

Stock Code :8201

INVENTEC BESTA CO., LTD. AND ITS SUBSIDIARIES
2015 Interim Consolidated Financial Statements—
NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

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INVENTEC BESTA CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
September 30, 2015, December 31, 2014, and September 30, 2014
(Expressed in Thousands of New Taiwan Dollars)

Accounting Title	2015/9/30	2014/12/31	2014/9/30
Balance Sheet			
Assets			
Current assets			
Cash and cash equivalents			
Total cash and cash equivalents	551,884	292,402	262,732
Current financial assets at fair value through profit or loss			
Total current financial assets at fair value through profit or loss	0	1,026	0
Notes receivable, net			
Notes receivable, net	1,255	871	2,937
Accounts receivable, net			
Accounts receivable, net	73,705	76,695	109,919
Accounts receivable due from related parties, net			
Accounts receivable due from related parties, net	37,171	26,670	24,619
Other receivables			
Other receivables, net	109,635	27,455	38,481
Current tax assets			
Total current tax assets	3,605	2,640	2,003
Inventories			
Total inventories	82,677	333,483	219,410
Other current assets			

Other current financial assets	109,444	1,804,112	2,363,600
Other current assets, others	23,112	22,876	22,821
Total other current assets	132,556	1,826,988	2,386,421
Total current assets	992,488	2,588,230	3,046,522
Non-current assets			
Non-current available-for-sale financial assets			
Non-current available-for-sale financial assets, net	344,536	322,898	288,042
Non-current financial assets at cost			
Non-current financial assets at cost, net	172,860	155,400	155,400
Investments accounted for using equity method			
Investments accounted for using equity method, net	24,492	28,763	29,303
Property, plant and equipment			
Total property, plant and equipment	301,293	305,445	314,025
Intangible assets			
Total intangible assets	65,458	81,249	93,305
Deferred tax assets	6,000	12,293	62,835
Other non-current assets			
Guarantee deposits paid	4,821	5,909	6,827
Other non-current financial assets			
Total other non-current financial assets	8,041	8,017	7,945
Other non-current assets, others			
Total other non-current assets, others	2,217	22,086	3,179
Total other non-current assets	15,079	36,012	17,951
Total non-current assets	929,718	942,060	960,861
Total assets	1,922,206	3,530,290	4,007,383

Liabilities and equity			
Liabilities			
Current liabilities			
Short-term borrowings			
Total short-term borrowings	0	1,366,675	1,876,377
Notes payable			
Total notes payable	319	0	640
Accounts payable			
Total accounts payable	123,387	196,256	81,378
Other payables			
Total other payables	81,819	172,698	87,126
Current provisions			
Total current provisions	1,714	3,628	3,834
Other current liabilities			
Total other current liabilities	72,545	19,296	18,547
Total current liabilities	279,784	1,758,553	2,067,902
Non-current liabilities			
Deferred tax liabilities			
Total deferred tax liabilities	16,752	17,823	13,857
Other non-current liabilities			
Net defined benefit liability, non-current	143,069	148,006	171,569
Other non-current liabilities, others	6,723	8,641	3,929
Total other non-current liabilities	149,792	156,647	175,498
Total non-current liabilities	166,544	174,470	189,355
Total liabilities	446,328	1,933,023	2,257,257

Equity			
Equity attributable to owners of parent			
Share capital			
Ordinary share	890,947	890,947	890,947
Total capital stock	890,947	890,947	890,947
Capital surplus			
Total capital surplus	635,323	914,593	914,593
Retained earnings			
Unappropriated retained earnings (accumulated deficit)			
Total unappropriated retained earnings (accumulated deficit)	(114,424)	(279,270)	(111,514)
Total retained earnings	(114,424)	(279,270)	(111,514)
Other equity interest			
Total other equity interest	64,032	70,997	56,100
Total equity attributable to owners of parent	1,475,878	1,597,267	1,750,126
Non-controlling interests	0	0	0
Total equity	1,475,878	1,597,267	1,750,126
Total liabilities and equity	1,922,206	3,530,290	4,007,383
Number of share capital awaiting retirement	0	0	0
Equivalent issue shares of advance receipts for ordinary share	0	0	0
Number of shares in entity held by entity and by its subsidiaries	0	0	0

INVENTEC BESTA CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Three and Nine Months Ended September 30, 2015 and 2014
(Expressed in Thousands of New Taiwan Dollars)

