TXC Corporation and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2016 and 2015

TXC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2016 (Reviewed) Amount	%	December 31, 2015 (Audited) Amount	%	March 31, 2015 (Reviewed) Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 4 and 6)	$ 2,038,057	14	$ 2,727,944	18	$ 2,173,064	16
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	2,003,520	14	1,122,680	7	1,065,249	8
Available-for-sale financial assets - current (Notes 4 and 8)	-	-	-	-	130,957	1
Held-to-maturity financial assets - current (Note 9)	-	-	47,840	-	-	-
Notes receivable (Notes 4, 5 and 12)	32,509	-	46,422	-	55,614	-
Accounts receivable (Notes 4, 5 and 12)	2,463,387	17	2,873,093	19	2,685,981	19
Receivables from related parties (Notes 4, 5, 12 and 32)	5,740	-	4,910	-	5,879	-
Other receivables (Note 4)	37,269	-	96,159	1	44,760	-
Other receivables from related parties (Notes 4, 12 and 32)	707	-	646	-	828	-
Inventories (Notes 4 and 13)	1,673,937	12	1,534,026	10	1,774,103	13
Prepayments	27,799	-	21,926	-	26,424	-
Prepaid rental (Notes 4 and 18)	2,602	-	2,637	-	2,646	-
Other financial assets - current (Note 11)	-	-	32,825	-	-	-
Other current assets - other (Note 19)	62,937	-	62,699	-	85,402	1
Total current assets	8,348,464	57	8,573,807	55	8,050,907	58
NONCURRENT ASSETS						
Available-for-sale financial assets - noncurrent (Notes 4 and 8)	1,354,877	9	1,870,976	12	44,510	-
Held-to-maturity financial assets (Notes 4, 5 and 9)	50,280	-	50,280	-	98,120	1
Financial assets carried at cost (Notes 4 and 10)	105,520	1	115,520	1	161,998	1
Investments accounted for using equity method (Notes 4 and 15)	66,144	1	65,032	-	66,855	1
Property, plant and equipment (Notes 4 and 16)	4,395,342	30	4,570,352	29	4,962,083	36
Investment properties (Notes 4 and 17)	65,777	-	67,412	1	56,050	-
Deferred income tax assets (Notes 4, 5 and 27)	31,225	-	25,718	-	24,217	-
Prepayment for equipment	71,458	1	83,859	1	82,627	1
Refundable deposits (Notes 4 and 29)	6,104	-	6,020	-	2,205	-
Long-term prepaid rent (Note 18)	112,276	1	113,887	1	116,805	1
Other noncurrent assets (Note 19)	32,932	-	37,552	-	118,319	1
Total noncurrent assets	6,291,935	43	7,006,608	45	5,733,789	42
TOTAL	$ 14,640,399	100	$ 15,580,415	100	$ 13,784,696	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term loans (Note 20)	$ 262,972	2	$ 252,283	2	$ 452,435	3
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	-	-	4,978	-	-	-
Accounts payable (Note 22)	1,061,380	7	1,110,954	7	1,130,899	8
Accounts payables to related parties (Note 32)	1,222	-	1,503	-	453	-
Other payables (Note 23)	545,527	4	624,052	4	477,576	3
Other payables to related parties (Note 32)	1,396	-	1,364	-	1,486	-
Current tax liabilities (Notes 4 and 27)	83,275	1	57,983	-	83,029	1
Current portion of bonds payable and long-term bank loans (Notes 20 and 21)	374,713	2	1,349,855	9	1,471,209	11
Other current liabilities (Note 23)	50,519	-	41,582	-	61,476	-
Total current liabilities	2,381,004	16	3,444,554	22	3,678,563	26
NONCURRENT LIABILITIES						
Long-term bank loans (Note 20)	1,631,197	11	1,165,625	8	843,875	6
Deferred income tax liabilities (Notes 4 and 27)	125,240	1	129,115	1	125,756	1
Net defined benefit liabilities - non-current (Notes 4 and 24)	43,337	-	46,607	-	36,592	-
Guarantee deposits received (Notes 4 and 23)	54,571	1	55,268	-	57,359	1
Total noncurrent liabilities	1,854,345	13	1,396,615	9	1,063,582	8
Total liabilities	4,235,349	29	4,841,169	31	4,742,145	34
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT						
Capital stock (Note 25)						
Common stock	3,097,570	21	3,097,570	20	3,097,570	23
Capital surplus	1,662,181	11	1,662,181	11	1,662,181	12
Retained earnings						
Appropriated as legal capital reserve	1,057,381	7	1,057,381	7	957,864	7
Appropriated as special capital reserve	222,793	2	222,793	1	222,793	2
Unappropriated earnings	2,886,101	20	2,659,935	17	2,832,437	20
Total retained earnings	4,166,275	29	3,940,109	25	4,013,094	29
Other equity						
Exchange differences on translating foreign operations	204,990	1	249,121	2	269,568	2
Unrealized loss on available-for-sale financial assets	1,274,034	9	1,790,265	11	138	-
Total other equity	1,479,024	10	2,039,386	13	269,706	2
Total equity attributable to owners of the parent	10,405,050	71	10,739,246	69	9,042,551	66
Total equity	10,405,050	71	10,739,246	69	9,042,551	66
TOTAL	$ 14,640,399	100	$ 15,580,415	100	$ 13,784,696	100

