PATEC PRECISION INDUSTRY CO., LTD.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

REPORT OF INDEPENDENT ACCOUNTANTS

DECEMBER 31, 2015 AND 2014

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of Patec Precision Industry Co., Ltd.

We have audited the accompanying consolidated balance sheets of Patec Precision Industry Co., Ltd. and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of income, of changes in shareholders' equity and of cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Patec Precision Industry Co., Ltd. and subsidiaries as of December 31, 2015 and 2014, and their financial performance and cash flows for the years then ended in conformity with the "Rules Governing the Preparation of Financial Statements by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC.

PricewaterhouseCoopers, Taiwan

PricewaterhouseCoopers, Taiwan
March 28, 2016

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

PATEC PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2015 AMOUNT	%	December 31, 2014 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 304,318	17	$ 160,327	8
1170	Accounts receivable, net	6(2)	535,162	29	659,189	34
1200	Other receivables		3,394	-	22,305	1
130X	Inventory	6(3)	319,539	18	326,723	17
1410	Prepayments		49,446	3	55,132	3
1476	Other current financial assets	6(1) and 8	133,293	7	182,702	10
11XX	**Total current assets**		1,345,152	74	1,406,378	73
	Non-current assets					
1600	Property, plant and equipment	6(4)	375,966	20	402,014	21
1780	Intangible assets		5,285	-	5,333	-
1840	Deferred income tax assets	6(19)	29,103	2	17,380	1
1990	Other non-current assets	6(5)	71,436	4	87,773	5
15XX	**Total non-current assets**		481,790	26	512,500	27
1XXX	**Total assets**		$ 1,826,942	100	$ 1,918,878	100

(Continued)

PATEC PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2015 AMOUNT	%	December 31, 2014 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(6)	$ 139,707	8	$ 229,076	12
2120	Financial liabilities at fair value through profit or loss - current	6(8)	238	-	171	-
2170	Accounts payable		181,649	10	304,231	16
2200	Other payables		70,883	4	61,029	3
2220	Other payables - related parties	7	-	-	12,691	1
2230	Current income tax liabilities	6(19)	12,652	1	11,116	1
2310	Advance receipts		5,019	-	15,097	1
2320	Long-term liabilities, current portion	6(7)	8,357	1	9,090	-
2355	Current lease obligations payable	6(9)	8,458	-	8,857	-
2399	Other current liabilities		57,650	3	58,142	3
21XX	**Total current liabilities**		484,613	27	709,500	37
	Non-current liabilities					
2540	Long-term borrowings	6(7)	2,164	-	7,655	-
2570	Deferred income tax liabilities	6(19)	11,462	1	13,263	1
2610	Long-term notes and accounts payable	6(9)	7,692	-	8,345	1
2670	Other non-current liabilities	6(10)	4,296	-	2,945	-
25XX	**Total non-current liabilities**		25,614	1	32,208	2
2XXX	**Total liabilities**		510,227	28	741,708	39
	Equity					
	Equity attributable to owners of the parent					
	Share capital					
3110	Share capital - common stock	6(12)	338,670	19	300,670	16
	Capital surplus	6(13)				
3200	Capital surplus		356,161	19	246,484	13
	Retained earnings					
3350	Unappropriated retained earnings	6(14)	347,318	19	334,235	17
	Other equity interest					
3400	Other equity interest		66,885	4	94,070	5
31XX	**Total equity attributable to owners of the parent**		1,109,034	61	975,459	51
36XX	**Non-controlling interest**		207,681	11	201,711	10
3XXX	**Total equity**		1,316,715	72	1,177,170	61
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 1,826,942	100	$ 1,918,878	100

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

PATEC PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars, except Earnings Per Share amounts)

	Items	Notes	2015 AMOUNT	2015 %	2014 AMOUNT	2014 %
4000	**Operating revenue**		$ 1,539,487	100	$ 1,655,756	100
5000	**Operating costs**	6(3)(17)	(1,147,366)	(75)	(1,155,854)	(70)
5900	**Gross profit**		392,121	25	499,902	30
	Operating expenses	6(16)				
6100	Selling expenses		(50,807)	(3)	(61,279)	(3)
6200	Administrative expenses		(188,466)	(12)	(177,339)	(11)
6300	Research and development expenses		(44,014)	(3)	(69,803)	(4)
6000	**Total operating expenses**		(283,287)	(18)	(308,421)	(18)
6900	**Operating profit**		108,834	7	191,481	12
	Non-operating income and expenses					
7010	Other income	6(15)	28,661	2	11,864	1
7020	Other gains and losses	6(16)	3,258	-	(23,391)	(2)
7050	Finance costs		(15,179)	(1)	(21,658)	(1)
7000	**Total non-operating income and expenses**		16,740	1	(33,185)	(2)
7900	**Profit before income tax**		125,574	8	158,296	10
7950	Income tax expense	6(19)	(47,507)	(3)	(33,252)	(2)
8200	**Profit for the year**		$ 78,067	5	$ 125,044	8
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassied to profit or loss					
8311	Gain (loss) on remeasurements of defined benefit plans	6(19)	$ 1,236	-	($ 577)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(310)	-	143	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(26,416)	(2)	57,356	3
8399	Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(19)	-	-	(257)	-
8300	**Other comprehensive (loss) income, net**		($ 25,490)	(2)	$ 56,665	3
8500	**Total comprehensive income**		$ 52,577	3	$ 181,709	11
	Profit attributable to:					
8610	Owners of the parent		$ 60,695	4	$ 102,009	7
8620	Non-controlling interest		$ 17,372	1	$ 23,035	1
	Comprehensive income attributable to:					
8710	Owners of parent		$ 34,159	2	$ 148,365	9
8720	Non-controlling interest		$ 18,418	1	$ 33,344	2
	Earnings per share (in dollars)	6(20)				
9750	**Basic earnings per share**		$ 1.88		$ 3.46	
9850	**Diluted earnings per share**		$ 1.87		$ 3.44	

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

PATEC PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent							
			Capital Reserves						
	Notes	Share capital - common stock	Total capital surplus, additional paid-in capital	Employee stock warrants	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Total	Non-controlling interest	Total
2014									
Balance at January 1, 2014		$ 285,670	$ 192,731	$ -	$ 262,596	$ 47,411	$ 788,408	$ 165,596	$ 954,004
Issuance of shares	6(12)	15,000	45,123	-	-	-	60,123	-	60,123
Appropriation of 2013 earnings:									
Cash dividends	6(14)	-	-	-	(30,067)	-	(30,067)	-	(30,067)
Net income for 2014		-	-	-	102,009	-	102,009	23,035	125,044
Other comprehensive income (loss) for 2014		-	-	-	(303)	46,659	46,356	10,309	56,665
Issuance of employee stock options		-	-	8,630	-	-	8,630	-	8,630
Changes in non-controlling interest		-	-	-	-	-	-	2,771	2,771
Balance at December 31, 2014		$ 300,670	$ 237,854	$ 8,630	$ 334,235	$ 94,070	$ 975,459	$ 201,711	$ 1,177,170
2015									
Balance at January 1, 2015		$ 300,670	$ 237,854	$ 8,630	$ 334,235	$ 94,070	$ 975,459	$ 201,711	$ 1,177,170
Issuance of shares	6(12)	38,000	99,700	-	-	-	137,700	-	137,700
Appropriation of 2014 earnings:									
Cash dividends	6(14)	-	-	-	(45,101)	-	(45,101)	-	(45,101)
Net income for 2015		-	-	-	60,695	-	60,695	17,372	78,067
Other comprehensive income (loss) for 2015		-	-	-	649	(27,185)	(26,536)	1,046	(25,490)
Issuance of employee stock options	6(11)	-	-	9,977	-	-	9,977	-	9,977
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	-	-	(3,160)	-	(3,160)	-	(3,160)
Changes in non-controlling interest		-	-	-	-	-	-	(12,448)	(12,448)
Balance at December 31, 2015		$ 338,670	$ 337,554	$ 18,607	$ 347,318	$ 66,885	$ 1,109,034	$ 207,681	$ 1,316,715

