 273,041,945	100	$ 260,504,705	100

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

(With Deloitte & Touche review report dated November 13, 2015)

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			
	2015		2014		2015		2014	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 28 and 40)	$ 65,689,709	100	$ 59,824,926	100	$ 198,449,597	100	$ 179,652,458	100
OPERATING COSTS (Notes 26, 29 and 40)	50,298,423	77	46,879,361	79	152,344,176	77	139,249,280	78
GROSS PROFIT	15,391,286	23	12,945,565	21	46,105,421	23	40,403,178	22
OPERATING EXPENSES (Notes 26 and 29)								
Selling and marketing expenses	5,871,136	9	5,209,822	9	17,871,794	9	14,912,187	8
General and administrative expenses	5,047,976	8	4,003,702	6	15,011,210	8	15,320,108	8
Research and development expenses	1,654,459	2	1,645,852	3	4,505,302	2	4,810,911	3
Total operating expenses	12,573,571	19	10,859,376	18	37,388,306	19	35,043,206	19
PROFIT FROM OPERATIONS	2,817,715	4	2,086,189	3	8,717,115	4	5,359,972	3
NON-OPERATING INCOME AND EXPENSES								
Other income (Note 29)	1,378,534	2	1,360,566	2	3,001,722	1	2,713,450	1
Other gains and losses (Note 29)	(838,000)	(1)	430,971	1	(327,599)	-	(930,663)	(1)
Finance costs (Note 29)	(262,882)	-	(256,960)	-	(837,411)	-	(793,955)	-
Share of the profit of associates and joint ventures (Notes 4 and 18)	2,656,457	4	2,468,638	4	5,815,655	3	4,655,538	3
Total non-operating income and expenses	2,934,109	5	4,003,215	7	7,652,367	4	5,644,370	3
INCOME BEFORE INCOME TAX	5,751,824	9	6,089,404	10	16,369,482	8	11,004,342	6
INCOME TAX EXPENSE (Notes 4 and 30)	(697,324)	(1)	(424,109)	(1)	(2,797,391)	(1)	(1,532,505)	(1)
NET INCOME	5,054,500	8	5,665,295	9	13,572,091	7	9,471,837	5
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	2,984,669	5	1,160,015	2	1,530,552	1	367,223	-
Unrealized loss on available-for-sale financial assets	(2,680,218)	(4)	(11,567)	-	(693,384)	-	(26,290)	-
Share of the other comprehensive loss of associates and joint ventures	(5,656,731)	(9)	(4,588,009)	(7)	(6,894,317)	(4)	(1,967,221)	(1)
Other comprehensive loss for the period, net of income tax	(5,352,280)	(8)	(3,439,561)	(5)	(6,057,149)	(3)	(1,626,288)	(1)
TOTAL COMPREHENSIVE (LOSS) INCOME	$ (297,780)	-	$ 2,225,734	4	$ 7,514,942	4	$ 7,845,549	4

(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			
	2015		2014		2015		2014	
	Amount	%	Amount	%	Amount	%	Amount	%
NET INCOME ATTRIBUTABLE TO:								
Owner of the Company	$ 3,566,269	6	$ 3,935,419	6	$ 8,345,405	4	$ 6,140,622	3
Non-controlling interests	1,488,231	2	1,729,876	3	5,226,686	3	3,331,215	2
	$ 5,054,500	8	$ 5,665,295	9	$ 13,572,091	7	$ 9,471,837	5
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:								
Owner of the Company	$ (1,076,355)	(1)	$ 457,655	1	$ 2,719,628	1	$ 5,041,035	3
Non-controlling interests	778,575	1	1,768,079	3	4,795,314	3	2,804,514	1
	$ (297,780)	-	$ 2,225,734	4	$ 7,514,942	4	$ 7,845,549	4
EARNINGS PER SHARE (Note 31)								
Basic	$ 1.21		$ 1.34		$ 2.83		$ 2.09	
Diluted	$ 1.18		$ 1.31		$ 2.75		$ 2.03	

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

(With Deloitte & Touche review report dated November 13, 2015) (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					
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation Foreign Operations	Unrealized Loss on Available-for-sale Financial Assets	Treasury Shares	Total	Non-controlling Interests	Total Equity
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 27)											
Legal reserve	-	-	1,061,945	-	(1,061,945)	-	-	-	-	-	-
Special reserve	-	-	-	4,744,957	(4,744,957)	-	-	-	-	-	-
Cash dividend	-	-	-	-	(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
Treasury shares resold by the subsidiaries (Note 27)	-	218,295	-	-	-	-	-	188,728	407,023	7,682	414,705
Share of changes in net assets of associates or joint ventures (Notes 4 and 27)	-	4,199	-	-	-	-	-	-	4,199	-	4,199
Excess of the consideration received over the carrying amount of the subsidiaries' net assets during actual disposal or acquisition (Notes 4 and 27)	-	(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
BALANCE AT JANUARY 1, 2015	$ 29,441,372	$ 4,627,549	$ 9,398,498	$ 9,180,047	$ 23,675,306	$ 3,345,749	$ (8,954,302)	$ -	$ 70,714,219	$ 81,411,376	$ 152,125,595
Appropriation of 2014 earnings (Note 27)											
Legal reserve	-	-	861,550	-	(861,550)	-	-	-	-	-	-
Special reserve	-	-	-	(3,571,494)	3,571,494	-	-	-	-	-	-
Cash dividend	-	-	-	-	(4,416,206)	-	-	-	(4,416,206)	-	(4,416,206)
	-	-	861,550	(3,571,494)	(1,706,262)	-	-	-	(4,416,206)	-	(4,416,206)
Net income for the nine months ended September 30, 2015	-	-	-	-	8,345,405	-	-	-	8,345,405	5,226,686	13,572,091
Other comprehensive income (loss) for the nine months ended September 30, 2015	-	-	-	-	-	2,130,407	(7,756,184)	-	(5,625,777)	(431,372)	(6,057,149)
Total other comprehensive income (loss) for the nine months ended September 30, 2015	-	-	-	-	8,345,405	2,130,407	(7,756,184)	-	2,719,628	4,795,314	7,514,942
Execution of employee share options (Notes 27 and 32)	26,500	21,200	-	-	-	-	-	-	47,700	-	47,700
Share of changes in net assets of associates and joint ventures (Notes 4 and 27)	-	624	-	-	-	-	-	-	624	-	624
Excess of the consideration received over the carrying amount of the subsidiaries' net assets during actual disposal or acquisition (Notes 4 and 27)	-	(21,291)		-	-		-	-	(21,291)	-	(21,291)
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	(1,363,624)	(1,363,624)
Change in equity for the nine months ended September 30, 2015	26,500	533	861,550	(3,571,494)	6,639,143	2,130,407	(7,756,184)	-	(1,669,545)	3,431,690	1,762,145
BALANCE AT SEPTEMBER 30, 2015	$ 29,467,872	$ 4,628,082	$ 10,260,048	$ 5,608,553	$ 30,314,449	$ 5,476,156	$ (16,710,486)	$ -	$ 69,044,674	$ 84,843,066	$ 153,887,740

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

(With Deloitte & Touche review report dated November 13, 2015)

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	
	2015	**2014**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 16,369,482	$ 11,004,342
Adjustments for:		
Depreciation expenses	5,902,264	5,367,811
Amortization expenses	319,375	307,481
Impairment loss recognized on accounts receivable	202,649	24,120
Net loss on fair value change of financial instruments at fair value through profit or loss	187,145	567,167
Finance costs	837,411	793,955
Interest income	(336,478)	(363,736)
Dividend income	(758,064)	(610,535)
Compensation cost (income) of employee share options	49,371	(455)
Share of the profit of associates and joint ventures	(5,815,655)	(4,655,538)
Net loss (gain) on disposal of property, plant and equipment	280,657	(74,891)
Net (gain) loss on disposal of investments	(125,979)	44,297
Net (gain) loss on disposal of subsidiaries, associates and joint ventures	(141,237)	27,024
Impairment loss	351,191	104,339
Changes in operating assets and liabilities		
Financial instruments held for trading	(202,972)	261,039
Notes receivable	(2,203)	3,506
Notes receivable from related parties	(121)	(38)
Accounts receivable	(263,454)	1,251,953
Accounts receivable from related parties	(34,287)	5,487
Other receivables	96,335	405,698
Inventories	(33,672)	(2,387,330)
Other current assets	(1,444,380)	(80,835)
Other operating assets	(13,097)	64,766
Notes payable	(338)	13,967
Notes payable to related parties	(17,375)	1,101
Accounts payable	2,140,747	1,440,184
Accounts payable to related parties	218,811	254,070
Other payables	338,353	2,322,739
Other current liabilities	(441,478)	423,597
Net defined benefit liabilities	(94,567)	(5,096)
Other operating liabilities	(81,275)	(11,559)
Cash generated from operations	17,487,159	16,498,630
Interest paid	(835,814)	(767,678)
Income tax paid	(2,107,485)	(2,236,397)
Net cash generated from operating activities	14,543,860	13,494,555

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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	
	2015	**2014**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets design at FVTPL	$ (314,198)	$ (290,975)
Proceeds on sale of financial assets design at FVTPL	9,112	368,336
Acquisition of available-for-sale financial assets	(56,844)	-
Proceeds on sale of available-for-sale financial assets	209,223	164,880
Acquisition of debt investments with no active market	(1,975,113)	(4,131,707)
Proceeds on sale of debt investments with no active market	3,499,882	2,383,787
Acquisition of held-to-maturity financial assets	(1,368,984)	-
Acquisition of financial assets measured at cost	(2,301)	(2,688)
Proceeds on sale of financial assets measured at cost	140,850	221,358
Acquisition of associates and joint ventures	-	(96,835)
Proceeds from disposal of associates and joint ventures	1,864,441	31,260
Increase in prepayments for investment	(583,443)	-
Net cash outflow on acquisition of subsidiaries	(63,572)	(141,590)
Net cash outflow on disposal of subsidiaries	88,007	(46,799)
Acquisition of property, plant and equipment	(9,261,012)	(6,365,276)
Proceeds from disposal of property, plant and equipment	370,421	945,517
Increase in refundable deposits	-	(16,021)
Decrease in refundable deposits	41,043	-
Acquisition of intangible assets	-	(76)
Acquisition of investment properties	(15,640)	(978)
Increase in prepayments for equipment	(2,109,516)	(616,849)
Acquisition of prepayments for lease	(96,210)	(39,394)
Proceeds from disposal of prepayments for lease	115,940	-
Interest received	422,741	358,831
Dividend received	2,414,550	2,134,649
Net cash used in investing activities	(6,670,623)	(5,140,570)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	1,470,691
Repayments of short-term borrowings	(70,356)	-
Proceeds from short-term bills payable	423,700	-
Repayments of short-term bills payable	-	(329,000)
Proceeds from long-term borrowings	744,400	2,557,391
Increase in guarantee deposits	-	2,145
Decrease in guarantee deposits	(918)	-
Cash dividend	(4,416,206)	(2,944,137)
Execution of employee share options	47,700	-
Proceed on sale of treasury shares	-	414,705
Change in non-controlling interests	36,183	(1,440,978)
Net cash used in financing activities	(3,235,497)	(269,183)

(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	
	2015	**2014**
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	$ (1,157,948)	$ (1,042,527)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,479,792	7,042,275
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	34,794,727	29,606,164
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 38,274,519	$ 36,648,439

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

(With Deloitte & Touche review report dated November 13, 2015) (Concluded)

1. GENERAL INFORMATION

Pou Chen Corporation (the "Company"), the 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 ("Wealthplus"). 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.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the board of directors on November 13, 2015.

3. APPLICATION OF NEW AND REVISED STANDARDS, AMENDED AND INTERPRETATIONS

a. Initial application of the amendments to 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) endorsed by the Financial Supervisory Commission (FSC)

   Rule No. 1030029342 and Rule No. 1030010325 issued by the FSC, stipulated that the Company and its subsidiaries (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 Regulations Governing the Preparation of Financial Reports by Securities Issuers starting January 1, 2015.