Accounting Title	2015/3rd	2014/3rd	2015/01/01To 2015/09/30	2014/01/01To 2014/09/30
Statement of comprehensive income				
Operating revenue				
Total operating revenue	171,362	311,262	767,382	1,394,674
Operating costs				
Total operating costs	161,824	268,697	665,832	1,160,191
Gross profit (loss) from operations	9,538	42,565	101,550	234,483
Unrealized profit (loss) from sales	(1,356)	1,195	615	1,674
Realized profit (loss) on from sales	0	0	1,516	739
Gross profit (loss) from operations	10,894	41,370	102,451	233,548
Operating expenses				
Selling expenses				
Total selling expenses	31,695	42,086	100,582	142,317
Administrative expenses				
Total administrative expenses	32,517	40,130	102,611	119,760
Research and development expenses				
Total research and development expenses	24,434	30,261	77,265	86,679
Total operating expenses	88,646	112,477	280,458	348,756

Net operating income (loss)	(77,752)	(71,107)	(178,007)	(115,208)
Non-operating income and expenses				
Other income				
Total other income	8,123	26,245	34,276	74,412
Other gains and losses				
Other gains and losses, net	49,230	35,907	41,897	(33,263)
Finance costs				
Finance costs, net	67	6,317	3,153	19,118
Share of profit (loss) of associates and joint ventures accounted for using equity method				
Share of profit (loss) of associates and joint ventures accounted for using equity method, net	(611)	(2,969)	(3,345)	(11,793)
Total non-operating income and expenses	56,675	52,866	69,675	10,238
Profit (loss) from continuing operations before tax	(21,077)	(18,241)	(108,332)	(104,970)
Tax expense (income)				
Total tax expense (income)	6,286	0	6,092	6,544
Profit (loss) from continuing operations	(27,363)	(18,241)	(114,424)	(111,514)
Profit (loss)	(27,363)	(18,241)	(114,424)	(111,514)
Other comprehensive income				
Components of other comprehensive income that will be reclassified to profit or loss				
Exchange differences on translation	8,494	13,548	(4,217)	8,286

Unrealised gains (losses) on valuation of available-for-sale financial assets	(8,374)	(2,045)	(2,696)	(5,940)
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss				
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	229	(58)	(926)	510
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	1,483	2,293	(874)	1,495
Components of other comprehensive income that will be reclassified to profit or loss	(1,134)	9,152	(6,965)	1,361
Other comprehensive income, net	(1,134)	9,152	(6,965)	1,361
Total comprehensive income	(28,497)	(9,089)	(121,389)	(110,153)
Profit (loss), attributable to:				
Profit (loss), attributable to owners of parent	(27,363)	(18,241)	(114,424)	(111,514)
Comprehensive income attributable to:				
Comprehensive income, attributable to owners of parent	(28,497)	(9,089)	(121,389)	(110,153)
Basic earnings per share				
Total basic earnings per share	(0.31)	(0.20)	(1.28)	(1.25)

INVENTEC BESTA CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Nine months Ended September 30, 2015 and 2014
(Expressed in Thousands of New Taiwan Dollars)

2015/09/30 Statement of Stockholders' Equity

	Ordinary share	Total share capital	Capital surplus	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Total other equity interest	Total equity attributable to owners of parent	Total equity
Equity	890,947	890,947	914,593	(279,270)	(279,270)	73,560	(2,563)	70,997	1,597,267	1,597,267
Capital surplus used to offset accumulated deficits			(279,270)	279,270	279,270				0	0
Profit (loss)				(114,424)	(114,424)				(114,424)	(114,424)
Other comprehensive income				0	0	(4,269)	(2,696)	(6,965)	(6,965)	(6,965)
Total comprehensive income				(114,424)	(114,424)	(4,269)	(2,696)	(6,965)	(121,389)	(121,389)
Total increase (decrease) in equity	0	0	(279,270)	164,846	164,846	(4,269)	(2,696)	(6,965)	(121,389)	(121,389)
Equity	890,947	890,947	635,323	(114,424)	(114,424)	69,291	(5,259)	64,032	1,475,878	1,475,878