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

PATEC PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

	Notes	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 125,574	$ 158,296
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on disposal of property, plant and equipment	6(16)	(201)	(759)
Gain on investments accounted for using equity method	6(16)	-	(92)
Reversal of allowance for bad debts	6(2)(15)	(7,936)	(445)
Interest income		(5,079)	(7,000)
Depreciation	6(4)	54,501	57,602
Interest expense		15,179	21,658
Net loss on financial liabilities at fair value through profit or loss	6(8)(16)	1,482	2,370
Compensation cost of share-based payments	6(11)	9,977	8,753
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		131,694	(180,651)
Other receivables		18,911	(18,315)
Other receivables - related parties		-	210
Inventories		7,184	(44,843)
Prepayments		5,686	(16,090)
Changes in operating liabilities			
Financial liabilities at fair value through profit or loss		(1,415)	(4,041)
Accounts payable		(122,582)	89,597
Accounts payable - related parties		-	(1,998)
Other payables		9,834	7,647
Other payables - related parties		(12,691)	2,759
Advance receipts from customers		(10,077)	(15,646)
Other current liabilities		-	16,234
Other non-current liabilities		1,351	940
Cash inflow generated from operations		221,392	76,186
Interest received		5,079	7,000
Interest paid		(15,159)	(21,582)
Income tax paid		(45,971)	(41,667)
Net cash flows from operating activities		165,341	19,937
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in other receivables - related parties		-	5,033
Decrease (increase) in other financial assets - current		50,032	(74,359)
Net cash inflows from business combination		-	3,040
Acquisition of property, plant and eqipment		(17,166)	(115,120)
Proceeds from disposal of property, plant and equipment		2,462	4,511
Decrease (increase) in other non-current assets		16,337	(16,409)
Net cash flows from (used in) investing activities		51,665	(193,304)

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PATEC PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

	Notes	2015	2014
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings		$ 49,311	$ 178,141
Repayment of short-term borrowings		(138,657)	(87,743)
Payment of lease payable		(13,111)	(12,694)
Proceeds from long-term borrowings		4,996	16,745
Repayment of long-term borrowings		(11,965)	(51,176)
Proceeds from issuance of shares	6(12)	137,700	60,000
Cash dividends paid	6(14)	(44,012)	(20,069)
Changes in non-controlling interest		(15,586)	(13,687)
Net cash flows (used in) from financing activities		(31,324)	69,517
Effect of foreign exchange rate changes		(41,691)	38,085
Net increase (decrease) in cash and cash equivalents		143,991	(65,765)
Cash and cash equivalents at beginning of year		160,327	226,092
Cash and cash equivalents at end of year		$ 304,318	$ 160,327

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

PATEC PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

Patec Precision Industry Co., Ltd. (the "Company") was incorporated in the Cayman Islands on June 29, 2011. Starting from June 3, 2015, the Company's stocks were officially listed on the Taiwan Stock Exchange. The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in investment holdings, production and sale of press machines and parts for automobiles and motorcycles.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIALSTATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorised for issuance by the Board of Directors on March 28, 2016.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

According to Financial-Supervisory-Securities-Auditing No. 1030010325 issued on April 3, 2014, commencing 2015, companies with shares listed on the TWSE or traded on the Taipei Exchange or Emerging Stock Market shall adopt the 2013 version of IFRS (not including IFRS 9, 'Financial instruments') as endorsed by the FSC and the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" effective January 1, 2015 (collectively referred herein as the "2013 version of IFRSs") in preparing the consolidated financial statements. The impact of adopting the 2013 version of IFRS is listed below:

A. IAS 1, 'Presentation of financial statements'

The amendment requires entities to separate items presented in OCI classified by nature into two groups on the basis of whether they are potentially reclassifiable to profit or loss subsequently when specific conditions are met. If the items are presented before tax then the tax related to each of the two groups of OCI items (those that might be reclassified and those that will not be reclassified) must be shown separately. Accordingly, the Group will adjust its presentation of the statement of comprehensive income.

B. IFRS 12, 'Disclosure of interests in other entities'

The standard integrates the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. Also, the Group will disclose additional information about its interests in consolidated entities and unconsolidated entities accordingly.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

None.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the 2013 version of IFRSs as endorsed by the FSC:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
IFRS 9, 'Financial instruments'	January 1, 2018
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	To be determined by International Accounting Standards Board
Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	January 1, 2016
Accounting for acquisition of interests in joint operations (amendments to IFRS 11)	January 1, 2016
IFRS 14, 'Regulatory deferral accounts'	January 1, 2016
IFRS 15, 'Revenue from contracts with customers'	January 1, 2018
IFRS 16, 'Lease'	January 1, 2019
Disclosure initiative (amendments to IAS 1)	January 1, 2016
Disclosure initiative (amendments to IAS 7)	January 1, 2017
Recognition of deferred tax assets for unrealised losses (amendments to IAS 12)	January 1, 2017
Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38)	January 1, 2016
Agriculture: bearer plants (amendments to IAS 16 and IAS 41)	January 1, 2016
Defined benefit plans: employee contributions (amendments to IAS	July 1, 2014
Equity method in separate financial statements (amendments to IAS 27)	January 1, 2016
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	January 1, 2014
IFRIC 21, 'Levies'	January 1, 2014
Improvements to IFRSs 2010-2012	July 1, 2014
Improvements to IFRSs 2011-2013	July 1, 2014
Improvements to IFRSs 2012-2014	January 1, 2016

The Group is assessing the potential impact of the new standards, interpretations and amendments above. The impact will be disclosed when the assessment is complete.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC

Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Liabilities on cash-settled share-based payment arrangements measured at fair value.

(c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)		
Name of investor	Name of subsidiary	Main business activities	December 31, 2015	December 31, 2014	Description
The Company	PATEC PTE. LTD. (PATEC)	Sale of punch machines	100%	100%	
PATEC	Press Automation Technology Pte Ltd. (PAT)	Production and sale of punch machines	100%	100%	
PATEC	Wuxi Jingxin Precision Machining Co. Ltd. (Wuxi Jingxin)	Production and sale of products for automobiles	85%	85%	
PATEC	Patec Precision Kft (KFT)	Production and sale of products for automobiles	100%	100%	
PAT	PT. PATEC PRESISI ENGINEERING (PT. Patec)	Production and sale of products for automobiles and motorcycles	70%	70%	
Wuxi Jingxin	Wuxi Baida Precision Molding Co., Ltd. (Wuxi Baida)	Production and sale of punch machines	100%	100%	
Wuxi Jingxin	Yancheng Jingxin Precision Machining Co. Ltd. (Yancheng Jingxin)	Production and sale of products for automobiles	100%	100%	
PT. Patec	PT. PDF PRESISI ENGINEERING (PT. PDF)	Production and sale of products for automobiles	89%	70%	Note 1
PT. Patec	PT. API PRECISION (PT. API)	Production and sale of products for automobiles	81%	75%	Note 2 Note 3

Note 1: On June 30, 2015, the Board of Directors has approved that PT. Patec, the subsidiary in Indonesia, increased capital in PT. PDF at US$ 860 thousand. The shareholding ratio was 89% after the capital increase. The capital increase had been registered in July 2015.

Note 2: The Group has acquired 437,500 shares (representing 35% of joint interest) of PT. API from Asia Precision Company Limited at US$0.45 per share, totaling US$197 thousand in June 2014. As of June 30, 2014, the change had been registered. The Group's ownership over PT. API has increased from 40% to 75% and the Group obtained control over PT. API. Thus, PT. API was included in the consolidated financial statements.