   Except for the following, whenever applied, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 IFRSs version would not have any material impact on the Group's accounting policies:

   1) Annual Improvements to IFRSs: 2009-2011 Cycle

      Several standards including IAS 16 "Property, Plant and Equipment", IAS 32 "Financial Instruments: Presentation" and IAS 34 "Interim Financial Reporting" were amended in this annual improvement.

      The amendments to IAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be recognized in accordance with IAS 16 when they meet the definition of property, plant and equipment and otherwise as inventory.

The amendments to IAS 32 clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with IAS 12 "Income Taxes".

The amendments to IAS 34 clarify that a measure of total liabilities for a reportable segment would be disclosed in interim financial reporting when such amounts are regularly provided to the chief operating decision maker of the Group and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment. Refer to Note 45 for related disclosure.

2) Amendments to IFRS 7 "Disclosure - Offsetting Financial Assets and Financial Liabilities"

The amendments to IFRS 7 require disclosure of information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under enforceable master netting arrangements and similar arrangements. Refer to Note 39 for related disclosure.

3) 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.

The Group concluded that it has had control over the investees which are consolidated into the consolidated financial statements. The adoption of IFRS 10 "Consolidated Financial Statements" had no material impact on the Group's financial position and financial performance.

4) 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 concluded that the investment in each of the joint arrangements was 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.

5) 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.

6) 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. Refer to Note 39 for related disclosure.

7) Amendment to IAS 1 “Presentation of Items of Other Comprehensive Income”

The amendment to IAS 1 require 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 Group will retrospectively apply the above amendment starting from 2015. Items not expected to be reclassified to profit or loss are remeasurements of the defined benefit plans. Items expected to be reclassified to profit or loss are the exchange differences on translating foreign operations, unrealized gain (loss) on available-for-sale financial assets, and share of the other comprehensive income (except the share of the remeasurements of the defined benefit plans) of associates and joint ventures accounted for using the equity method. However, the application of the above amendment will not result in any impact on the net profit for the period, other comprehensive income for the period (net of income tax), and total comprehensive income for the period.

8) Amendment 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.

9) Amendment to IAS 32 “Offsetting Financial Assets and Financial Liabilities”

The amendment to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendment clarify the meaning of “currently has a legally enforceable right of set-off” and “simultaneous realization and settlement”.

b. New IFRSs in issue but not yet endorsed by the 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 authorized for issue, 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

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
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)
Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"	January 1, 2016
Amendment to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
Amendment to IAS 1 "Disclosure Initiative"	January 1, 2016
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 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

(Concluded)

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, whenever applied, would not have any material impact on the Group's accounting policies, except for the following:

1) 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); that a performance target can relate either to the performance of the Group as a whole or to some part of it (e.g. a division); and that the period for achieving a performance condition must not extend beyond the end of the related service period. 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.

2) 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.

3) 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.

4) 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:

a) 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:

   i. 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;

ii. 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.

b) 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.

5) 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.

6) Amendment to IFRS 11 “Accounting for Acquisitions of Interests in Joint Operations”

The amendment 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 amendment 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 amendment 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 amendment 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.

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 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.

9) 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.

Except for the above impact, as of the date the consolidated financial statements were issued, 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 statements is less than those required in a complete set of annual financial statements.

b. Other 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, 2014, except for those described below.

1) Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

<u>Financial assets</u>

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

   Financial assets are classified into financial assets at fair value through profit or loss, held-to-maturity financial assets, available-for-sale financial assets, and loans and receivables.

   i. Financial assets at fair value through profit or loss

      Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

      Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

   ii. Held-to-maturity financial assets

      Commercial paper and foreign corporate bonds, which are above specific credit ratings and the Group has positive intent and ability to hold to maturity, are classified as held-to-maturity financial assets.

      Subsequent to initial recognition, held-to-maturity financial assets are measured at amortized cost using the effective interest method less any impairment.

   iii. Available-for-sale financial assets

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

      Available-for-sale financial assets are measured at fair value. Changes in the carrying amount of available-for-sale monetary financial assets relating to changes in dividends on available-for-sale equity investments are recognized in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of or is determined to be impaired.

      Dividends on available-for-sale equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment loss at the end of each reporting period and are presented in a separate line item as "financial assets measured at cost". If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between carrying amount and fair value is recognized in profit or loss or other comprehensive income on financial assets.

iv. Loans and receivables

Loans and receivables (including accounts receivable, cash and cash equivalent, debt investments with no active market) are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

Cash equivalent includes time deposits with original maturities within three months from the date of acquisition, highly liquid, readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets measured at amortized cost, such as trade receivables are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. The amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

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

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

In respect of available-for-sale equity securities, impairment loss previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income. In respect of available-for-sale debt securities, the impairment loss is subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For financial assets that are measured at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss except for uncollectible accounts receivable that are written off against the allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

Equity instruments

Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

a) Subsequent measurement

Except for financial liabilities at fair value through profit or loss, the financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading and stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risks and exchange rate risks, including forward exchange contracts, exchange rate swaps contracts, exchange rate options contracts, interest rate swap contracts and cross-currency swap contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

2) Employee benefits

a) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

b) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost, past service cost) and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

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, adjusted for significant market fluctuations or other significant one-off events since that time.

c) Termination benefits

A liability for a termination benefit is recognized when the Group can no longer withdraw the offer of the termination benefit.

3) Taxation

Income tax expense is the sum of the current tax liabilities and deferred tax liabilities. 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.

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, 2014.

6. CASH AND CASH EQUIVALENTS

	September 30, 2015	December 31, 2014	September 30, 2014
Cash on hand	$ 40,086	$ 41,134	$ 144,425
Checking accounts and demand deposits	29,940,970	19,103,504	24,646,568
Cash equivalent (investments with original maturities less than three months)			
Time deposits	7,594,952	14,999,586	11,488,207
Repurchase agreements collateralized by bonds	698,511	590,684	369,239
	$ 38,274,519	$ 34,734,908	$ 36,648,439

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, 2015	December 31, 2014	September 30, 2014
Cash and cash equivalents	$ 38,274,519	$ 34,734,908	$ 36,648,439
Cash and cash equivalents included in a disposal group held for sale	-	59,819	-
	$ 38,274,519	$ 34,794,727	$ 36,648,439

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2015	December 31, 2014	September 30, 2014
Financial assets designated as at FVTPL			
Structured deposit (a)	$ 667,035	$ 337,449	$ 322,756
Financial assets held for trading			
Derivative financial assets (not under hedge accounting)			
Forward exchange contracts (b)	8,284	190	2,318
Exchange rate option contracts (c)	5,802	5,646	50,366
Exchange rate swap contracts (d)	100,333	1,377	-
Cross-currency swap contracts (e)	66,990	73,148	11,414
Non-derivative financial assets			
Domestic open-ended mutual funds	362,330	147,324	158,640
	$ 1,210,774	$ 565,134	$ 545,494
Current	$ 543,739	$ 227,685	$ 222,738
Non-current	667,035	337,449	322,756
	$ 1,210,774	$ 565,134	$ 545,494

(Continued)

	September 30, 2015	December 31, 2014	September 30, 2014
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Forward exchange contracts (b)	$ 100,714	$ 319,085	$ 270,527
Exchange rate option contracts (c)	859,009	317,110	239,448
Interest rate swap contracts (f)	39,238	38,039	19,490
	$ 998,961	$ 674,234	$ 529,465
Current	$ 998,961	$ 674,234	$ 529,465

(Concluded)

a. Structured deposits

1) 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”.

2) Wealthplus entered into a three years and six months RMB structured time deposit contract with a bank in March 2015. 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”.

3) 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.

4) 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 was recorded under “financial assets at FVTPL - current”, and had been fully matured in August 6, 2014.

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

September 30, 2015

Notional Amount	Forward Exchange Rates
USD 182,000,000	Sell USD/buy RMB at 6.1500 to 6.4580
USD 10,018,961	Sell RMB/buy USD at 6.4343

December 31, 2014

Notional Amount	Forward Exchange Rates
USD 299,000,000	Sell USD/buy RMB at 6.2180 to 6.2280
USD 22,000,000	Sell USD/buy VND at 21,381 to 21,552

September 30, 2014

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

The Group entered into forward exchange contracts for the nine months ended September 30, 2015 and 2014 to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

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

September 30, 2015

Notional Amount	Type	Buy/Sale	Premium Amount	Fair Value
US$ 276,000,000	Put	Sell	$ -	$ 5,802
US$ 32,000,000	Put	Sell	-	(19,793)
US$ 24,000,000	Put	Sell	-	(7,369)
US$ 70,000,000	Put	Sell	-	(6,456)
US$ 36,000,000	Put	Sell	-	(8,993)
US$ 48,000,000	Put	Sell	-	(22,313)
US$ 44,000,000	Put	Sell	-	(28,899)
US$ 20,000,000	Put	Sell	-	(12,979)
US$ 72,000,000	Put	Sell	-	(36,920)
US$ 20,000,000	Put	Sell	-	(4,483)
US$ 24,000,000	Put	Sell	-	(11,928)
US$ 22,000,000	Put	Sell	-	(15,621)
US$ 24,000,000	Put	Sell	-	(8,989)
US$ 8,000,000	Put	Sell	-	(4,541)
US$ 8,000,000	Put	Sell	-	(6,987)
US$ 14,000,000	Put	Sell	-	(1,754)
US$ 20,000,000	Put	Sell	-	(4,368)
US$ 24,000,000	Put	Sell	-	(7,384)
US$ 24,000,000	Put	Sell	-	(1,014)
US$ 24,000,000	Put	Sell	-	(9,891)
US$ 40,000,000	Put	Sell	-	(23,676)
US$ 14,000,000	Put	Sell	-	(1,218)
US$ 44,000,000	Put	Sell	-	(28,844)
US$ 24,000,000	Put	Sell	-	(8,328)
US$ 48,000,000	Put	Sell	-	(22,951)
US$ 40,000,000	Put	Sell	-	(22,577)
US$ 20,000,000	Put	Sell	-	(5,884)
US$ 24,000,000	Put	Sell	-	(7,761)
US$ 80,000,000	Put	Sell	-	(17,708)
US$ 24,000,000	Put	Sell	-	(7,604)
US$ 44,000,000	Put	Sell	-	(13,350)
US$ 48,000,000	Put	Sell	-	(11,042)
US$ 24,000,000	Put	Sell	-	(9,901)
US$ 48,000,000	Put	Sell		(9,752)

(Continued)

Notional Amount	Type	Buy/Sale	Premium Amount	Fair Value
US$ 48,000,000	Put	Sell	$ -	$ (5,589)
US$ 2,000,000	Put	Sell	377	(1,335)
US$ 78,000,000	Put	Sell	-	(97,949)
US$ 132,000,000	Put	Sell	-	(64,077)
US$ 88,000,000	Put	Sell	-	(45,980)
US$ 88,000,000	Put	Sell	-	(44,734)
US$ 132,000,000	Put	Sell	-	(64,910)
US$ 138,000,000	Put	Sell	38,302	(47,401)
US$ 138,000,000	Put	Sell	33,706	(35,701)
US$ 144,000,000	Put	Sell	-	(31,185)
US$ 30,000,000	Put	Sell	5,566	(4,987)
US$ 20,000,000	Put	Sell	4,119	(3,883)
				$ (853,207)

(Concluded)