2014/09/30 Statement of Stockholders' Equity

	Ordinary share	Total share capital	Capital surplus	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Total other equity interest	Total equity attributable to owners of parent	Total equity
Equity	890,947	890,947	1,465,927	(551,334)	(551,334)	46,935	7,804	54,739	1,860,279	1,860,279
Capital surplus used to offset accumulated deficits			(551,334)	551,334	551,334				0	0
Profit (loss)				(111,514)	(111,514)				(111,514)	(111,514)
Other comprehensive income				0	0	7,301	(5,940)	1,361	1,361	1,361
Total comprehensive income				(111,514)	(111,514)	7,301	(5,940)	1,361	(110,153)	(110,153)
Total increase (decrease) in equity	0	0	(551,334)	439,820	439,820	7,301	(5,940)	1,361	(110,153)	(110,153)
Equity	890,947	890,947	914,593	(111,514)	(111,514)	54,236	1,864	56,100	1,750,126	1,750,126

INVENTEC BESTA CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine months Ended September 30, 2015 and 2014
(Expressed in Thousands of New Taiwan Dollars)

Accounting Title	2015/01/01To2015/09/30	2014/01/01To2014/09/30
Statement of cash flows		
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	(108,332)	(104,970)
Profit (loss) before tax	(108,332)	(104,970)
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	7,908	17,638
Amortization expense	32,557	55,390
Provision (reversal of provision) for bad debt expense	2,784	298
Interest expense	3,153	19,118
Interest income	(34,192)	(74,412)
Dividend income	(84)	0
Share of loss (profit) of associates and joint ventures accounted for using equity method	3,345	11,793
Loss (gain) on disposal of property, plan and equipment	(1,674)	81
Loss (gain) on disposal of investments	(4,542)	0
Other adjustments to reconcile profit (loss)	(16,837)	19,546
Total adjustments to reconcile profit (loss)	(7,582)	49,452

Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets held for trading	1,026	0
Decrease (increase) in notes receivable	(384)	(1,763)
Decrease (increase) in accounts receivable	656	(5,831)
Decrease (increase) in accounts receivable due from related parties	(10,288)	(19,272)
Decrease (increase) in other receivable	(96,907)	28,296
Decrease (increase) in inventories	254,558	295,669
Decrease (increase) in other current assets	4,032	43,067
Total changes in operating assets	152,693	340,166
Changes in operating liabilities		
Increase (decrease) in notes payable	319	(64)
Increase (decrease) in accounts payable	(75,485)	(299,191)
Increase (decrease) in other payable	(101,673)	(84,480)
Increase (decrease) in provisions	(1,914)	(1,188)
Increase (decrease) in other current liabilities	50,899	(39,564)
Increase (decrease) in net defined benefit liability	(4,937)	1,015
Increase (decrease) in other operating liabilities	(901)	935
Total changes in operating liabilities	(133,692)	(422,537)
Total changes in operating assets and liabilities	19,001	(82,371)
Total adjustments	11,419	(32,919)
Cash inflow (outflow) generated from operations	(96,913)	(137,889)
Interest received	51,473	50,994
Dividends received	84	0

Interest paid	(3,549)	(18,465)
Income taxes refund (paid)	0	1,278
Net cash flows from (used in) operating activities	(48,905)	(104,082)
Cash flows from (used in) investing activities		
Acquisition of available-for-sale financial assets	(134,524)	(14,835)
Proceeds from disposal of available-for-sale financial assets	120,642	0
Acquisition of financial assets at cost	0	(5,400)
Proceeds from disposal of financial assets at cost	9,673	0
Acquisition of property, plant and equipment	(5,246)	(4,133)
Proceeds from disposal of property, plant and equipment	2,880	0
Decrease in refundable deposits	1,552	1,089
Acquisition of intangible assets	(15,135)	(30,516)
Increase in other financial assets	0	(1,272,348)
Decrease in other financial assets	1,694,747	0
Increase in other non-current assets	(1,312)	(2,475)
Net cash flows from (used in) investing activities	1,673,277	(1,328,618)
Cash flows from (used in) financing activities		
Increase in short-term loans	0	997,455
Decrease in short-term loans	(1,366,675)	0
Increase in other non-current liabilities	0	24
Decrease in other non-current liabilities	(432)	0
Net cash flows from (used in) financing activities	(1,367,107)	997,479
Effect of exchange rate changes on cash and cash equivalents	2,217	2,107
Net increase (decrease) in cash and cash equivalents	259,482	(433,114)

Cash and cash equivalents at beginning of period	292,402	695,846
Cash and cash equivalents at end of period	551,884	262,732
Cash and cash equivalents reported in the statement of financial position	551,884	262,732