Note 3: On June 30, 2015, the Board of Directors has approved for PT. Patec, the subsidiary in Indonesia, to increase its capital in PT. API at US$420 thousand. The shareholding ratio was 81% after the capital increase. The capital increase had been registered in July 2015.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2015 and 2014, the non-controlling interest amounted to $207,681 and $201,711, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest			
		December 31, 2015		December 31, 2014	
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)
Wuxi Jingxin	China	$ 122,706	15	$ 117,470	15
PT. PATEC	Indonesia	79,682	30	81,352	30

Summarised financial information of the subsidiaries:

Balance sheets

	Wuxi Jingxin	
	December 31,	
	2015	2014
Current assets	$ 949,542	$ 944,633
Non-current assets	150,417	174,670
Current liabilities	(224,270)	(278,175)
Non-current liabilities	(57,650)	(57,996)
Total net assets	$ 818,039	$ 783,132

	PT. PATEC	
	December 31,	
	2015	2014
Current assets	$ 172,796	$ 207,784
Non-current assets	290,955	315,816
Current liabilities	(180,812)	(230,557)
Non-current liabilities	(17,332)	(21,870)
Total net assets	$ 265,607	$ 271,173

Statements of comprehensive income

	Wuxi Jingxin	
	Years ended December 31,	
	2015	2014
Revenue	$ 1,147,436	$ 1,010,231
Profit before income tax	214,628	164,737
Income tax expense	(56,279)	(29,816)
Profit for the period	$ 158,349	$ 134,921
Total comprehensive income for the period	$ 158,349	$ 134,921
Comprehensive income attributable to non-controlling interest	$ 23,752	$ 20,238
Dividends paid to non-controlling interest	$ 15,586	$ 13,687

	PT. PATEC	
	Years ended December 31,	
	2015	2014
Revenue	$ 290,329	$ 390,131
(Loss) profit before income tax	(6,920)	24,391
Income tax expense	(2,078)	(10,548)
(Loss) profit for the period	($ 8,998)	$ 13,843
Total comprehensive (loss)income for the period	($ 8,070)	$ 13,266
Comprehensive (loss) income attributable to non-controlling interest	($ 2,421)	$ 3,980

Statements of cash flows

	Wuxi Jingxin	
	Years ended December 31,	
	2015	2014
Net cash provided by operating activities	$ 200,798	45,888
Net cash provided by (used in) investing activities	54,607	(25,537)
Net cash used in financing activities	(101,225)	(99,236)
Effect of exchange rates on cash and cash equivalents	(13,403)	16,821
Increase (decrease) in cash and cash equivalents	140,777	(62,064)
Cash and cash equivalents, beginning of period	130,065	192,130
Cash and cash equivalents, end of period	$ 270,842	$ 130,066

	PT. PATEC	
	Years ended December 31,	
	2015	2014
Net cash (used in) provided by operating activities	($ 19,295)	$ 70,331
Net cash provided by (used in) investing activities	4,939	(62,858)
Net cash used in financing activities	(5,588)	(15,303)
Effect of exchange rates on cash and cash equivalents	7,950	20,223
(Decrease) increase in cash and cash equivalents	(11,994)	12,393
Cash and cash equivalents, beginning of period	24,875	12,482
Cash and cash equivalents, end of period	$ 12,881	$ 24,875

(4) Foreign currency translation

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in NTD, which is the Company’s functional and the Group’s presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within "other gains and losses".

B. Translation of foreign operations

The operating results and financial position of all the group entities, associates and joint agreements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c) All resulting exchange differences are recognised in other comprehensive income.

(5) <u>Classification of current and non-current items</u>

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be paid off within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be paid off within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Accounts receivable

Accounts receivable are receivables originated by the entity. They are created by the entity by selling goods or providing services to customers in the ordinary course of business. Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. However, short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(8) Impairment of financial assets

A. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

B. The criteria that the Group uses to determine whether there is objective evidence of an impairment loss is as follows:

(a) Significant financial difficulty of the issuer or debtor;

(b) A breach of contract, such as a default or delinquency in interest or principal payments;

(c) The Group, for economic or legal reasons relating to the borrower's financial difficulty, granted the borrower a concession that a lender would not otherwise consider;

(d) It becomes probable that the borrower will enter bankruptcy or other financial reorganisation.

(e) Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered.

C. When the Group assesses that there has been objective evidence of impairment and an impairment loss has occurred, accounting for impairment is made as follows according to the category of financial assets:

For financial assets measured at amortised cost, the amount of the impairment loss is measured as 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, and is recognised in profit or loss. 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 loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost that would have been at the date of reversal had the impairment loss not been recognised previously. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(9) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(10) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(11) Joint operation and investment accounted for using equity method- joint ventures

Investment accounted for using equity method – joint ventures

The Group accounts for its interest in a joint venture using equity method. Unrealised profits and losses arising from the transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. However, when the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, all such losses shall be recognised immediately. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

(12) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated average useful lives of property, plant and equipment are as follows:

Buildings	27 years
Machinery and equipment	5 ～ 10 years
Transportation equipment	5 ～ 10 years
Office equipment	3 ～ 10 years
Other equipment	5 ～ 10 years
Leasehold assets	5 ～ 10 years

(13) Leased assets/ leases (lessee)

A. Based on the terms of a lease contract, a lease is classified as a finance lease if the Group assumes substantially all the risks and rewards incidental to ownership of the leased asset.

(a) A finance lease is recognised as an asset and a liability at the lease's commencement at the lower of the fair value of the leased asset or the present value of the minimum lease payments.

(b) The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are allocated to each period over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(c) Property, plant and equipment held under finance leases are depreciated over their estimated useful lives. If there is no reasonable certainty that the Group will obtain ownership at the end of the lease, the asset shall be depreciated over the shorter of the lease term and its useful life.

B. Payments made under an operating lease (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the lease term.

(14) Long-term prepaid rent

Long-term prepaid rent is the agreed upon fee for land use paid by the Group's subsidiary in Indonesia to Republic of Indonesia. Long-term prepaid rent is stated initially at its cost and amortised on a straight-line basis over its lease period.

(15) Intangible assets－goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

(16) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

B. The recoverable amounts of goodwill shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(17) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(18) Accounts payable

Notes and accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. However, short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(19) Financial liabilities at fair value through profit or loss

A. Financial liabilities at fair value through profit or loss are financial liabilities held for trading or financial liabilities designated as at fair value through profit or loss on initial recognition.

B. Financial liabilities at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial liabilities are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial liabilities are recognised in profit or loss.

(20) Derecognition of financial liabilities

Financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expired.

(21) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in these corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognised immediately in profit or loss.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(22) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. And ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(23) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(24) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(25) Dividends

Shareholders' dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's Board of Directors. Cash dividends are recorded as liabilities. Stock dividends recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(26) Revenue recognition

A. Sales of goods

The Group manufactures and sells punch machines and products for automobiles and motorcycles. Revenue is measured at the fair value of the consideration received or receivable taking into account of value-added tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. Revenue arising from the sales of goods is recognised when the Group has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

B. Subcontracting revenue

The Group renders subcontracting services for products of automobiles. The Group renders services and recognises revenue under percentage-of-completion according to contracts.

(27) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Critical judgements, estimates and assumptions concerning uncertainties are addressed below:

(1) Critical judgements in applying the Group’s accounting policies

Revenue recognition on a net/gross basis

The determination of whether the Group is acting as principal or agent in a transaction is based on an evaluation of Group’s exposure to the significant risks and rewards associated with the sale of goods or the rendering of service in accordance with the business model and substance of the transaction. Where the Group acts as a principal, the amount received or receivable from customer is recognised as revenue on a gross basis. Where the Group acts as an agent, net revenue is recognised. The following characteristics of a principal are used as indicators to determine whether the Group shall recognise revenue on a gross basis:

a. The Group has primary responsibilities for the goods or services it provides;

b. The Group bears inventory risk;

c. The Group has the latitude in establishing prices for the goods or services, either directly or indirectly.

d. The Group bears credit risk of customers.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. The Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31,	
	2015	2014
Cash on hand	$ 467	$ 600
Demand deposits	303,851	159,727
Total	$ 304,318	$ 160,327

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. As of December 31, 2015 and 2014, cash and cash equivalents amounting to $113,048 and $167,032 were pledged to others as collateral and were classified to other financial assets-current. Details are provided in Note 8.

C. The Group’s deposits with maturity over three months amounted to $20,245 and $15,669, and the effective interest rate was 3% and 3.25% in 2015 and 2014, respectively. As the time deposits are not high-liquidity investments, they were classified to other financial assets-current.

(2) Accounts receivable

	December 31,	
	2015	2014
Accounts receivable	$ 536,698	$ 669,390
Less: allowance for bad debts	(1,536)	(10,201)
	$ 535,162	$ 659,189

A. The credit quality of accounts receivable that were neither past due nor impaired was in the following categories based on the Group's Credit Quality Control Policy:

	December 31,	
	2015	2014
Group 1	$ 260,268	$ 358,540
Group 2	165,031	208,206
	$ 425,299	$ 566,746

Group 1: Well-known international companies or listed company with no critical bad debts record.

Group 2: Customers other than Group 1.

B. The ageing analysis of financial assets that were past due but not impaired is as follows:

	December 31,	
	2015	2014
Up to 90 days	$ 57,478	$ 27,235
91 to 180 days	40,078	50,729
Over 180 days	12,307	14,479
	$ 109,863	$ 92,443

The above ageing analysis was based on invoice date.