December 31, 2014

Notional Amount	Type	Buy/Sale	Premium Amount	Fair Value
US$ 4,000,000	Put	Sell	$ -	$ 1,022
US$ 2,000,000	Put	Sell	-	462
US$ 4,000,000	Put	Sell	-	965
US$ 120,000,000	Put	Sell	-	3,022
US$ 60,000,000	Put	Sell	-	175
US$ 2,000,000	Put	Sell	150	(127)
US$ 100,000,000	Put	Sell	-	(1,303)
US$ 80,000,000	Put	Sell	-	(3,267)
US$ 20,000,000	Put	Sell	-	(847)
US$ 100,000,000	Put	Sell	-	(3,952)
US$ 20,000,000	Put	Sell	-	(958)
US$ 24,000,000	Put	Sell	-	(3,291)
US$ 96,000,000	Put	Sell	-	(7,577)
US$ 80,000,000	Put	Sell	-	(13,094)
US$ 80,000,000	Put	Sell	-	(10,615)
US$ 48,000,000	Put	Sell	-	(4,841)
US$ 24,000,000	Put	Sell	-	(3,254)
US$ 24,000,000	Put	Sell	-	(3,373)
US$ 88,000,000	Put	Sell	-	(35,289)
US$ 64,000,000	Put	Sell	-	(28,400)
US$ 16,000,000	Put	Sell	-	(6,558)
US$ 16,000,000	Put	Sell	-	(9,093)
US$ 48,000,000	Put	Sell	-	(8,104)
US$ 24,000,000	Put	Sell	-	(5,383)
US$ 24,000,000	Put	Sell	-	(5,757)
US$ 24,000,000	Put	Sell	-	(4,777)
US$ 24,000,000	Put	Sell	-	(6,799)
US$ 195,000,000	Put	Sell	-	(110,266)
US$ 39,000,000	Put	Sell	-	(40,185)
				$ (311,464)

September 30, 2014

Notional Amount	Type	Buy/Sale	Premium Amount	Fair Value
US$ 56,000,000	Put	Sell	$ -	$ 6,665
US$ 56,000,000	Put	Sell	-	7,268
US$ 10,000,000	Put	Sell	-	2,430
US$ 5,000,000	Put	Sell	-	1,114
US$ 10,000,000	Put	Sell	-	2,919
US$ 88,000,000	Put	Sell	-	3,600
US$ 104,000,000	Put	Sell	-	12,377
US$ 66,000,000	Put	Sell	-	2,072
US$ 110,000,000	Put	Sell	-	6,155
US$ 24,000,000	Put	Sell	-	103
US$ 20,000,000	Put	Sell	-	206
US$ 120,000,000	Put	Sell	-	5,457
US$ 88,000,000	Put	Sell	-	(29,572)
US$ 104,000,000	Put	Sell	-	(2,024)
US$ 80,000,000	Put	Sell	-	(7,610)
US$ 64,000,000	Put	Sell	-	(21,673)
US$ 100,000,000	Put	Sell	-	(1,386)
US$ 48,000,000	Put	Sell	-	(2,958)
US$ 80,000,000	Put	Sell	-	(7,804)
US$ 16,000,000	Put	Sell	-	(5,009)
US$ 16,000,000	Put	Sell	-	(4,789)
US$ 24,000,000	Put	Sell	-	(2,215)
US$ 24,000,000	Put	Sell	-	(3,136)
US$ 20,000,000	Put	Sell	-	(340)
US$ 24,000,000	Put	Sell	-	(168)
US$ 24,000,000	Put	Sell	-	(2,119)
US$ 96,000,000	Put	Sell	-	(3,175)
US$ 24,000,000	Put	Sell	-	(3,233)
US$ 48,000,000	Put	Sell	-	(5,542)
US$ 24,000,000	Put	Sell	-	(2,235)
US$ 221,000,000	Put	Sell	-	(95,367)
US$ 96,000,000	Put	Sell	-	(34,863)
US$ 12,000,000	Put	Sell	1,382	(1)
US$ 10,000,000	Put	Sell	135	(19)
US$ 10,000,000	Put	Sell	224	(50)
US$ 10,000,000	Put	Sell	479	(4,160)
				$ (189,082)

The Group entered into exchange rate option contracts for the nine months ended September 30, 2015 and 2014 to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

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

September 30, 2015

Notional Amount	Maturity Date	Rate	Fair Value
US$ 30,000,000	2015.10.05	32.3072	$ 22,202
US$ 30,000,000	2015.10.05	32.3065	20,520
RMB 123,900,000	2016.03.14	4.9590	17,218
RMB 50,208,000	2015.12.17	6.4735	2,676
RMB 110,952,000	2015.12.24	6.4665	4,935
RMB 50,744,000	2015.12.24	6.4665	2,257
RMB 30,000,000	2015.12.11	4.9400	6,887
RMB 50,000,000	2016.07.11	4.8257	10,111
RMB 13,245,000	2015.12.24	6.4662	631
RMB 40,000,000	2015.11.16	6.4470	2,113
RMB 45,000,000	2015.12.11	4.9400	10,726
RMB 12,560,000	2016.04.11	6.4730	57
			$ 100,333

December 31, 2014

Notional Amount	Maturity Date	Rate	Fair Value
RMB 30,000,000	2015.01.09	5.044	$ 1,377

The Group entered into exchange rate swap contracts for the nine months ended September 30, 2015 and 2014 to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

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

September 30, 2015

Notional Amount	Maturity Date	Rate	Interest %	Fair Value
US$ 20,000,000	2016.05.18	30.560	1.05	$ 42,665
US$ 10,000,000	2016.03.16	32.506	0.79	3,777
US$ 10,000,000	2015.12.01	30.851	0.89	20,548
				$ 66,990

December 31, 2014

Notional Amount	Maturity Date	Rate	Interest %	Fair Value
US$ 50,000,000	2015.05.18	30.18	0.74	$ 73,148

September 30, 2014

Notional Amount	Maturity Date	Rate	Interest %	Fair Value
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, 2015 and 2014 to manage exposures to exchange rate and interest rate fluctuations of foreign currency denominated assets and liabilities.

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

September 30, 2015

Notional Amount	Maturity Date	Pay Rate (Fixed Rate %)	Received Rate (Floating Rate %)	Fair Value
$ 600,000	2018.06.01	1.310	0.85922	$ (5,691)
500,000	2018.06.01	1.340	0.85922	(5,055)
437,500	2016.09.29	1.066	0.87333	(796)
350,000	2016.09.29	1.180	0.87333	(935)
250,000	2016.09.29	0.967	0.87333	(270)
350,000	2016.09.29	0.990	0.87333	(442)
900,000	2018.06.01	1.310	0.85922	(8,454)
500,000	2018.06.01	1.278	0.85922	(4,380)
300,000	2018.06.01	1.265	0.85922	(2,551)
350,000	2016.09.29	1.183	0.87333	(432)
350,000	2016.09.29	0.990	0.87333	170
500,000	2018.06.01	1.290	0.85922	(1,585)
437,500	2016.09.29	1.066	0.87333	(751)
350,000	2016.09.29	1.183	0.87333	(904)
300,000	2016.09.29	0.990	0.87333	(346)
350,000	2016.09.29	1.183	0.87333	(843)
500,000	2018.06.01	1.280	0.85922	(4,323)
200,000	2018.06.01	1.260	0.85922	(1,650)
$ 7,525,000				$ (39,238)

December 31, 2014

Notional Amount	Maturity Date	Pay Rate (Fixed Rate %)	Received Rate (Floating Rate %)	Fair Value
$ 600,000	2018.06.01	1.310	0.891	$ (4,221)
500,000	2018.06.01	1.340	0.891	(3,926)
875,000	2016.09.29	1.066	0.888	(1,344)
700,000	2016.09.29	1.180	0.888	(1,961)
500,000	2016.09.29	0.967	0.888	(219)
700,000	2016.09.29	0.990	0.888	(487)
900,000	2018.06.01	1.310	0.891	(6,241)
500,000	2018.06.01	1.278	0.891	(3,034)
300,000	2018.06.01	1.265	0.891	(1,715)
700,000	2016.09.29	1.183	0.888	(1,881)
700,000	2016.09.29	0.990	0.888	(382)
500,000	2018.06.01	1.290	0.891	(3,195)
875,000	2016.09.29	1.066	0.888	(1,209)
700,000	2016.09.29	1.183	0.888	(1,874)

(Continued)

Notional Amount	Maturity Date	Pay Rate (Fixed Rate %)	Received Rate (Floating Rate %)	Fair Value
$ 600,000	2016.09.29	0.990	0.888	$ (324)
700,000	2016.09.29	1.183	0.888	(1,899)
500,000	2018.06.01	1.280	0.891	(3,026)
200,000	2018.06.01	1.260	0.891	(1,101)
$ 11,050,000				$ (38,039)

(Concluded)

September 30, 2014

Notional Amount	Maturity Date	Pay Rate (Fixed Rate %)	Received Rate (Floating Rate %)	Fair Value
$ 187,500	2014.12.02	1.135	0.877	$ (120)
125,000	2014.12.02	0.935	0.877	(18)
600,000	2018.06.01	1.310	-	(1,773)
187,500	2014.12.02	1.135	0.877	(120)
125,000	2014.12.02	0.843	0.877	11
500,000	2018.06.01	1.340	-	(1,926)
125,000	2014.12.02	1.140	0.877	(82)
875,000	2016.09.29	1.066	0.877	(911)
700,000	2016.09.29	1.180	0.877	(1,813)
500,000	2016.09.29	0.967	0.877	152
700,000	2016.09.29	0.990	0.877	(14)
900,000	2018.06.01	1.310	-	(2,642)
500,000	2018.06.01	1.278	-	(1,036)
300,000	2018.06.01	1.265	-	(517)
125,000	2014.12.02	1.140	0.877	(82)
700,000	2016.09.29	1.183	0.877	(1,779)
700,000	2016.09.29	0.990	0.877	56
500,000	2018.06.01	1.290	-	(1,213)
875,000	2016.09.29	1.066	0.877	(780)
700,000	2016.09.29	1.183	0.877	(1,736)
600,000	2016.09.29	0.990	0.877	84
700,000	2016.09.29	1.183	0.877	(1,780)
500,000	2018.06.01	1.280	-	(1,113)
200,000	2018.06.01	1.260	-	(338)
$ 11,925,000				$ (19,490)

The Group entered into interest rate swap contracts for the nine months ended September 30, 2015 and 2014 to manage exposures to interest rate fluctuations.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	September 30, 2015	December 31, 2014	September 30, 2014
Domestic investments			
Listed shares	$ 12,937,497	$ 13,397,793	$ 13,612,571
Foreign investments			
Listed shares	463,535	739,861	782,442
	$ 13,401,032	$ 14,137,654	$ 14,395,013
Current	$ 12,548,307	$ 13,568,135	$ 13,881,903
Non-current	852,725	569,519	513,110
	$ 13,401,032	$ 14,137,654	$ 14,395,013

9. HELD-TO-MATURITY FINANCIAL ASSETS

	September 30, 2015	December 31, 2014	September 30, 2014
Foreign investments			
Corporate bonds	$ 873,907	$ -	$ -
Commercial paper	495,330	-	-
	$ 1,369,237	$ -	$ -
Current	$ 84,237	$ -	$ -
Non-current	1,285,000	-	-
	$ 1,369,237	$ -	$ -

10. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	September 30, 2015	December 31, 2014	September 30, 2014
Time deposits with original maturity more than three months	$ 1,377,821	$ 2,908,384	$ 3,313,052
Other	27,336	21,542	31,854
	$ 1,405,157	$ 2,929,926	$ 3,344,906
Current	$ 1,377,821	$ 2,908,384	$ 3,313,052
Non-current	27,336	21,542	31,854
	$ 1,405,157	$ 2,929,926	$ 3,344,906

Refer to Note 41 for information relating to debt investments with no active market pledged as security.

11. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	September 30, 2015	December 31, 2014	September 30, 2014
Notes receivable (included related parties)			
Notes receivable - operating	$ 19,411	$ 18,237	$ 11,324
Notes receivable - non-operating	1,215	65	1,754
Less: Allowance for doubtful accounts	-	-	-
	$ 20,626	$ 18,302	$ 13,078
Accounts receivable (included related parties)			
Accounts receivable	$ 32,494,386	$ 32,303,543	$ 29,826,489
Less: Allowance for doubtful accounts	(978,266)	(882,515)	(933,806)
	$ 31,516,120	$ 31,421,028	$ 28,892,683
Other receivables			
Tax refund receivables	$ 1,342,362	$ 1,212,660	$ 885,954
Others	2,704,654	3,017,130	2,900,745
Less: Allowance for doubtful accounts	(1,701)	(1,675)	(7,028)
	$ 4,045,315	$ 4,228,115	$ 3,779,671

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, 2015, December 31, 2014 and September 30, 2014 were not past due.

b. Accounts receivable

1) The aging analysis of the accounts receivable as at September 30, 2015, December 31, 2014 and September 30, 2014 were as follows:

September 30, 2015

	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	$ 22,193,323	$ -	$ -	$ -	$ 22,193,323
31-90 days	7,473,400	-	1,560,963	24,191	9,058,554
More than 91 days	-	-	288,434	954,075	1,242,509
	$ 29,666,723	$ -	$ 1,849,397	$ 978,266	$ 32,494,386

December 31, 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	$ 21,631,689	$ -	$ -	$ -	$ 21,631,689
31-90 days	7,921,953	-	1,469,573	18,984	9,410,510
More than 91 days	-	-	397,813	863,531	1,261,344
	$ 29,553,642	$ -	$ 1,867,386	$ 882,515	$ 32,303,543

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

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, 2015	$ 882,515	$ -	$ 882,515
Add: Recognized of impairment losses	202,649	-	202,649
Less: Amounts written off during the period as uncollectible	(141,012)	-	(141,012)
Effect of exchange rate changes	34,114	-	34,114
Balance at September 30, 2015	$ 978,266	$ -	$ 978,266
Balance at January 1, 2014	$ 915,610	$ -	$ 915,610
Add: Recognized of impairment losses	24,120	-	24,120
Less: Amounts written off during the period as uncollectible	(20,668)	-	(20,668)
Effect of exchange rate changes	14,744	-	14,744
Balance at September 30, 2014	$ 933,806	$ -	$ 933,806

12. INVENTORIES

	September 30, 2015	December 31, 2014	September 30, 2014
Inventories - manufacturing and retailing	$ 42,100,859	$ 41,899,068	$ 39,027,660
Inventories - construction	4,373,523	4,541,642	4,442,176
	$ 46,474,382	$ 46,440,710	$ 43,469,836

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

	September 30, 2015	December 31, 2014	September 30, 2014
Raw materials	$ 8,266,117	$ 8,869,656	$ 7,937,050
Work in progress	5,603,115	5,037,457	5,206,243
Finished goods and merchandise	28,231,627	27,991,955	25,884,367
	$ 42,100,859	$ 41,899,068	$ 39,027,660

1) The cost of manufacturing and retailing inventories recognized as cost of goods sold for the three months ended September 30, 2015 and 2014, and nine months ended September 30, 2015 and 2014 was $49,960,582 thousand, $46,878,823 thousand, $151,999,865 thousand and $139,247,508 thousand, respectively.

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

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

	September 30, 2015	December 31, 2014	September 30, 2014
Land and buildings held for development	$ 4,177,977	$ 4,369,253	$ 4,269,008
Land and buildings held for sale	75,746	52,589	53,368
Land held for construction site	119,800	119,800	119,800
	$ 4,373,523	$ 4,541,642	$ 4,442,176

The cost of construction inventories recognized as cost of goods sold for the three months ended September 30, 2015 and 2014, and nine months ended September 30, 2015 and 2014 was $337,841 thousand, $538 thousand, $344,311 thousand and $1,772 thousand, respectively.

13. PREPAYMENTS FOR LEASE

	September 30, 2015	December 31, 2014	September 30, 2014
People's Republic of China ("PRC")	$ 3,203,900	$ 3,264,809	$ 3,286,210
Indonesia	1,080,470	968,047	930,426
Vietnam	1,123,595	1,163,581	1,148,385
Myanmar	470,928	465,318	-
	$ 5,878,893	$ 5,861,755	$ 5,365,021
Current	$ 182,231	$ 175,911	$ 154,169
Non-current	5,696,662	5,685,844	5,210,852
	$ 5,878,893	$ 5,861,755	$ 5,365,021

14. NON-CURRENT ASSETS AND LIABILITIES HELD FOR SALE

	September 30, 2015	December 31, 2014	September 30, 2014
Assets associated with non-current assets held for sale			
Cash and cash equivalents	$ -	$ 59,819	$ -
Accounts receivable and other receivables	-	185,247	-
Inventories	-	107,294	-
Property, plant and equipment	-	110,047	-
Prepayments for lease	-	22,503	-
	$ -	$ 484,910	$ -
Liabilities directly associated with non-current assets held for sale			
Short-term borrowing	$ -	$ 9,558	$ -
Accounts payable and other payables	-	171,353	-
	$ -	$ 180,911	$ -

Yue Yuen resolved to dispose subsidiaries for total consideration of $303,999 thousand (US$9,605 thousand) as of December 31, 2014. 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". Yue Yuen had decided to dispose the subsidiaries in April 2015, refer to Note 34.

15. OTHER ASSETS

	September 30, 2015	December 31, 2014	September 30, 2014
Prepayments	$ 8,855,634	$ 7,851,077	$ 8,086,739
Refundable deposits	136,016	177,059	162,072
Prepaid pension cost	124,351	123,935	111,168
Prepayments for equipment	3,099,497	989,981	977,888
Others	2,679,441	2,226,937	2,267,421
	$ 14,894,939	$ 11,368,989	$ 11,605,288
Current	$ 10,831,255	$ 9,386,875	$ 9,673,392
Non-current	4,063,684	1,982,114	1,931,896
	$ 14,894,939	$ 11,368,989	$ 11,605,288

16. FINANCIAL ASSETS MEASURED AT COST

	September 30, 2015	December 31, 2014	September 30, 2014
Domestic investments			
Unlisted shares	$ 63,225	$ 63,225	$ 62,225
Foreign investments			
Unlisted shares	218,101	273,643	266,228
Mutual funds	389,883	404,533	433,807
	607,984	678,176	700,035
	$ 671,209	$ 741,401	$ 762,260
Classified according to financial asset measurement categories			
Available-for-sale financial assets	$ 671,209	$ 741,401	$ 762,260

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.

17. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Name of Subsidiary	Location of Incorporation	Main Business	Proportion of Ownership September 30, 2015	December 31, 2014	September 30, 2014
Wealthplus Holdings Limited	British Virgin Islands	Investing activities of footwear and electronic and peripheral products	100.00%	100.00%	100.00%
Win Fortune Investments Limited	British Virgin Islands	Investing activities	100.00%	100.00%	100.00%
Windsor Entertainment Co., Ltd.	Republic of China (“ROC”)	Entertainment and resort operation	100.00%	100.00%	100.00%
Pou Shine Investments Co., Ltd.	ROC	Investing activities	100.00%	100.00%	100.00%
Pan Asia Insurance Services Co., Ltd.	ROC	Agency of property and casualty insurance	100.00%	100.00%	100.00%
Pro Arch International Development Enterprise Inc.	ROC	Design and manufacturing of footwear product	100.00%	100.00%	100.00%
Pou Yuen Technology Co., Ltd.	ROC	Tooling design software and information technology software service	99.81%	99.81%	99.81%
Barits Development Corporation	ROC	Import and export of the shoe related materials and investing activities	99.61%	99.60%	99.60%

The information of Wealthplus major subsidiaries is as follows:

Name of Subsidiary	Location of Incorporation	Main Business	Proportion of Ownership September 30, 2015	December 31, 2014	September 30, 2014
Yue Yuen Industrial (Holdings) Limited	Bermuda	Manufacturing and sale of athletic and casual footwear and sports apparel	48.93%	48.93%	48.93%
Pou Sheng International (Holdings) Limited	Bermuda	Retailing of sporting goods and brand licensing business	29.98%	29.98%	29.98%
Crown Master Investments Limited	British Virgin Islands	Investment holding	100.00%	100.00%	100.00%
Tetor Ventures Ltd.	British Virgin Islands	Investment holding	100.00%	100.00%	100.00%

(Continued)

Name of Subsidiary	Location of Incorporation	Main Business	Proportion of Ownership September 30, 2015	December 31, 2014	September 30, 2014
Star Eagle Consultants Limited	British Virgin Islands	Agency of property and casualty insurance	100.00%	100.00%	100.00%
Pou Yu Biotechnology Co., Ltd.	ROC	Manufacturing of medical appliance and sale of related equipment	69.44%	69.44%	69.44%
Dong Guan Pou Yu Precision Ceramics Industrial Co., Ltd.	PRC	Manufacturing medical appliance	69.44%	69.44%	69.44%

(Concluded)

The Group holds less than 50% interests in Yue Yuen and Pou Sheng, which listed on the Hong Kong Stock Exchange (HKEx). The directors considered the Group's absolute amount, relative size and dispersion of voting rights relative to the other stockholders and concluded that the Group has the practical ability to direct the relevant activities of Yue Yuen and Pou Sheng and therefore the Group has control over Yue Yuen and Pou Sheng.

Win Fortune Investments Limited ("Win Fortune") invests in Yue Yuen (as at September 30, 2015 the ownership percentage was 1.05%) as its primary operation activities.

The information of Pro Arch International Development Enterprise Inc.'s subsidiary is as follows:

Name of Subsidiary	Location of Incorporation	Main Business	Proportion of Ownership September 30, 2015	December 31, 2014	September 30, 2014
Pro Arch Technology BVI Inc.	British Virgin Islands	Investment holdings	-	-	100.00%

Note: Pro Arch Technology BVI Inc. had resolved to liquidate and dissolve in November 2014.

The information of Pou Yuen Technology Co., Ltd.'s subsidiary is as follows:

Name of Subsidiary	Location of Incorporation	Main Business	Proportion of Ownership September 30, 2015	December 31, 2014	September 30, 2014
Vantage Capital Investments Ltd.	British Virgin Islands	Investment holdings	100.00%	100.00%	100.00%

The information of Barits Development Corporation's subsidiaries is as follows:

Name of Subsidiary	Location of Incorporation	Main Business	Proportion of Ownership September 30, 2015	December 31, 2014	September 30, 2014
Song Ming Investments Co., Ltd.	ROC	Investing activities	100.00%	100.00%	100.00%
Pou Chin Development Co., Ltd.	ROC	Agency of land demarcation	100.00%	100.00%	100.00%
Yu Hong Development Co., Ltd.	ROC	Development of real estate	100.00%	100.00%	100.00%
Wang Yi Construction Co., Ltd.	ROC	Construction	89.75%	89.75%	89.75%
Pou Yii Development Co., Ltd.	ROC	Rental and sale of real estate	75.00%	75.00%	75.00%

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests September 30, 2015	December 31, 2014	September 30, 2014
Yue Yuen Industrial (Holdings) Limited	50.02%	50.02%	50.02%
Pou Sheng International (Holdings) Limited	38.73%	38.73%	38.73%

	Profit Allocated to Non-controlling Interests				Accumulated Non-controlling Interests		
	For the Three Months Ended September 30		For the Nine Months Ended September 30				
Name of Subsidiary	2015	2014	2015	2014	September 30, 2015	December 31, 2014	September 30, 2014
Yue Yuen Industrial (Holdings) Limited	$ 1,199,087	$ 1,591,656	$ 4,482,005	$ 3,118,221	$ 72,160,393	$ 69,172,218	$ 64,788,529
Pou Sheng International (Holdings) Limited	237,727	68,358	554,496	46,900	11,052,800	10,621,234	10,265,990

Pou Sheng is a subsidiary of Yue Yuen, and the summarized financial information in respect of Yue Yuen and its subsidiaries (included Pou Sheng) is set out below:

	September 30, 2015	December 31, 2014	September 30, 2014
Current assets	$ 123,742,683	$ 118,241,535	$ 115,698,506
Non-current assets	115,432,368	107,860,708	102,063,815
Current liabilities	(68,337,938)	(50,988,096)	(52,740,668)
Non-current liabilities	(13,830,184)	(24,548,531)	(23,604,277)
Equity	$ 157,006,929	$ 150,565,616	$ 141,417,376
Equity attributable to:			
Owners of the Company	$ 72,503,588	$ 69,501,290	$ 65,108,124
Non-controlling interests of Yue Yuen	72,160,393	69,172,218	64,788,529
Non-controlling interests of Yue Yuen's subsidiaries	12,342,948	11,892,108	11,520,723
	$ 157,006,929	$ 150,565,616	$ 141,417,376

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Operating revenue	$ 64,977,978	$ 59,554,087	$ 197,241,932	$ 178,818,512
Net income	$ 2,684,677	$ 3,319,887	$ 9,716,063	$ 6,452,372
Other comprehensive (loss) income	(1,125,549)	40,631	(581,142)	(828,875)
Total comprehensive income	$ 1,559,128	$ 3,360,518	$ 9,134,921	$ 5,623,497
Net income attributable to:				
Owners of the Company	$ 1,201,725	$ 1,596,946	$ 4,490,771	$ 3,122,315
Non-controlling interests of Yue Yuen	1,199,087	1,591,656	4,482,005	3,118,221
Non-controlling interests of Yue Yuen's subsidiaries	283,865	131,285	743,287	211,836
	$ 2,684,677	$ 3,319,887	$ 9,716,063	$ 6,452,372

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Total comprehensive income attributable to:				
Owners of the Company	$ 766,488	$ 1,591,952	$ 4,319,916	$ 2,810,288
Non-controlling interests of Yue Yuen	763,512	1,586,658	4,311,017	2,805,953
Non-controlling interests of Yue Yuen's subsidiaries	29,128	181,908	503,988	7,256
	$ 1,559,128	$ 3,360,518	$ 9,134,921	$ 5,623,497
Net cash inflow (outflow) from:				
Operating activities			$ 18,089,005	$ 14,752,132
Investing activities			(7,500,812)	(4,501,019)
Financing activities			(8,068,484)	(3,971,958)
Net cash inflow			$ 2,519,709	$ 6,279,155
Dividends paid to:				
Non-controlling interests of Yue Yuen			$ 2,616,173	$ 2,397,974
Yue Yuen's subsidiaries			$ 95,248	$ 217,074

(Concluded)

18. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	September 30, 2015	December 31, 2014	September 30, 2014
Investments in associates	$ 23,257,920	$ 25,939,681	$ 22,192,003
Investments in joint ventures	13,598,259	15,131,863	14,149,005
	$ 36,856,179	$ 41,071,544	$ 36,341,008

a. Investments in associates

	September 30, 2015	December 31, 2014	September 30, 2014
Material associates			
Ruen Chen Investment Holding Co., Ltd.	$ 5,138,446	$ 8,471,915	$ 5,069,871
Associates that are not individually material	18,114,657	17,388,674	17,041,656
	23,253,103	25,860,589	22,111,527
Long-term receivable			
Associates that are not individually material	4,817	79,092	80,476
	$ 23,257,920	$ 25,939,681	$ 22,192,003

1) Material associates

Name of Associate	Proportion of Ownership and Voting Rights September 30, 2015	December 31, 2014	September 30, 2014
Ruen Chen Investment Holding Co., Ltd.	20%	20%	20%

The summarised financial information below represents amounts shown in the material associates' financial statements prepared in accordance with IFRSs adjusted by the Group for equity accounting purposes.

Ruen Chen Investment Holding Co., Ltd.

	September 30, 2015	December 31, 2014	September 30, 2014
Assets	$ 3,106,139,556	$ 2,845,485,896	$ 2,751,899,822
Liabilities	(3,069,605,358)	(2,790,298,128)	(2,715,375,499)
Non-controlling interests	(10,545,406)	(12,531,631)	(10,878,407)
Owners of Ruen Chen Investment Holding Co., Ltd.	$ 25,988,792	$ 42,656,137	$ 25,645,916
Proportion of the Group	20%	20%	20%
Equity attributable to the Group	$ 5,197,758	$ 8,531,227	$ 5,129,183
Other adjustments	(59,312)	(59,312)	(59,312)
Carrying amount	$ 5,138,446	$ 8,471,915	$ 5,069,871

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Operating revenue	$ 150,295,499	$ 138,091,581	$ 423,287,316	$ 400,339,624
Net income	$ 9,223,027	$ 8,842,586	$ 19,716,836	$ 15,057,649
Other comprehensive loss	(31,565,464)	(25,417,742)	(38,337,709)	(11,273,905)
Total comprehensive (loss) income	$ (22,342,437)	$ (16,575,156)	$ (18,620,873)	$ 3,783,744

2) Associates that are not individually material

Name of Associates	Proportion of Ownership and Voting Rights September 30, 2015	December 31, 2014	September 30, 2014
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.	29.05%	28.19%	28.19%
San Fang Chemical Industry Co., Ltd.	44.72%	44.72%	44.72%

(Continued)

Name of Associates	Proportion of Ownership and Voting Rights September 30, 2015	December 31, 2014	September 30, 2014
Elitegroup Computer Systems Co., Ltd.	19.50%	19.51%	19.52%
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%
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%	40.00%	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%	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%	38.00%	38.00%
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%
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%	21.32%
Techview International Technology Inc.	50.00%	50.00%	50.00%

(Concluded)

a) The summarized financial information below represents amounts shown in the associates that are not individually material which financial statements prepared in accordance with IFRSs adjusted by the Group for equity accounting purposes.

	For the Three Months Ended September 30 2015	2014	For the Nine Months Ended September 30 2015	2014
The Group's share of:				
Net income	$ 597,826	$ 558,878	$ 1,474,194	$ 1,270,898
Other comprehensive loss	(250,292)	(85,641)	(113,214)	(185,357)
Total comprehensive income	$ 347,534	$ 473,237	$ 1,360,980	$ 1,085,541

b) 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.

c) 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.

d) Fair values (Level 1) of investments in associates that are not individually material with available published price quotation are summarized as follows:

Name of Associate	September 30, 2015	December 31, 2014	September 30, 2014
Luen Thai Holdings Ltd.	$ 512,748	$ 583,810	$ 753,899
Eagle Nice (International) Holdings Limited	$ 1,278,478	$ 1,089,102	$ 992,939
Evermore Chemical Industry Co., Ltd.	$ 329,067	$ 327,437	$ 344,050
San Fang Chemical Industry Co., Ltd.	$ 8,117,642	$ 5,027,686	$ 4,959,129
Elitegroup Computer Systems Co., Ltd.	$ 2,114,318	$ 2,896,996	$ 3,206,429

b. Investments in joint ventures

	September 30, 2015	December 31, 2014	September 30, 2014
Joint ventures that are not individually material	$ 13,058,253	$ 13,798,272	$ 13,138,341
Long-term receivable			
Joint ventures that are not individually material	540,006	1,333,591	1,010,664
	$ 13,598,259	$ 15,131,863	$ 14,149,005

1) At the end of the reporting period, the proportion of ownership and voting rights in joint ventures that are not individually material held by the Group were as follows:

	Proportion of Ownership and Voting Rights		
Name of Joint Ventures	September 30, 2015	December 31, 2014	September 30, 2014
Artesol Limited	50.00%	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%
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%
Hua Jian Industrial Holding Co., Limited	50.00%	50.00%	50.00%

(Continued)

Name of Joint Ventures	Proportion of Ownership and Voting Rights September 30, 2015	December 31, 2014	September 30, 2014
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%
Poulik Properties Management Co., Ltd.	30.00%	30.00%	30.00%
Shaanxi Jixian Longyue Sports Goods Company Limited	50.00%	50.00%	50.00%
Smart Shine Industries Limited	-	50.00%	50.00%
Texas Clothing Holdings Corp.	49.99%	49.99%	49.99%
Topmost Industries Limited	-	50.00%	50.00%
Twinways Investments Limited	50.00%	50.00%	50.00%
Well Success Investment Limited	-	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%

(Concluded)

2) The summarized financial information below represents amounts shown in the joint ventures that are not individually material which financial statements prepared in accordance with IFRSs adjusted by the Group for equity accounting purposes:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
The Group's share of:				
Net income	$ 396,850	$ 329,309	$ 770,754	$ 673,263
Other comprehensive (loss) income	(169,957)	15,486	(161,698)	(112,044)
Total comprehensive income	$ 226,893	$ 344,795	$ 609,056	$ 561,219

19. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2015	December 31, 2014	September 30, 2014
Land	$ 2,216,946	$ 2,274,190	$ 2,243,625
Buildings and improvements	42,348,220	40,873,305	38,559,744
Machinery and equipment	16,746,305	15,098,413	14,379,451
Transportation equipment	409,021	418,426	407,813
Office equipment	2,163,466	2,060,706	2,113,736
Other equipment	21,673	18,811	19,808
Construction in progress	4,297,986	2,756,603	2,577,560
	$ 68,203,617	$ 63,500,454	$ 60,301,737

a. Except for depreciation expenses recognized, the Group had no significant disposal nor impairment of property, plant and equipment during the three months ended September 30, 2015 and 2014, and nine months ended September 30, 2015 and 2014.

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.

20. INVESTMENT PROPERTIES

	September 30, 2015	December 31, 2014	September 30, 2014
Investment properties	$ 2,336,342	$ 2,254,309	$ 2,250,376

a. Except for depreciation expenses recognized, the Group had no significant disposal nor impairment of investment properties during the three months ended September 30, 2015 and 2014, and nine months ended September 30, 2015 and 2014.

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

c. The fair values of the Group's investment properties as of December 31, 2014 and 2013 was $3,340,521 thousand and $3,072,904 thousand, respectively. The Group's management team evaluated the fair value of investment properties during the nine months ended September 30, 2015 and 2014 had not changed significantly.

d. Refer to Note 41 for the carrying amount of investments properties pledged by the Group to secure borrowings.

21. GOODWILL

There is no indication of impairment after the Group's goodwill has been tested at December 31, 2014 and 2013. The Group's management team evaluated goodwill as at September 30, 2015 and 2014 had not changed significantly and impaired.

22. OTHER INTANGIBLE ASSETS

	September 30, 2015	December 31, 2014	September 30, 2014
Patents	$ 550	$ 579	$ 508
Trademark	142	156	36
Customer relationship	92,891	115,048	118,942
Brandnames	2,108,873	2,076,303	2,009,180
Licensing agreements	360,420	393,568	394,031
Non-compete agreements	892,453	1,004,349	1,012,408
	$ 3,455,329	$ 3,590,003	$ 3,535,105

a. Except for amortization recognized, the Group had no significant disposal nor impairment of other intangible assets during the three months ended September 30, 2015 and 2014, and nine months ended September 30, 2015 and 2014.

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	15-20 years
Trademark	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.

23. BORROWINGS

a. Short-term borrowings

	September 30, 2015	December 31, 2014	September 30, 2014
Unsecured borrowings			
Credit borrowings	$ 18,352,318	$ 18,422,674	$ 18,110,982

The range of effective interest rate on bank borrowings was 0.83%-6.33%, 0.89%-6.33% and 0.83%-6.33%, per annum as of September 30, 2015, December 31, 2014 and September 30, 2014, respectively.

b. Short-term bills payable

September 30, 2015

	Annual Interest Rate %	Amount
Commercial paper	0.58-0.91	$ 2,176,700
Less: Unamortized discount on bills payable		(1,623)
		$ 2,175,077

December 31, 2014

	Annual Interest Rate %	Amount
Commercial paper	0.68-0.91	$ 1,753,000
Less: Unamortized discount on bills payable		(924)
		$ 1,752,076

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

c. Long-term borrowings

	September 30, 2015	December 31, 2014	September 30, 2014
Secured borrowings			
Bank loans	$ 488,000	$ 488,000	$ 488,000
Unsecured borrowings			
Bank loans	50,527,400	49,783,000	50,106,534
	51,015,400	50,271,000	50,594,534
Less: Long-term expenses for syndication loan	(40,478)	(55,110)	(28,760)
Less: Current portion	(18,681,852)	(8,247,500)	(9,541,134)
	$ 32,293,070	$ 41,968,390	$ 41,024,640

The range of effective interest rate on bank borrowings was 0.83%-2.5%, 0.69%-2.5% and 0.78%-2.5%, per annum as of September 30, 2015, December 31, 2014 and September 30, 2014, respectively.

The Group provided collaterals in accordance with the requirements of the bank, refer to Note 41.

24. NOTES PAYABLE AND ACCOUNTS PAYABLE

	September 30, 2015	December 31, 2014	September 30, 2014
Notes payable (included related parties)			
Operating	$ 55,377	$ 72,550	$ 65,422
Non-operating	1,727	2,267	1,816
	$ 57,104	$ 74,817	$ 67,238
Accounts payable (included related parties)	$ 17,457,593	$ 15,098,035	$ 15,970,965

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

25. OTHER PAYABLES

	September 30, 2015	December 31, 2014	September 30, 2014
Payable for salaries	$ 11,410,905	$ 11,257,543	$ 8,936,104
Payable for purchase of property, plant and equipment	1,697,886	1,380,791	1,137,456
Compensation due to directors and supervisors	142,745	323,169	187,569
Employee bonus payable	465,288	536,360	334,363
Interest payable	77,340	121,902	102,759
Payable for acquisition of subsidiary and business	479,442	538,841	543,727
Payable for annual leave	1,293,180	1,248,502	1,155,996
Payable for dividends	1,399,807	-	1,130,974
Others (Note 42)	9,490,864	9,120,931	11,037,327
	$ 26,457,457	$ 24,528,039	$ 24,566,275
Current	$ 25,867,552	$ 23,856,859	$ 23,894,704
Non-current	589,905	671,180	671,571
	$ 26,457,457	$ 24,528,039	$ 24,566,275

26. 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, 2014 and 2013, 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	
	2015	2014	2015	2014
Operating cost	$ 36	$ 122	$ 120	$ 383
Marketing expenses	10	10	31	30

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Administration expenses	$ 9,285	$ 8,733	$ 27,462	$ 25,748
Research and development expenses	2,828	2,778	8,457	8,660
	$ 12,159	$ 11,643	$ 36,070	$ 34,821

(Concluded)

27. EQUITY

a. Share capital

	September 30, 2015	December 31, 2014	September 30, 2014
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)	2,946,787	2,944,137	2,944,137
Shares issued	$ 29,467,872	$ 29,441,372	$ 29,441,372

The Company's employee share options were exercised for 2,650 thousand shares (amounted to $26,500 thousand) during the nine months ended September 30, 2015.

b. Capital surplus

	September 30, 2015	December 31, 2014	September 30, 2014
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Recognized from issuance of common shares	$ 848,603	$ 827,403	$ 827,403
Recognized from conversion of bonds	1,447,492	1,447,492	1,447,492
Recognized from treasury share transactions	1,824,608	1,824,608	1,824,608
Recognized from the excess of the consideration received over the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	482,282	503,573	454,091
May be used to offset a deficit only (2)			
Recognized from share of changes in equities of subsidiaries	19,788	19,788	19,788
May not be used for any purpose			
Recognized from share of changes in net assets of associates and joint ventures	5,309	4,685	4,199
	$ 4,628,082	$ 4,627,549	$ 4,577,581

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 are recognized from share of changes in equities of subsidiaries that resulted from equity transactions, or from share of changes in capital surplus of subsidiaries accounted by using equity method when there was no 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 regulations or a request by the FSC, the special reserve can be reserved and distributed.

4) Bonus to directors and supervisors of the Company of not more than 3%, and bonus to employees of the Company of not more than 5% and not less than 1%, after the items one to three above were appropriated.

5) After adding prior year's accumulated unapproriated earnings and being retained partially, dividends to shareholders as proposed according to stock ownership proportion.

6) 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.

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. As of the date the consolidated financial statements were issued, the Company has not made consequential amendments to the Company's Articles of Incorporation. For information about the accrual basis of the employees' compensation and remuneration to directors and supervisors for the three months ended September 30, 2015 and 2014, and the nine months ended September 30, 2015 and 2014, please refer to employee benefits expense in Note 29.

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 2014 and 2013 had been approved in the stockholders' meetings on June 12, 2015 and June 17, 2014, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	For Year 2014	For Year 2013	For Year 2014	For Year 2013
Legal reserve	$ 861,550	$ 1,061,945	$ -	$ -
(Reversal) special reserve	(3,571,494)	4,744,957	-	-
Cash dividends	4,416,206	2,944,137	1.50	1.00

d. Other equity item

1) Exchange differences on translation foreign operations

	For the Nine Months Ended September 30	
	2015	2014
Balance at January 1	$ 3,345,749	$ 20,776
Exchange differences arising on translation of foreign operations	2,112,595	883,961
Share of exchange differences of associates and joint ventures accounted for using equity method	17,812	13,235
Balance at September 30	$ 5,476,156	$ 917,972

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

	For the Nine Months Ended September 30	
	2015	2014
Balance at January 1	$ (8,954,302)	$ (9,200,823)
Unrealized loss on available-for-sale financial assets	(844,055)	(16,327)
Unrealized loss on available-for-sale financial assets of associates and joint ventures accounted for using equity method	(6,912,129)	(1,980,456)
Balance at September 30	$ (16,710,486)	$ (11,197,606)

e. Non-controlling interests

	For the Nine Months Ended September 30	
	2015	2014
Balance at January 1	$ 81,411,376	$ 76,409,295
Share of non-controlling interests		
Net income	5,226,686	3,331,215
Exchange differences arising on translation of foreign operations	(582,043)	(516,738)
Unrealized gain (loss) on available-for-sale financial assets	150,671	(9,963)
Change in non-controlling interests	(1,363,624)	(2,564,270)
Balance at September 30	$ 84,843,066	$ 76,649,539

f. Treasury shares

The changes in treasury shares were summarized as follows:

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

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.

28. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Sales revenue	$ 65,524,138	$ 59,685,453	$ 198,007,768	$ 179,203,345
Revenue from the rendering of services	41,104	10,635	59,964	67,919
Rental income	7,917	7,278	23,376	21,913
Revenue from entertainment and resort	116,550	121,560	358,489	359,281
	$ 65,689,709	$ 59,824,926	$ 198,449,597	$ 179,652,458

29. 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	
	2015	2014	2015	2014
Rental income				
Rental income from operating lease				
Investment properties	$ 9,178	$ 5,542	$ 27,352	$ 17,902
Others	65,609	67,763	212,781	221,068
	74,787	73,305	240,133	238,970
Interest income				
Cash in bank	69,908	114,165	278,738	297,438
Repurchase agreements collateralized by bonds	2,751	1,252	7,091	3,199

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Held-to-maturity financial assets	$ 4,070	$ -	$ 4,070	$ -
Debt investments with no active market	15,075	22,093	44,237	60,120
Others	1,005	1,370	2,342	2,979
	92,809	138,880	336,478	363,736
Dividend income	749,830	588,346	758,064	610,535
Others	461,108	560,035	1,667,047	1,500,209
	$ 1,378,534	$ 1,360,566	$ 3,001,722	$ 2,713,450

(Concluded)

b. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Net (loss) gain on disposal of property, plant and equipment	$ (60,862)	$ (31,564)	$ (280,657)	$ 74,891
Net foreign exchange gain (loss)	196,111	169,930	332,962	(166,668)
Net gain (loss) on disposal of subsidiaries, associates and joint ventures	465	(23,917)	141,237	(27,024)
Net gain (loss) on disposal of available-for-sale financial assets	77	-	78,039	(128,103)
Net gain on disposal of financial assets measured at cost	-	53,451	47,940	83,806
Net (loss) gain arising on financial assets designated as at FVTPL	(110,827)	58,253	224,122	(30,608)
Net (loss) gain arising on financial liabilities designated as at FVTPL	(843,786)	261,711	(411,267)	(536,559)
Reversal (recognized) of impairment loss	20,359	(24,166)	(351,191)	(104,339)
Others	(39,537)	(32,727)	(108,784)	(96,059)
	$ (838,000)	$ 430,971	$ (327,599)	$ (930,663)

c. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Interest on bank borrowings	$ 248,635	$ 247,964	$ 799,786	$ 766,935
Interest on short-term bills payable	4,716	4,104	13,340	12,914
Other interest expense	9,531	4,892	24,285	14,106
	$ 262,882	$ 256,960	$ 837,411	$ 793,955

d. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Property, plant and equipment	$ 1,987,925	$ 1,829,073	$ 5,880,763	$ 5,349,989
Investment properties	7,438	6,105	21,501	17,822
Other intangible assets	62,396	59,650	185,295	175,661
Prepayments for lease	35,435	44,527	134,080	131,820
	$ 2,093,194	$ 1,939,355	$ 6,221,639	$ 5,675,292
An analysis of depreciation by function				
Operating costs	$ 1,313,715	$ 1,235,078	$ 3,792,150	$ 3,478,614
Operating expenses	681,302	598,520	2,105,919	1,883,392
Non-operating expenses	346	1,580	4,195	5,805
	$ 1,995,363	$ 1,835,178	$ 5,902,264	$ 5,367,811
An analysis of amortization by function				
Operating costs	$ 311	$ 292	$ 918	$ 880
Operating expenses	97,520	103,885	318,457	306,601
	$ 97,831	$ 104,177	$ 319,375	$ 307,481

e. Direct operating expenses from investment properties

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Direct operating expenses from investment properties that generated rental income	$ 11,037	$ 8,944	$ 32,460	$ 28,779

f. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Post-employment benefits				
Defined contribution plans	$ 1,905,126	$ 1,436,981	$ 5,896,511	$ 5,550,994
Defined benefit plans	12,159	11,643	36,070	34,821
	1,917,285	1,448,624	5,932,581	5,585,815
Share-based payments				
Equity-settled	17,969	390	49,371	(455)
Termination benefits	114	24,806	8,891	34,768
Other employee benefits (Note 42)	15,089,116	13,788,765	45,282,682	42,988,458
	$ 17,024,484	$ 15,262,585	$ 51,273,525	$ 48,608,586
An analysis of employee benefits expense by function				
Operating costs	$ 12,261,624	$ 11,361,034	$ 36,644,129	$ 33,918,111
Operating expenses	4,762,860	3,901,551	14,629,396	14,690,475
	$ 17,024,484	$ 15,262,585	$ 51,273,525	$ 48,608,586

As of September 30, 2015 and 2014, there were 406,737 and 413,629 employees, respectively, in the Group.

Under the Company Act as amended in May 2015, the Company's Articles of Incorporation should stipulate a fixed amount or ratio of annual profit to be distributed as employees' compensation. However, the Company has not made consequential amendments to its policies for distribution of employees' compensation. The bonus to employees and remuneration to directors and supervisors which were accrued (reversal) based on estimated amount of past payment experience according to the articles of incorporation, were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Bonus to employees	$ (42,989)	$ 1,895	$ 56,553	$ 130,817
Remuneration to directors and supervisors	(21,495)	962	28,276	66,404

The appropriations of bonuses to employees and remuneration to directors and supervisors for 2014 and 2013 had been approved in the stockholders' meetings on June 12, 2015 and June 17, 2014, respectively, were as follows:

	For the Year Ended December 31			
	2014		2013	
	Cash Dividend	Share Dividend	Cash Dividend	Share Dividend
Bonus to employees	$ 334,667	$ -	$ 142,211	$ -
Remuneration to directors and supervisors	169,882	-	72,188	-

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 12, 2015 and June 17, 2014 and the amounts recognized in the consolidated financial statements for the years ended December 31, 2014 and 2013, respectively.