C. Movement analysis of financial assets that were impaired is as follows:

(a) As of December 31, 2015 and 2014, the Group's accounts receivable that were impaired amounted to $1,536 and $10,201, respectively.

(b) Movements on the Group's provision for impairment of accounts receivable are as follows:

Individual Provision	2015	2014
At January 1	$ 10,201	$ 11,793
Reversal of impairment	(7,936)	(445)
Effect of foreign exchange	(729)	(1,147)
At December 31	$ 1,536	$ 10,201

D. The Group does not hold any collateral as security.

(3) Inventories

	December 31, 2015		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 137,100	($ 1,430)	$ 135,670
Work in process	74,516	(72)	74,444
Finished goods	114,865	(5,440)	109,425
	$ 326,481	($ 6,942)	$ 319,539

	December 31, 2014		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 158,136	($ 1,458)	$ 156,678
Work in process	69,188	(75)	69,113
Finished goods	106,552	(5,620)	100,932
	$ 333,876	($ 7,153)	$ 326,723

A. The cost of inventories recognised as expense for the years ended December 31, 2015 and 2014 was $1,147,366 and $1,155,854, respectively, including the amounts of ($211) and $255, respectively, that the Group wrote down from cost to net realisable value accounted for as cost of goods sold.

(4) Property, plant and equipment

	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Leaseold improvements	Others	Unfinished Construction	Total
At January 1,2015								
Cost	$ 47,458	$ 582,149	$ 32,837	$ 15,184	$ 8,814	$ 21,954	$ 9,773	$ 718,169
Accumulated depreciation	(11,750)	(267,664)	(14,104)	(10,497)	(2,955)	(9,185)	-	(316,155)
	$ 35,708	$ 314,485	$ 18,733	$ 4,687	$ 5,859	$ 12,769	$ 9,773	$ 402,014
2015								
Opening net book amount	$ 35,708	$ 314,485	$ 18,733	$ 4,687	$ 5,859	$ 12,769	$ 9,773	$ 402,014
Additions	1,389	14,054	1,951	888	-	1,234	10,454	29,970
Disposals	-	(292)	(1,969)	-	-	-	-	(2,261)
Reclassifications	13,200	6,650	-	-	-	304	(20,154)	-
Depreciation charge	(2,286)	(42,937)	(4,104)	(1,447)	(797)	(2,930)	-	(54,501)
Net exchange differences	1,681	(740)	500	(131)	(201)	(292)	(73)	744
Closing net book amount	$ 49,692	$ 291,220	$ 15,111	$ 3,997	$ 4,861	$ 11,085	$ -	$ 375,966
At December 31,2015								
Cost	$ 64,107	$ 624,846	$ 30,473	$ 15,810	$ 8,706	$ 23,754	$ -	$ 767,696
Accumulated depreciation	(14,415)	(333,626)	(15,362)	(11,813)	(3,845)	(12,669)	-	(391,730)
	$ 49,692	$ 291,220	$ 15,111	$ 3,997	$ 4,861	$ 11,085	$ -	$ 375,966

	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Leaseold improvements	Others	Unfinished Construction	Total
At January 1,2014								
Cost	$ 35,405	$ 381,345	$ 23,581	$ 13,542	$ 8,065	$ 17,793	$ -	$ 479,731
Accumulated depreciation	(9,447)	(153,772)	(10,213)	(9,316)	(2,092)	(7,117)	-	(191,957)
	$ 25,958	$ 227,573	$ 13,368	$ 4,226	$ 5,973	$ 10,676	$ -	$ 287,774
2014								
Opening net book amount	$ 25,958	$ 227,573	$ 13,368	$ 4,226	$ 5,973	$ 10,676	$ -	$ 287,774
Additions	9,423	89,286	8,432	3,239	-	3,732	9,280	123,392
Acquired from business combinations	-	36,153	475	69	369	778	-	37,844
Disposals	-	(2,049)	(902)	(413)	-	(388)	-	(3,752)
Depreciation charge	(1,605)	(47,408)	(4,023)	(1,400)	(765)	(2,401)	-	(57,602)
Net exchange differences	1,932	10,930	1,383	(1,034)	282	372	493	14,358
Closing net book amount	$ 35,708	$ 314,485	$ 18,733	$ 4,687	$ 5,859	$ 12,769	$ 9,773	$ 402,014
At December 31,2014								
Cost	$ 47,458	$ 582,149	$ 32,837	$ 15,184	$ 8,814	$ 21,954	$ 9,773	$ 718,169
Accumulated depreciation	(11,750)	(267,664)	(14,104)	(10,497)	(2,955)	(9,185)	-	(316,155)
	$ 35,708	$ 314,485	$ 18,733	$ 4,687	$ 5,859	$ 12,769	$ 9,773	$ 402,014

A. The Group leases certain machinery and automobiles, classified as machinery and transportation equipment, under finance lease. As of December 31, 2015 and 2014, the carrying value of the leased assets was $68,985 and $64,051, respectively.

B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(5) Long-term prepaid rents

Long-term prepaid rents are the land use right contract with a term of 50 years signed by the Group with the Republic of Indonesia. All rentals had been paid on the contract date. As of December 31, 2015 and 2014, the carrying amount of long-term prepaid rents was $57,961 and $57,494, respectively. For the years ended December 31, 2015 and 2014, the rental expense recognised was $1,509 and $1,491, respectively. The information on long-term prepaid rents pledged as collaterals is provided in Note 8.

(6) Short-term borrowings

	December 31,	
Type of borrowings	2015	2014
Bank borrowings		
Secured borrowings	$ 139,707	$ 229,076
Interest rate range	1.05%~12%	1.51%~13.00%

Details of assets pledged as collateral for borrowings is provided in Note 8.

(7) Long-term borrowings

Type of borrowings	Borrowing period	December 31,	
Long-term bank borrowings-secured		2015	2014
2 years	Oct. 2014 to Sep. 2016	$ 5,760	14,555
3 years	Oct. 2014 to Sep. 2017	1,308	2,190
3 years	Jan. 2015 to Nov. 2017	1,427	-
3 years	Mar. 2015 to Nov. 2017	2,026	-
		10,521	16,745
Less: current portion		(8,357)	(9,090)
		$ 2,164	$ 7,655
Interest rate		12.00%	12.00%

Details of assets pledged as collateral for borrowings is provided in Note 8.

(8) Financial liabilities at fair value through profit or loss - current

	December 31,	
	2015	2014
Current items:		
Non-hedging derivatives	$ 238	$ 171

A. The Group recognised net loss of $1,482 and $2,370 on financial liabilities at fair value through profit or loss for the years ended December 31, 2015 and 2014, respectively.

B. The non-hedging derivative instruments transaction and contract information are as follows:

	December 31,			
	2015		2014	
Financial Instruments	Contract Amount (Notional Principal)	Contract Period	Contract Amount (Notional Principal)	Contract Period
Forward foreign exchange	EUR 1,680,000	Jan. 11, 2016~ June 13, 2016	USD 200,000	Jan. 20, 2015~ Feb. 18, 2015

C. The Group entered into forward exchange transactions for presale of forward foreign exchange transactions to hedge exchange risks of export proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

(9) Lease payable

The Group leases machinery and automobiles, classified as machinery and transportation equipment, under finance lease. The lease will expire in December 2019. Under the lease contract, future minimum lease payments and their present value are as follows:

	December 31, 2015		
	Total finance lease liabilities	Future finance charges	Present value of finance lease liabilities
Current			
Not later than one year	$ 9,863	$ 1,405	$ 8,458
Non-current			
(shown as 'long-term notes and accounts payable')			
Later than one year but not later than five years	8,357	665	7,692
	$ 18,220	$ 2,070	$ 16,150

	December 31, 2014		
	Total finance lease liabilities	Future finance charges	Present value of finance lease liabilities
Current			
Not later than one year	$ 10,172	$ 1,315	$ 8,857
Non-current			
(shown as 'long-term notes and accounts payable')			
Later than one year but not later than five years	9,154	809	8,345
	$ 19,326	$ 2,124	$ 17,202

(10) Pensions

A. Consolidated entity PT. Patec has a defined benefit pension plan in accordance with regulations of the Republic of Indonesia. As of December 31, 2015 and 2014, the net amount of liabilities recognised in the balance sheet was $4,296 and $2,945, respectively. For the years ended December 31, 2015 and 2014, remeasurement of defined benefit plan recognised as other comprehensive income (loss) was $1,236 and ($577), respectively.