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.

30. 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	
	2015	2014	2015	2014
Current tax				
In respect of the current period	$ 679,184	$ 450,218	$ 2,096,634	$ 1,344,042
Income tax expense of unappropriated earnings	-	-	671,954	186,848
	679,184	450,218	2,768,588	1,530,890
Deferred tax	(10,219)	(26,200)	(1,250)	1,664
Adjustments for prior year's income tax	28,359	91	30,053	(49)
Income tax expense recognized in profit or loss	$ 697,324	$ 424,109	$ 2,797,391	$ 1,532,505

b. Integrated income tax

	September 30, 2015	December 31, 2014	September 30, 2014
Unappropriated earnings			
Generated before January 1, 1998	$ 221,425	$ 221,425	$ 221,425
Generated on and after January 1, 1998	30,093,024	23,453,881	21,168,701
	$ 30,314,449	$ 23,675,306	$ 21,390,126
Imputation credits accounts	$ 1,965,207	$ 1,526,476	$ 1,392,486

	For the Year Ended December 31	
	2014	2013
Creditable ratio for distribution of earning	9.22%	9.35%

c. Income tax assessments

The tax returns of the Company through 2012 have been assessed by the tax authorities.

31. EARNINGS PER SHARE

The basic earnings per share and diluted earnings per share for the three months ended September 30, 2015 and 2014, and nine months ended September 30, 2015 and 2014 were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Net income (in thousand dollars)				
Earnings used in the computation of earnings per share	$ 3,566,269	$ 3,935,419	$ 8,345,405	$ 6,140,622
Weighted average number of shares outstanding (in thousand shares)				
Weighted average number of common shares used in the computation of basic earnings per share	2,945,021	2,944,137	2,944,432	2,944,137
Effect of potentially dilutive common shares:				
Employee share options	89,398	65,690	88,505	73,781
Bonus to employees	1,146	3,870	6,004	6,274
Weighted average number of common shares used in the computation of diluted earnings per share	3,035,565	3,013,697	3,038,941	3,024,192
Earnings per share (in dollars)				
Basic earnings per share	$1.21	$1.34	$2.83	$2.09
Diluted earnings per share	$1.18	$1.31	$2.75	$2.03

If the Company offered to settle the bonuses paid to employees in cash or shares, the Company assumed the entire amount of the bonus would be settled in shares and the resulting potential shares were 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.

32. SHARE-BASED PAYMENT ARRANGEMENTS

Information about Pou Chen's Employee Share Options

No share options were issued during the nine months ended September 30, 2015 and 2014. Information about outstanding share options was as follows:

	For the Nine Months Ended September 30			
	2015		2014	
Employee Share Options	**Number of Shares Purchasable (Thousand Shares)**	**Weighted-average Exercise Price (NT$)**	**Number of Shares Purchasable (Thousand Shares)**	**Weighted-average Exercise Price (NT$)**
Balance at January 1	148,441	$ 18.70	148,441	$ 19.20
Options exercised	(2,650)	18.00	-	-
Balance at September 30	145,791	18.00	148,441	18.70
Exercisable options at September 30	145,791	18.00	148,441	18.70

Information about outstanding employee share options as of September 30, 2015, December 31, 2014 and September 30, 2014 was as follows:

	September 30, 2015	December 31, 2014	September 30, 2014
Exercise price (NT$)	$18.00	$18.70	$18.70
Weighted-average remaining contractual life (years)	2.1 years	2.85 years	3.1 years

Information about Yue Yuen's Employee Share Options

No awarded shares were granted during the nine months ended September 30, 2015. Information about the awards was as follows:

	For the Nine Months Ended September 30, 2015
	Number of Shares (Thousand Shares)
Balance at January 1	1,485
Options cancelled	(45)
Balance at September 30	1,440

Yue Yuen recognized $41,250 thousand compensation cost for the nine months ended September 30, 2015.

Information about Pou Sheng's Employee Share Options

a. No share options were issued during the nine months ended September 30, 2015 and 2014. Information about outstanding share options was as follows:

	For the Nine Months Ended September 30			
	2015		2014	
Employee Share Options	Number of Shares Purchasable (Thousand Shares)	Weighted-average Exercise Price (HK$)	Number of Shares Purchasable (Thousand Shares)	Weighted-average Exercise Price (HK$)
Balance at January 1	55,012	$ 1.39	57,067	$ 1.38
Options cancelled	-	-	(1,855)	1.31
Balance at September 30	55,012	1.39	55,212	1.39
Exercisable options at September 30	54,637	1.39	49,462	1.41

Information about outstanding employee share options as of September 30, 2015, December 31, 2014 and September 30, 2014 was as follows:

	September 30, 2015	December 31, 2014	September 30, 2014
Range of exercise price (HK$)	$1.05-$1.62	$1.05-$1.62	$1.05-$1.62
Weighted-average remaining contractual life (years)	2.93 years	3.62 years	3.93 years

Pou Sheng recognized $441 thousand and $(455) thousand compensation cost (income) for the nine months ended September 30, 2015 and 2014, respectively.

b. During the nine months ended September 30, 2015, a total of 19,170 thousand shares were granted to selected participants by Pou Sheng. Information about the awards was as follows:

	For the Nine Months Ended September 30, 2015
	Number of Shares (Thousand Shares)
Balance at January 1	11,500
Options granted	19,170
Options cancelled	(1,492)
Balance at September 30	29,178

Pou Sheng recognized $7,680 thousand compensation cost for the nine months ended September 30, 2015.

33. BUSINESS COMBINATIONS

a. The Group acquired sports marketing and agency businesses from independent third parties at a consideration of $80,020 thousand (US$2,593 thousand) during the nine months ended September 30, 2015. The amount of goodwill arising from the acquisition was $47,710 thousand (US$1,546 thousand). Net cash outflow from above transactions was $63,572 thousand (US$2,060 thousand).

b. 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.

1) Considerations transferred

Cash and cash equivalents	$ 201,887

2) 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	
Bank borrowings	(98,555)
Payables and other payables	(224,465)
Deferred tax liabilities	(41,901)
	$ 201,887

3) Net cash outflow on acquisition of subsidiaries

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

34. DISPOSAL OF SUBSIDIARIES

a. The Group dispose of subsidiaries during the nine months ended September 30, 2015, the assets and liabilities on the date of disposal were as follows:

Assets	
Cash and cash equivalents	$ 58,325
Receivables and other receivables	258,144
Inventories	104,615
Other current assets	21,941
Property, plant and equipment	107,300
Goodwill	710
Liabilities	
Bank borrowings	(9,320)
Payables and other payables	(225,124)
	$ 316,591

1) Gain on disposal of subsidiaries

Net assets disposed of	$ 316,591
Less: Non-controlling interests	(175,933)
Net value of net assets disposed of	$ 140,658
Consideration received in cash and cash equivalents	$ 146,332
Net value of net assets disposed of	(140,658)
Gain on disposal	$ 5,674

2) Net cash inflow on disposal of subsidiaries

Consideration received in cash and cash equivalents	$ 146,332
Less: Cash and cash equivalents balance disposed of	(58,325)
	$ 88,007

b. 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 investments accounted for using equity method	$ 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)

35. NON-CASH TRANSACTIONS

For the nine months ended September 30, 2014, the Group entered into non-cash investing activities which refer to the investments accounted for using equity method received as consideration in the disposal of subsidiaries, refer to Note 34.

36. OPERATING LEASES ARRANGEMENTS

a. The Group as lessee

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

	September 30, 2015	December 31, 2014	September 30, 2014
Not later than 1 year	$ 1,736,045	$ 1,679,096	$ 1,351,622
Later than 1 year and not later than 5 years	2,430,373	2,047,628	1,337,111
Later than 5 years	1,283,622	1,508,281	1,244,847
	$ 5,450,040	$ 5,235,005	$ 3,933,580

b. The Group as lessor

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

	September 30, 2015	December 31, 2014	September 30, 2014
Not later than 1 year	$ 313,711	$ 290,294	$ 296,230
Later than 1 year and not later than 5 years	509,255	512,857	479,936
Later than 5 years	966,542	1,073,568	867,670
	$ 1,789,508	$ 1,876,719	$ 1,643,836

37. 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.

38. 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.

39. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

Financial assets and financial liabilities that are not measured at fair value were as follows:

	September 30, 2015		December 31, 2014		September 30, 2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Held-to-maturity financial assets	$ 1,369,237	$ 1,369,237	$ -	$ -	$ -	$ -
Debt investments with no active market	1,405,157	1,405,157	2,929,926	2,929,926	3,344,906	3,344,906
Other loans and receivables	73,992,596	73,992,596	70,579,412	70,579,412	69,495,943	69,495,943
Financial assets directly associated with non-current assets held for sale	-	-	245,066	245,066	-	-
Financial liabilities						
Bank borrowings	69,327,240	69,327,240	68,638,564	68,638,564	68,676,756	68,676,756
Short-term bills payable	2,175,077	2,175,077	1,752,076	1,752,076	1,875,259	1,875,259
Financial liabilities measured at amortized cost	44,000,562	44,000,562	39,730,216	39,730,216	40,633,340	40,633,340
Financial liabilities directly associated with non-current assets held for sale	-	-	180,911	180,911	-	-

The above fair value measurements are measured at Level 3 fair value.

b. Fair value of financial instruments that are measured at fair value

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

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

	September 30, 2015	December 31, 2014	September 30, 2014
Financial assets			
Financial assets at FVTPL			
Domestic open-ended mutual funds	$ 362,330	$ 147,324	$ 158,640
Available-for-sale financial assets			
Domestic listed securities			
Equity investment	12,937,497	13,397,793	13,612,571
Foreign listed securities			
Equity investment	463,535	739,861	782,442

2) 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, 2015	December 31, 2014	September 30, 2014
Financial assets			
Financial assets at FVTPL			
Derivative financial instruments	$ 181,409	$ 80,361	$ 64,098
Financial assets designated as at FVTPL	667,035	337,449	322,756
Financial liabilities			
Financial liabilities at FVTPL			
Derivative financial instruments	998,961	674,234	529,465

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.

c. Categories of financial instruments

	September 30, 2015	December 31, 2014	September 30, 2014
Financial assets			
Fair value through profit or loss (FVTPL)			
Held for trading	$ 543,739	$ 227,685	$ 222,738
Designated as at FVTPL	667,035	337,449	322,756
Held-to-maturity financial assets	1,369,237	-	-
Loans and receivables (Note 1)	75,397,753	73,754,404	72,840,849
Available-for-sale financial assets	13,401,032	14,137,654	14,395,013
Financial assets measured at cost	671,209	741,401	762,260
Investments accounted for using equity method	36,856,179	41,071,544	36,341,008
Financial liabilities			
Fair value through profit or loss (FVTPL)			
Held for trading	998,961	674,234	529,465
Amortized cost (Note 2)	115,502,879	110,301,767	111,185,355

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, refundable deposits and financial assets directly associated with non-current assets held for sale.

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 payables, guarantee deposits and financial liabilities directly associated with non-current assets held for sale.

d. Financial risk management objectives and policies

The Group's major financial instruments included equity investments, borrowings, receivables, payables, refundable deposits and guarantee deposits. 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 foreign currency 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 43.

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 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	
	2015	**2014**
USD	$ (82,328)	$ 89,841
RMB	(402,282)	(400,585)
HKD	(209,453)	(169,135)
VND	30,371	11,061
IDR	50,140	(4,619)

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, 2015	**December 31, 2014**	**September 30, 2014**
Cash flow interest rate risk			
Financial liabilities	$ 71,502,317	$ 70,390,640	$ 70,552,015

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 $536,267 thousand and $529,140 thousand during the nine months ended September 30, 2015 and 2014, 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, 2015, December 31, 2014 and September 30, 2014 would have decrease by $261,092 thousand, $242,130 thousand and $248,241 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, 2015, December 31, 2014 and September 30, 2014, 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, 2015

	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	-	$ 21,687,538	$ 12,072,311	$ 9,139,379	$ 750,483	$ 3,800
Variable interest rate liabilities	1.31	5,828,873	2,662,552	21,803,118	28,837,058	-
Fixed interest rate liabilities	1.14	8,025,232	500,000	657,400	4,000,000	-
Financial guarantee contracts	-	3,801,732	-	-	-	-
		$ 39,343,375	$ 15,234,863	$ 31,599,897	$ 33,587,541	$ 3,800

December 31, 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	-	$ 18,306,516	$ 12,807,620	$ 7,350,336	$ 809,894	$ 12,923
Variable interest rate liabilities	1.24	8,411,897	3,817,616	14,500,122	42,137,257	-
Fixed interest rate liabilities	0.99	2,483,105	-	-	-	-
Financial guarantee contracts	-	3,184,022	-	-	-	-
		$ 32,385,540	$ 16,625,236	$ 21,850,458	$ 42,947,151	$ 12,923

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

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, 2015

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Interest rate swap contracts	$ -	$ -	$ 5,549	$ 33,689	$ -
Forward exchange contracts	100,714	-	-	-	-
Exchange rate option contracts	440,806	16,358	129,520	272,325	-
	$ 541,520	$ 16,358	$ 135,069	$ 306,014	$ -

December 31, 2014

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Interest rate swap contracts	$ -	$ -	$ -	$ 38,039	$ -
Forward exchange contracts	319,085	-	-	-	-
Exchange rate option contracts	150,452	-	63,695	102,963	-
	$ 469,537	$ -	$ 63,695	$ 141,002	$ -

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 swap 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	$ -

c) Financing facilities

	September 30, 2015	December 31, 2014	September 30, 2014
Unsecured bank facility, reviewed annually:			
Amount used	$ 71,206,993	$ 70,130,128	$ 70,294,000
Amount unused	29,198,185	33,097,962	21,674,482
	$ 100,405,178	$ 103,228,090	$ 91,968,482
Secured bank facility:			
Amount used	$ 488,000	$ 488,000	$ 488,000
Amount unused	-	-	-
	$ 488,000	$ 488,000	$ 488,000

e. Offsetting financial assets and financial liabilities

The Group is eligible to present certain derivative assets and derivative liabilities on a net basis on the balance sheet since the offsetting criteria are met.

The tables below present the quantitative information on financial assets and financial liabilities that have been offset in the balance sheet or that are covered by enforceable master netting arrangements or similar agreements.

September 30, 2015

Financial Assets	Gross Amounts of Recognized Financial Assets	Gross Amounts of Recognized Financial Instruments Set Off in the Balance Sheet	Net Amounts of Financial Assets Presented in the Balance Sheet	Related Amounts Not Set Off in the Balance Sheet: Financial Instruments	Related Amounts Not Set Off in the Balance Sheet: Cash Collateral Received	Net Amount
Derivatives	$ 182,533	$ (1,124)	$ 181,409	$ -	$ -	$ 181,409

Financial Liabilities	Gross Amounts of Recognized Financial Liabilities	Gross Amounts of Recognized Financial Instruments Set Off in the Balance Sheet	Net Amounts of Financial Liabilities Presented in the Balance Sheet	Related Amounts Not Set Off in the Balance Sheet: Financial Instruments	Related Amounts Not Set Off in the Balance Sheet: Cash Collateral Pledged	Net Amount
Derivatives	$ 1,000,085	$ (1,124)	$ 998,961	$ -	$ -	$ 998,961

December 31, 2014

Financial Assets	Gross Amounts of Recognized Financial Assets	Gross Amounts of Recognized Financial Instruments Set Off in the Balance Sheet	Net Amounts of Financial Assets Presented in the Balance Sheet	Related Amounts Not Set Off in the Balance Sheet: Financial Instruments	Related Amounts Not Set Off in the Balance Sheet: Cash Collateral Received	Net Amount
Derivatives	$ 80,361	$ -	$ 80,361	$ -	$ -	$ 80,361

Financial Liabilities	Gross Amounts of Recognized Financial Liabilities	Gross Amounts of Recognized Financial Instruments Set Off in the Balance Sheet	Net Amounts of Financial Liabilities Presented in the Balance Sheet	Related Amounts Not Set Off in the Balance Sheet: Financial Instruments	Related Amounts Not Set Off in the Balance Sheet: Cash Collateral Pledged	Net Amount
Derivatives	$ 674,234	$ -	$ 674,234	$ -	$ -	$ 674,234

September 30, 2014

Financial Assets	Gross Amounts of Recognized Financial Assets	Gross Amounts of Recognized Financial Instruments Set Off in the Balance Sheet	Net Amounts of Financial Assets Presented in the Balance Sheet	Related Amounts Not Set Off in the Balance Sheet: Financial Instruments	Related Amounts Not Set Off in the Balance Sheet: Cash Collateral Received	Net Amount
Derivatives	$ 64,401	$ (303)	$ 64,098	$ -	$ -	$ 64,098

Financial Liabilities	Gross Amounts of Recognized Financial Liabilities	Gross Amounts of Recognized Financial Instruments Set Off in the Balance Sheet	Net Amounts of Financial Liabilities Presented in the Balance Sheet	Related Amounts Not Set Off in the Balance Sheet: Financial Instruments	Related Amounts Not Set Off in the Balance Sheet: Cash Collateral Pledged	Net Amount
Derivatives	$ 529,768	$ (303)	$ 529,465	$ -	$ -	$ 529,465

40. 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 Party Categories	For the Three Months Ended September 30 2015	For the Three Months Ended September 30 2014	For the Nine Months Ended September 30 2015	For the Nine Months Ended September 30 2014
Sales	Associates and joint ventures	$ 253,885	$ 255,907	$ 777,466	$ 664,992
	Others	-	17,172	-	24,041
		$ 253,885	$ 273,079	$ 777,466	$ 689,033

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

b. Purchases

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
Related Party Categories	**2015**	**2014**	**2015**	**2014**
Associates and joint ventures	$ 2,748,193	$ 1,929,151	$ 6,110,440	$ 4,760,567

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 Party Categories	September 30, 2015	December 31, 2014	September 30, 2014
Notes receivable, accounts receivable	Associates and joint ventures	$ 223,961	$ 189,553	$ 203,114
	Others	-	-	6,520
		$ 223,961	$ 189,553	$ 209,634

No bad debt expense had been recognized for the nine months ended September 30, 2015 and 2014 for the amounts owed by related parties.

d. Payables to related parties

Account Items	Related Party Categories	September 30, 2015	December 31, 2014	September 30, 2014
Notes payable, accounts payable	Associates and joint ventures	$ 1,956,961	$ 1,755,525	$ 1,807,720

e. Compensation of key management personnel

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	**2014**	**2015**	**2014**
Short-term employee benefits	$ 378	$ 32,301	$ 102,066	$ 165,056
Post-employment benefits	451	515	1,307	1,503
	$ 829	$ 32,816	$ 103,373	$ 166,559

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

41. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings and issuing gift coupons:

	September 30, 2015	December 31, 2014	September 30, 2014
Debt investmtnets with no active market	$ 27,336	$ 21,542	$ 31,854
Investment properties	664,614	657,296	657,296
	$ 691,950	$ 678,838	$ 689,150

42. SIGNIFICANT COMMITMENTS AND UNRECOGNIZED LIABILITIES

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

(Unit: In Thousands of Foreign Currencies)

Currencies	September 30, 2015	December 31, 2014	September 30, 2014
USD	$ 2,860	$ 3,571	$ 4,936
EUR	236	555	481
HKD	100	100	100
IDR	18,295,318	12,901,016	9,174,576
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. The Company entered into project agreements with Institute for Information Industry ("III"). According to the project agreements, the Company has to provide promissory notes and bank guarantee to III as guarantee.

e. 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, in additions to 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 year ended December 31, 2014. As of September 30, 2015, the increased contribution for Employee Benefit Payments in the amount of US$72,900 thousand had been paid.

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 year ended December 31, 2014.

43. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the Group entities and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

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

September 30, 2015

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 141,046	32.870	$ 4,636,193
NTD	1,653,192	1	1,653,192
RMB	1,779,439	5.176	9,210,376
HKD	1,027,798	4.241	4,358,890
VND	180,241,135	0.00141	254,140
IDR	50,392,793	0.00222	111,872
Non-monetary items			
NTD	852,725	1	852,725
HKD	54,651	4.241	231,774
Financial liabilities			
Monetary items			
USD	90,935	32.870	2,989,049
NTD	1,062,980	1	1,062,980
RMB	226,215	5.176	1,170,892
HKD	39,803	4.241	168,805
VND	614,109,220	0.00141	865,894
IDR	506,212,613	0.00222	1,123,792

December 31, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 101,265	31.650	$ 3,205,044
NTD	62,610	1	62,610
RMB	2,048,491	5.092	10,430,916
HKD	53,787	4.080	219,449
VND	556,619,580	0.00143	795,966
IDR	181,448,062	0.00258	468,136
Non-monetary items			
NTD	407,551	1	407,551
HKD	110,526	4.080	450,946
Financial liabilities			
Monetary items			
USD	109,551	31.650	3,467,293
NTD	1,061,495	1	1,061,495
RMB	248,957	5.092	1,267,689
HKD	50,850	4.080	207,466
VND	505,404,196	0.00143	722,728
IDR	114,786,434	0.00258	296,149

September 30, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 98,569	30.420	$ 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	30.420	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

For the three months ended September 30, 2015 and 2014, and nine months ended September 30, 2015 and 2014, net foreign exchange gains (losses) were $196,111 thousand, $169,930 thousand, $332,962 thousand and $(166,668) thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the functional currencies of the Group entities.

44. 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, 2015

	Manufacturing of Shoes and Apparel	Retailing of Sporting Goods and Brand Licensing Business	Others	Total
Revenues from external customers	$ 143,070,031	$ 54,748,590	$ 630,976	$ 198,449,597
Segment income	$ 18,781,173	$ 4,538,864	$ 408,288	$ 23,728,325
Administrative cost, remuneration to directors and supervisors				(15,011,210)
Rental income				240,133
Interest income				336,478
Dividend income				758,064
Other income				1,667,047
Net loss on disposal of property, plant and equipment				(280,657)
Net foreign exchange gain				332,962
Net gain on disposal of subsidiaries, associates and joint ventures				141,237
Net gain on disposal of available-for-sale financial assets				78,039
Net gain on disposal of financial assets measured at cost				47,940
Net gain arising on financial assets designated as at FVTPL				224,122
Net loss arising on financial liabilities designated as at FVTPL				(411,267)
Impairment loss				(351,191)
Other loss				(108,784)

(Continued)

	Manufacturing of Shoes and Apparel	Retailing of Sporting Goods and Brand Licensing Business	Others	Total
Finance costs				$ (837,411)
Share of the profit of associates and joint ventures				5,815,655
Income before income tax				$ 16,369,482

(Concluded)

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, remuneration to directors and supervisors				(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 the profit of associates and joint ventures				4,655,538
Income before income tax				$ 11,004,342

1) Sales between segments were made at market price.

2) Segment profit represented the profit before income tax earned by each segment without allocation of administration costs, remuneration to directors and supervisors, rental income, interest income, dividend income, other income, net loss or gain on disposal of property, plant and equipment, net foreign exchange gain or loss, net gain or loss on disposal of subsidiaries, associates and joint ventures, net gain or loss on disposal of available-for-sale financial assets, net gain on disposal of financial assets measured at cost, gain or loss on financial instruments, impairment loss, other loss, finance costs and share of the 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.