B. Other consolidated entities make monthly contributions to pension and post-retirement funds administered by the government in accordance with local pension regulations.

(11) Share-based payment

A. On February 28, 2014, the Board of Directors has resolved to issue employee stock options of 1,500 units and has set the same date as the grant date. Each employee stock option allows employees to purchase 1,000 ordinary shares.

B. The Group's share-based payment arrangement is as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Employee stock options	2014. 2. 28	1,500 thousand shares	4 years	2-3 years service

C. Details of the share-based arrangement are as follows:

	2015		2014	
	Number of options (in shares)	Weighted-average exercise price (in dollars)	Number of options (in shares)	Weighted-average exercise price (in dollars)
Options outstanding at beginning of the year	1,500,000	$ 28	-	$ -
Options granted	-	-	1,500,000	28
Options forfeited	(55,000)	28	-	-
Options exercised	-	-	-	-
Options outstanding at end of the year	1,445,000	$ 28	1,500,000	$ 28
Options exercisable at end of the year	-	-	-	-

D. The expiry date and exercise price of stock options outstanding at balance sheet date are as follows:

		December 31, 2015		December 31, 2014	
Issue date approved	Expiry date	No. of shares (in thousands)	Exercise price (in dollars)	No. of shares (in thousands)	Exercise price (in dollars)
2014. 2. 28	2018. 2. 18	1,445	$ 26	1,500	$ 28

E. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Fair value at grant date (in dollars)	Exercise price (in dollars)	Expected price volatility
Employee stock options	2014. 2. 28	$ 45	$ 28	36.90%~37.31% (Note)

	Expected option life	Expected dividends rate	Risk-free dividends rate	Fair value per unit (in dollars)
	3~3.5 years	0%	0.83%~0.94%	$20. 39~$21. 12

Note: Expected price volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

F. Expenses incurred on share-based payment transactions are shown below:

	2015	2014
Equity-settled	$ 9,977	$ 8,630

(12) Share capital

A. As of December 31, 2015, the Company has 33,867 thousand shares of ordinary stock outstanding, and the paid-in capital was $338,670 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding (in thousands) are as follows:

	2015	2014
At January 1	30,067	28,567
Cash capital increase	3,800	1,500
At December 31	33,867	30,067

B. On April 17, 2014, the Board of Directors has resolved to increase capital by issuing ordinary shares of 1,500 thousand shares with a par value of NT$10 (in dollars) per share, totaling $60,000. Said increase had been registered in May 2014.

C. On March 27, 2015, the Board of Directors resolved to increase capital by issuing new shares of 3,800 thousand shares with par value of NT$10 (in dollars) per share, totaling $137,700 (issuing cost of $10,500 already been deducted). Said increase had been registered in June 2015.

(13) Capital surplus

The Company's capital surplus arose from the paid-in capital in excess of par. Subject to the Cayman Company Rules, so long as the shares are listed on any securities exchange, the Company may use capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations to issue new shares to stockholders, provided that the Company has no accumulated deficit, as approved by the shareholders by way of a special resolution, in accordance with the Company's Articles of Incorporation.

(14) Retained earnings

A. The Company shall appropriate profit in accordance with the profit appropriation plan that is proposed by the Board of Directors and resolved by the shareholders at the stockholders' meeting.

B. Current year's earnings shall be used to offset prior years' operating losses. In accordance with the regulations and requirements of competent authorities, the Company shall set aside special reserve and appropriate no more than 3% of the remainder as remuneration to directors and as bonus to employees. The remaining net income is appropriated in accordance with regulations after considering financial, business and operating plans. At least 10% of the Company's distributable earnings as of the end of the year shall be appropriated as dividends, and cash dividends shall account for at least 10% of total dividend distribution.

C. On June 4, 2015 and June 13, 2014, the shareholders resolved the distribution of earnings for 2014 and 2013 as follows:

	2014		2013	
	Amount	Dividends per Share (in dollars)	Amount	Dividends per Share (in dollars)
Cash dividend	$ 45,101	$ 1.33	$ 30,067	$ 1.0

D. Events after balance sheet date:

On March 28, 2016, the Board of Directors proposed the distribution of earnings for 2015 as follows:

	2015	
	Amount	Dividend per Share (in dollars)
Cash dividend	$ 13,547	$ 0.4
Stock dividends	33,867	1

As of March 28, 2016, the abovementioned distribution of 2015 earnings has not yet been resolved by the shareholders.

E. For the information relating to employees' remuneration (bonuses) and directors' and supervisors' remuneration, please refer to Note 6(18).

(15) Other income

	Years ended December 31,	
	2015	2014
Reversal of allowance for bad debts	$ 7,936	$ 445
Overdue accounts payable transferred to profit	10,974	-
Interest income	5,079	7,000
Other income	4,672	4,419
	$ 28,661	$ 11,864

(16) Other gains and losses

	Years ended December 31,	
	2015	2014
Net currency exchange gain (loss)	$ 1,689	($ 25,110)
Gain on disposal of property, plant and equipment	201	759
Share on profit of joint ventures accounted for using equity method	-	92
Net loss on financial liabilities at fair value through profit or loss	(1,482)	(2,370)
Miscellellaneous income	2,850	3,238
	$ 3,258	($ 23,391)

(17) Expenses by nature

	Years ended December 31,	
	2015	2014
Employee benefit expense	$ 369,816	$ 326,171
Depreciation charges on property, plant and equipment	54,501	57,602

(18) Employee benefit expense

	Years ended December 31,	
	2015	2014
Wages and salaries	$ 302,730	$ 254,694
Employee stock options	9,977	8,753
Insurance expenses	17,173	14,517
Pension costs	24,174	33,071
Other personnel expenses	15,762	15,136
	$ 369,816	$ 326,171

A. According to the Articles of Incorporation of the Company, when distributing earnings, the Company shall distribute bonus to the employees and pay remuneration to the directors which shall not be higher than 3% of the total distributed amount.

B. However, in accordance with the Company Act amended on May 20, 2015, a company shall distribute employee compensation, based on the profit of the current year distributable, in a fixed amount or a ratio of profits. If a company has accumulated deficit, earnings should be channeled to cover losses. A company may, by a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation distributed in the form of shares or in cash; and in addition thereto a report of such distribution shall be submitted to the shareholders during their meeting. Qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive aforementioned stock or cash may be specified in the Articles of Incorporation. The Board of Directors of the Company has approved the amended Articles of Incorporation of the Company on March 28, 2016. According to the amended articles, a ratio of profit of the current year distributable, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 0.1% for employees' compensation and shall not be higher than 3% for directors' remuneration. The amended articles will be resolved in the shareholders' meeting in 2016.

C. For the years ended December 31, while 2015 and 2014, employees' compensation (bonus) was accrued at $300 and $0, respectively; directors' remuneration was accrued at $700 and $2,040, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' remuneration were estimated and accrued based on profit of current year distributable for the year ended December 31, 2015. The accrued amounts for employees' compensation and directors' remuneration for 2015 were in agreement with those amounts as resolved by the Board of Directors. The aforementioned employees' compensation will be distributed in the form of cash.

The expenses recognised for 2014 were accrued based on the net income of 2014 and the percentage as prescribed by the Company's Articles of Incorporation for employees and directors, taking into account other factors such as legal reserve. Employees' bonus and directors' remuneration for 2014 as resolved by the shareholders during their meeting were in agreement with those amounts recognised in profit or loss for 2014.

Information about employees' compensation (bonus) and directors' remuneration of the Company as approved by the Board of Directors and resolved by the shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(19) Income tax

A. Components of income tax expense

	Years ended December 31,	
	2015	2014
Current tax:		
Current tax on profits for the year	$ 60,621	$ 40,424
Prior year income tax underestimation	720	302
Total current tax	61,341	40,726
Deferred tax:		
Origination and reversal of temporary differences	(13,834)	(905)
Impact of change in tax rate	-	(6,569)
Total deferred tax	(13,834)	(7,474)
Income tax expense	$ 47,507	$ 33,252

B. The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Years ended December 31, 2015	Years ended December 31, 2014
Currency translation differences for foreign operations	$ -	($ 257)
Remeasurement on defined benefit obligations	(310)	143
	($ 310)	($ 114)

C. Reconciliation between income tax expense and accounting profit:

	Years ended December 31, 2015	Years ended December 31, 2014
Tax calculated based on profit before tax and statutory tax rate	$ 42,437	$ 34,767
Prior year income tax underestimate	720	302
Effects from items disallowed by tax regulation	4,142	3,653
Effect from Alternative Minimum Tax	208	1,099
Impact of changes in tax rate	-	(6,569)
Income tax expense	$ 47,507	$ 33,252

D. Amounts of deferred tax as a result of temporary differences are as follows:

	Year ended December 31, 2015			
Temporary differences:	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred tax assets:				
Unrealized gain on disposal of property, plant and equipment	$ 14,418	($ 3,860)	$ -	$ 10,558
Loss carryforward	-	15,257	-	15,257
Others	2,962	636	(310)	3,288
	$ 17,380	$ 12,033	($ 310)	$ 29,103
Deferred tax liabilities				
Book-tax difference in the basis of property, plant and equipment	($ 1,821)	$ 60	$ -	($ 1,761)
Book-tax difference in the basis of finance lease	(6,463)	724	-	(5,739)
Investment income of long-term equity investments	(4,979)	1,017	-	(3,962)
	($ 13,263)	$ 1,801	$ -	($ 11,462)

Temporary differences:	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
	Year ended December 31, 2014			
Deferred tax assets:				
Unrealized gain on disposal of property, plant and equipment	$ 14,005	$ 413	$ -	$ 14,418
Others	2,342	477	143	2,962
	$ 16,347	$ 890	$ 143	$ 17,380
Deferred tax liabilities				
Book-tax difference in the basis of property, plant and equipment	($ 1,461)	($ 360)	$ -	($ 1,821)
Book-tax difference in the basis of finance lease	(4,639)	(1,824)	-	(6,463)
Investment income of long-term equity investments	(13,491)	8,769	(257)	(4,979)
	($ 19,591)	$ 6,585	($ 257)	($ 13,263)

E. Expiration dates of unused loss carryforward and amounts of unrecognised deferred tax assets are as follows:

Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Usable until
2015				
2015	$ 89,747	$ 89,747	$ -	-

F. The Company considers its environment, growing stage to fulfill future capital needs, long-term financial planning and meeting shareholders' needs for dividend distribution from cash inflow. In accordance with local government regulations of Wuxi Jingxin and PT. Patec Presisi Engineering, a 5~10% and 10~20% tax is posed on the remittance of cash dividend, respectively.

(20) Earnings per share

	Year ended December 31, 2015		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 60,695	32,274	$ 1.88
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	60,695	32,274	
Assumed conversion of all dilutive potential ordinary shares			
Employees' stock options	-	255	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 60,695	32,529	$ 1.87

	Year ended December 31, 2014		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 102,009	29,488	$ 3.46
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	102,009	29,488	
Assumed conversion of all dilutive potential ordinary shares			
Employees' stock options	-	205	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 102,009	29,693	$ 3.44

(21) Operating leases

The Group leases land and buildings to others under non-cancellable operating lease agreements. The leases will expire in July 2024. The Group has recognised $26,694 and $25,686 as rental expenses for the years ended December 31, 2015 and 2014, respectively. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	December 31, 2015	December 31, 2014
Not later than one year	$ 20,254	$ 18,341
Later than one year but not later than five years	41,591	37,702
Later than five years	31,413	41,485
	$ 93,258	$ 97,528

(22) Supplemental cash flow information

	Years ended December 31, 2015	Years ended December 31, 2014
Investing activities with no cash flow effects:		
Assets required through finance leasing	$ 12,804	$ 8,272
Financing activities with no cash flow effects:		
Cash dividends declared but yet to be paid	$ 1,089	$ -

7. RELATED PARTY TRANSACTIONS

(1) Significant related party transactions and balances

A. Processing expense

	Years ended December 31, 2015	Years ended December 31, 2014
Associates	$ -	$ 3,761

The processing charges by associates are determined in accordance with mutual agreement and the payment term is 30 days from the first day of the month following the purchase.

B. Rental income

The Group's subsidiary, PT. Patec, has leased certain plants to the Group's associates. The rent is calculated based on the actual area used under the local market rental rates. The rental income from the Group's associates was $286 for the year ended December 31, 2014.

C. Other payables

For the year ended December 31, 2014, the management and consulting expenses paid to other related party – PT. PRESISI CIKARANG MAKMUR was $1,826. As of December 31, 2014, the balance of other payables amounted to $12,691.

D. Loans to /from related parties:

(a) Loans to related parties

Interest income

	Years ended December 31,	
	2015	2014
Associates	$ -	$ 152

The loans carry interest at 6% per annum for the year ended December 31, 2014.

(b) Loans from related parties

Interest expenses

	Years ended December 31,	
	2015	2014
Key management	$ -	$ 318

The loans carry interest at 0%~10% for the year ended December 31, 2014.

(2) Key management compensation

	Years ended December 31,	
	2015	2014
Short-term employee benefits	$ 26,848	$ 33,205
Post-employment benefits	2,082	1,602
Share-based payments	3,915	3,336
	$ 32,845	$ 38,143

8. PLEDGED ASSETS

The Group’s assets pledged as collateral are as follows:

	Book value		
	December 31,		
Pledged asset	2015	2014	Purpose
Property, plant and equipment	$ 118,677	$ 99,840	Short-term and long-term borrowings and lease payable
Long-term prepaid rents	57,961	57,494	"
Other financial assets - current - time deposots	113,048	167,032	Short-term borrowings
	$ 289,686	$ 324,366	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

A. For significant commitments and contingencies, please refer to Notes 6(10) and (21).

B. On March 5, 2015, the Group's subsidiary, PATEC, has received a notice from the lawyer of its distributor, CW Continental Corp. ("CW"), claiming that PATEC did not deliver goods at the agreed upon date and resulted in CW's clients terminating contracts. CW claims for the following compensation for the business dispute: (1) compensation of SGD1,182 thousand; (2) possible compensation of SGD2,486 thousand that CW might pay to the ultimate clients; and (3) litigation fees that CW will pay for the dispute. In accordance with the assessment by Lawyer ChelvaRernam Rajah, SC of the Singapore firm Tan Rajah & Cheah on March 26, 2015, the Group shall pay SGD2 million (approximately NT$44,500) at most to CW for compensation and litigation fees. A hearing must be held in Singapore during legal proceedings, cases will be registered when the court deems necessary after hearing claims from the plaintiff and defendant. Furthermore, as CW is considered a foreign company in Singapore, the Group requires CW to deposit security for litigation costs at the Singapore Court before holding a hearing. As of the report date, the Group has not received any notification for court hearing.

Furthermore, in accordance with the abovementioned lawyer's assessment, the case is still at its early stage and the burden of proof lies with CW. If the Group can prove that there is no problem arising from delivery process and product quality, CW is likely to lose.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

For significant events after balance sheet date, please refer to Note 6(14).

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Relevant liability and capital ratios are provided in balance sheets for each period end.

(2) Financial instruments

A. Fair value information of financial instruments

The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, accounts receivable, other receivables, short-term loans, accounts payable, other payables and long-term borrowings on a floating interest rate basis) are approximate to their fair values. The fair value information of financial instruments measured at fair value is provided in Note 12(3).

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance.

(b) Risk management is carried out under policies approved by the Board of Directors. The Group identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the NTD, SGD, USD, RMB and HUF. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operation.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

iv. The Group's businesses involve some non-functional currency operations (the Company's and subsidiaries' functional currency: NTD, SGD, USD, RMB and HUF). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2015		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
EUR: RMB	$ 3,751	7.06	$ 133,987
USD: RMB	1,244	6.50	40,905
USD: SGD	2,808	1.42	92,301
IDR: USD	31,731,556	0.00007	75,146
Financial liabilities			
Monetary items			
IDR: USD	$ 3,370	1.42	$ 110,785
USD: SGD	27,933,230	0.00007	66,151

	December 31, 2014		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
EUR: RMB	$ 2,625	7.33	$ 100,510
USD: RMB	1,527	6.14	48,946
USD: SGD	4,028	1.33	129,077
IDR: USD	29,881,997	0.00008	76,781
Financial liabilities			
Monetary items			
IDR: USD	$ 35,767,288	0.00008	$ 91,903
USD: SGD	5,831	1.33	186,888

v. Total exchange gain (loss), including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2015 and 2014, amounted to $1,689 and ($25,110), respectively.

vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2015		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
EUR: RMB	1%	$ 1,340	$ -
USD: RMB	1%	409	-
USD: SGD	1%	923	-
IDR: RMB	1%	751	-
Financial liabilities			
Monetary items			
IDR: USD	1%	$ 1,108	$ -
USD: SGD	1%	662	-

	Year ended December 31, 2014		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
EUR: RMB	1%	$ 1,005	$ -
USD: RMB	1%	489	-
IDR: USD	1%	768	-
USD: SGD	1%	1,291	-
Financial liabilities			
Monetary items			
IDR: USD	1%	$ 919	$ -
SGD: HUF	1%	1,869	-

Interest rate risk

The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

Based on the simulations performed, the impact on post-tax profit of a 0.1% shift would be a maximum increase of $197 and $203 or decrease of $197 and $203 for the years ended December 31, 2015 and 2014, respectively. The simulation is done on a quarterly basis to verify that the maximum loss potential is within the limit given by the management.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

ii. Management does not expect any significant losses from non-performance by these counterparties.

iii. The credit quality information of financial assets that are neither past due nor impaired and the ageing analysis of financial assets that were past due but not impaired are provided in Note 6(2).

iv. The analysis of financial assets that had been impaired is provided in Note 6(2).

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities.

ii. Surplus cash held by the operating entities over and above balance required for working capital management are invested in time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.

iii. As of December 31, 2015 and 2014, except for non-current liabilities, the Group's short-term borrowings, accounts payable and other payables are all due within one year. The balance of cash flow within one year is undiscounted and agrees with each account's balance under the balance sheets.

iv. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

December 31, 2015	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Long-term borrowings (including current portion)	$ 2,340	$ 7,020	$ 2,424	$ -	$ -
Lease payable	2,827	7,036	5,914	2,443	-

December 31, 2014	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Long-term borrowings (including current portion)	$ 1,754	$ 5,721	$ 6,514	$ 647	$ -
Lease payable	4,415	5,256	4,782	4,873	-

v. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. Details of the fair value of the Group’s financial assets and financial liabilities not measured at fair value are provided in Note 12(2)A.

B. The different levels that the inputs to valuation technique are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

C. As of December 31, 2015 and 2014, the Group’s financial liabilities that are measured at fair value were categorised as Level 2. Details are provided in Note 6(8).

D. Forward foreign exchange contracts’ resulting fair value estimates are valued based on the current forward exchange rate.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

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

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

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

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

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

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

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(8).

J. Significant inter-company transactions during the reporting periods: Please refer to table 3.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 4.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 5.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 3.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.
The Group manufactures and sells customized machinery and equipment and elements of automobiles and motorcycles from a geographic perspective and provides information for the chief operating decision-maker to review. The areas of sales and order receiving are separated into four major areas which are Singapore, China, Indonesia and Europe. The Company's chief operating decision-maker also separates into these four areas when managing finance and reviewing operating performance, therefore, Singapore, China, Indonesia and Europe shall be reportable segments.

(2) Measurement of segment information

The chief operating decision-maker assesses the performance of operating segments based on segment revenues and profit or loss after tax.

(3) Information about segments and their profit or loss

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Year ended December 31, 2015					
	Singapore	Indonesia	China	Europe	Reconciliation elimination	Total
Revenue from external customers						
Machinery and equipment	$ 12,909	$ -	$ 12,437	$ -	$ -	$ 25,346
Elements of motorcycles	-	123,062	-	-	-	123,062
Elements of automobiles	-	167,267	1,102,054	91,748	-	1,361,069
Processing	-	-	30,010	-	-	30,010
	12,909	290,329	1,144,501	91,748	-	1,539,487
Inter-segment revenue	13,546	-	2,935	-	(16,481)	-
Total segment revenue	$ 26,455	$ 290,329	$ 1,147,436	$ 91,748	($ 16,481)	$ 1,539,487
Total segment profit (loss)	($ 73,444)	($ 8,998)	$ 158,349	($ 970)	$ 3,130	$ 78,067
Segment income (loss):						
Depreciation	($ 3,719)	($ 34,458)	($ 22,396)	($ 5,372)	$ 11,444	($ 54,501)
Income tax expense	$ 15,257	($ 2,078)	($ 56,279)	($ 1,043)	($ 3,364)	($ 47,507)

	Year ended December 31, 2014					
	Singapore	Indonesia	China	Europe	Reconciliation elimination	Total
Revenue from external customers						
Machinery and equipment	$ 187,058	$ -	$ 31,177	$ -	$ -	$ 218,235
Elements of motorcycles	-	274,352	-	-	-	274,352
Elements of automobiles	-	115,779	929,742	73,648	-	1,119,169
Processing	-	-	44,000	-	-	44,000
	187,058	390,131	1,004,919	73,648	-	1,655,756
Inter-segment revenue	41,320	-	63,366	-	(104,686)	-
Total segment revenue	$ 228,378	$ 390,131	$ 1,068,285	$ 73,648	($ 104,686)	$ 1,655,756
Total segment profit (loss)	$ 567	$ 13,842	$ 134,922	($ 22,151)	($ 2,136)	$ 125,044
Segment income (loss):						
Depreciation	($ 3,962)	($ 26,899)	($ 23,594)	($ 4,672)	$ 1,525	($ 57,602)
Income tax expense	($ 343)	($ 10,548)	($ 29,816)	($ 1,099)	$ 8,554	($ 33,252)

Note: Because the measuring amount of the Group's assets does not include the measuring amount of segment assets reviewed by the chief operating decision-maker, therefore, the measuring amount of assets to be disclosed is $0 in accordance with IFRS 8, 'Operating Segments'.

(4) Reconciliation for segment income (loss)

As the Group's chief operating decision-maker evaluates segment performance and determines how to allocate resources based on segment revenue and profit or loss, sales between segments are carried out at arm's length. The revenue from external parties reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income. The accounting policies of the operating segments are in agreement with the significant accounting policies summarized in Note 4, therefore, no adjustment to operating profit or loss is needed.

(5) Information on product and service

Please refer to Note 14(3).

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2015 and 2014 is as follows:

	Years ended December 31,					
	2015			2014		
	Revenue		Segment	Revenue		Segment
Customer A	$	610,852	China	$	622,121	China
Customer B		179,173	Indonesia		163,948	Indonesia

Patec Precision Industry Co., Ltd. and Subsidiaries

Loans to others

Year ended December 31, 2015

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2015 (Note 3)	Balance at December 31, 2015 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
0	PATEC PRECISION INDUSTRY CO., LTD.	PATEC PTE. LTD.	Other receivables	Y	$ 65,748	$ -	$ -	5%	2	$ -	Capital needs	$ -	-	$ -	$ 110,904	$ 443,614	Note 8
1	PATEC PTE. LTD.	Patec Precision KFT	Other receivables	Y	17,861	17,861	4,823	5%	2	-	Capital needs	-	-	-	1,112,314	1,112,314	Note 8
1	PATEC PTE. LTD.	PT PATEC PRESISI ENGINEERING	Other receivables	Y	46,024	31,230	31,230	3%	2	-	Capital needs	-	-	-	111,231	444,926	Note 8
1	PATEC PTE. LTD.	PT. API Precision	Other receivables	Y	21,368	6,575	6,575	3%	2	-	Capital needs	-	-	-	111,231	444,926	Note 8
1	PATEC PTE. LTD.	PT. PDF PRESISI ENGINEERING	Other receivables	Y	14,958	11,670	11,670	3%	2	-	Capital needs	-	-	-	111,231	444,926	Note 8
2	Press Automation Technology	PATEC PTE. LTD.	Other receivables	Y	23,218	-	-	5%	2	-	Capital needs	-	-	-	211,372	211,372	Note 8
3	PT PATEC PRESISI ENGINEERING	PT. API Precision	Other receivables	Y	23,012	5,580	5,580	6%	2	-	Capital needs	-	-	-	27,733	110,932	Note 8
3	PT PATEC PRESISI ENGINEERING	PT. PDF PRESISI ENGINEERING	Other receivables	Y	24,233	-	-	3.5%~10%	2	-	Capital needs	-	-	-	27,733	110,932	Note 8
4	Wuxi Baida Precision Molding Co., Ltd.	Wuxi Jingxin Precision Machining Co. Ltd.	Other receivables	Y	30,368	-	-	5%	2	-	Capital needs	-	-	-	30,086	30,086	Note 9

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Fill in the name of account in which the loans are recognised, such as receivables–related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the maximum outstanding balance of loans to others for the year ended December 31, 2015.

Note 4: The column of 'Nature of loan' shall fill in 'Business transaction' or 'Short-term financing'.

(1) Business transaction shall fill in 1.

(2) Short-term financing shall fill in 2.

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: Fill in limit on loans granted to a single party and ceiling on total loans granted as prescribed in the creditor company's "Procedures for Provision of Loans", and state each individual party to which the loans have been provided and the calculation for ceiling on total loans granted in the footnote.

Note 8: The limit on total financing and financing to individuals shall not be more than 40% and 10% the Company's net asset, respectively. If the borrowing is in between foreign subsidiaries whose voting rights are directly and indirectly wholly owned by the Company and the short-term borrowing is necessary, the limit is 100% of the lender company's net asset and the financing period shall not be no longer than 5 years.

Note 9: The limit on total financing and financing to a single entity shall not be more than 40% of the Company's net asset.

Patec Precision Industry Co., Ltd. and Subsidiaries

Provision of endorsements and guarantees to others

Year ended December 31, 2015

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2015	Outstanding endorsement/ guarantee amount at December 31, 2015	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements /guarantees by parent company to subsidiary	Provision of endorsements /guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	PATEC PRECISION INDUSTRY CO., LTD.	PATEC PTE. LTD.	2	$ 221,807	$ 197,244	$ 197,244	$ 65,748	-	18%	$ 443,614	Y	N	N	Note 4
1	PATEC PTE. LTD.	Patec Precision Kft	3	222,464	16,075	-	-	-	1%	444,926	N	N	N	Note 4
1	PATEC PTE. LTD.	PT. PATEC PRESISI ENGINEERING	3	222,464	77,254	77,254	32,874	6,575	7%	444,926	N	N	N	Notes 4 and 6
1	PATEC PTE. LTD.	PT. API Precision	3	222,464	21,368	21,368	16,437	16,437	3%	444,926	N	N	N	Notes 4 and 7
2	Wuxi Jingxin Precision Machining Co. Ltd.	PATEC PTE. LTD.	4	235,802	60,735	-	-	-	9%	786,012	N	N	N	Note 3
3	PT. PATEC PRESISI ENGINEERING	PT. PDF PRESISI ENGINEERING	2	55,466	11,900	11,900	1,615	-	4%	110,932	N	N	N	Note 4
3	PT. PATEC PRESISI ENGINEERING	PT. API Precision	2	55,466	15,232	15,232	6,720	-	4%	110,932	N	N	N	Note 4

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:
(1) The Company is '0'.
(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories:
(1) Having business relationship.
(2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.
(3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.
(4) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.
(5) Mutual guarantee of the trade as required by the construction contract.
(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

Note 3: The endorsement amount guaranteed by the Company shall not exceed the Company's net assets for the period, and the endorsement for any individual company shall not exceed 30% of the Company's net assets for the period. If the endorsement is for business relationship, the limit shall not exceed the total transaction amount for the latest year (purchases or sales, whichever is higher). The net assets are based on the latest financial statements audited or reviewed by independent accountants.

Note 4: The endorsement amount guaranteed by the Company shall not exceed 40% of the Company's net assets for the period, and the endorsement for any individual company shall not exceed 20% of the Company's net assets for the period. If the endorsement is for business relationship, the limit shall not exceed the total transaction amount for the latest year (purchases or sales, whichever is higher). The net assets are based on the latest financial statements audited or reviewed by independent accountants.

Note 5: Once endorsement/guarantee contracts or promissory notes are signed/issued by the endorser/guarantor company to the banks, the endorser/guarantor company bears endorsement/guarantee liabilities. All other events involving endorsements and guarantees should be included in the balance of outstanding endorsements and guarantees.

Note 6: PATEC PTE. LTD. pledged certificate of deposit amounting to USD$200,000 as collateral for PT. PATEC PRESISI ENGINEERING.

Note 7: PATEC PTE. LTD. pledged certificate of deposit amounting to USD$500,000 as collateral for PT. API Precision.

Note 8: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Patec Precision Industry Co., Ltd. and Subsidiaries

Significant inter-company transactions during the reporting periods

Year ended December 31, 2015

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
1	PATEC PTE. LTD.	PT. PATEC PRESISI ENGINEERING	3	Other receivables	31,230	Lending of capital	2%
2	Press Automation Technology Pte Ltd.	PT. PATEC PRESISI ENGINEERING	3	Other receivables	27,049	90~150 days after monthly billings	2%
5	Yancheng Jingxin Precision Machining Co., Ltd.	Wuxi Jinxin Precision Molding Co., Ltd.	3	Processing revenue	23,874	60 days after monthly billings	2%

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

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

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

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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

Note 4: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

Patec Precision Industry Co., Ltd. and Subsidiaries

Information on investees

Year ended December 31, 2015

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount: Balance as at December 31, 2015	Initial investment amount: Balance as at December 31, 2014	Shares held as at December 31, 2015: Number of shares	Shares held as at December 31, 2015: Ownership (%)	Shares held as at December 31, 2015: Book value	Net profit (loss) of the investee for the year ended December 31, 2015 (Note 2(2))	Investment income (loss) recognised by the Company for the year ended December 31, 2015 (Note 2(3))	Footnote
Patec Precision Industry. Co., Ltd.	PATEC Pte Ltd.	Singapore	Holding company	$ 414,590	$ 280,812	22,287	100%	$ 1,115,805	$ 76,277	$ 76,277	
PATEC Pte Ltd.	Ptess Automation Techonology Pte Ltd	Singapore	Assembly and sale of machinery and equipment	304,274	258,508	4,047	100%	237,826	(46,331)	(37,483)	
PATEC Pte Ltd.	Patec Precision Kft	Hungary	Manufacturing and sale of elements of automobiles	210,643	210,643	-	100%	71,873	(970)	(2,359)	
Ptess Automation Techonology Pte Ltd.	PT PATEC PRESISI ENGINEERING	Indonesia	Manufacturing and sale of elements of automobiles and motorcycles	121,681	121,681	3,780	70%	174,083	(10,507)	(2,907)	
PT PATEC PRESISI ENGINEERING	PT.PDF Presisi Engineering	Indonesia	Manufacturing and sale of elements of automobiles	37,594	10,440	1,210	89%	20,625	(1,847)	(890)	
PT PATEC PRESISI ENGINEERING	PT.API Precision	Indonesia	Manufacturing and sale of elements of automobiles	33,770	20,796	1,358	81%	6,564	(11,875)	(6,377)	

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

(1) The columns of 'Investee', 'Location', 'Main business activities', Initial investment amount' and 'Shares held as at December 31, 2015' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.

(2) The 'Net profit (loss) of the investee for the year ended December 31, 2015' column should fill in amount of net profit (loss) of the investee for this period.

(3) The 'Investment income (loss) recognised by the Company for the year ended December 31, 2015' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Patec Precision Industry Co., Ltd. and Subsidiaries

Information on investments in Mainland China

Year ended December 31, 2015

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2015	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2015: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2015: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2015	Net income of investee for the year ended December 31, 2015	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2015 (Note 2)	Book value of investments in Mainland China as of December 31, 2015	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2015	Footnote
Wuxi Jingxin Precision Machining Co., Ltd.	Manufacturing and sale of elements of automobiles	$ 195,476	(2)	$ -	$ -	$ -	$ -	$ 158,349	85%	$ 135,184	$ 690,800	$ 168,670	
Wuxi Baida Precision Molding Co., Ltd.	Manufacturing and sale of elements of automobiles	50,612	(2)	-	-	-	-	(3,280)	85%	(2,383)	59,218	-	
Yancheng Jingxin Precision Machining Co., Ltd.	Manufacturing and sale of elements of automobiles	25,306	(2)	-	-	-	-	6,598	85%	5,408	33,584	-	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2015	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Not applicable			

Note 1: Investment methods are classified into the following three categories:

(1) Directly invest in a company in Mainland China..

(2) Through investing in PATEC PTE. LTD., the subsidiary in Singapore.

(3) Others

Note 2: In the 'Investment income (loss) recognised by the Company for the year ended December 31, 2015' column, basis for investment income (loss) recognition is the financial statements that are audited by investee companies' CPA for the year ended December 31, 2015.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.