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

TXC CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2016		2015	
	Amount	%	Amount	%
SALES (Note 4)	$ 2,108,973	100	$ 2,135,069	100
COST OF GOODS SOLD (Note 26)	(1,498,958)	(71)	(1,601,849)	(75)
GROSS PROFIT	610,015	29	533,220	25
OPERATING EXPENSES (Note 26)				
Selling and marketing expenses	122,905	6	121,339	6
General and administrative expenses	91,883	4	88,339	4
Research and development expenses	114,646	6	106,750	5
Total operating expenses	329,434	16	316,428	15
INCOME FROM OPERATIONS	280,581	13	216,792	10
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 4 and 26)	23,327	1	21,409	1
Other gains and losses (Note 26)	(37,080)	(2)	13,807	1
Finance costs (Notes 4 and 26)	(9,049)	-	(10,917)	(1)
Share of profits of associates and joint venture (Note 15)	(892)	-	2,520	-
Total non-operating income and expenses	(23,694)	(1)	26,819	1
INCOME BEFORE INCOME TAX	256,887	12	243,611	11
INCOME TAX EXPENSE (Note 27)	(30,721)	(1)	(22,546)	(1)
NET INCOME	226,166	11	221,065	10

(Continued)

TXC CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2016		2015	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that maybe reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	$ (46,268)	(2)	$ (72,428)	(3)
Unrealized gain (loss) on available-for-sale financial assets	(516,098)	(25)	(662)	-
Share of the other comprehensive income of associates accounted for using the equity method	2,004	-	-	-
Other comprehensive income (loss) for the period, net of income tax	(560,362)	(27)	(73,090)	(3)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ (334,196)	(16)	$ 147,975	7
EARNINGS PER SHARE (Note 28)				
From continuing operations				
Basic	$ 0.73		$ 0.71	
Diluted	$ 0.71		$ 0.68	

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

TXC CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Shareholders of the Parent								
	Capital Stock - Common Stock			Retained Earnings			Others		
	Shares	Common Stock	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	Unrealized Gain (Loss) from Available-for-sale Financial Assets	Total Equity
BALANCE, JANUARY 1, 2015	309,757	$ 3,097,570	$ 1,662,181	$ 957,864	$ 222,793	$ 2,611,372	$ 341,996	$ 800	$ 8,894,576
Net income for the three months ended March 31, 2015	-	-	-	-	-	221,065	-	-	221,065
Other comprehensive income for the three months ended March 31, 2015, net of income tax	-	-	-	-	-	-	(72,428)	(662)	(73,090)
Total comprehensive income for the three months ended March 31, 2015	-	-	-	-	-	221,065	(72,428)	(662)	147,975
BALANCE, MARCH 31, 2015	309,757	$ 3,097,570	$ 1,662,181	$ 957,864	$ 222,793	$ 2,832,437	$ 269,568	$ 138	$ 9,042,551
BALANCE, JANUARY 1, 2016	309,757	$ 3,097,570	$ 1,662,181	$ 1,057,381	$ 222,793	$ 2,659,935	$ 249,121	$ 1,790,265	$ 10,739,246
Net income for the three months ended March 31, 2016	-	-	-	-	-	226,166	-	-	226,166
Other comprehensive income for the three months ended March 31, 2016, net of income tax	-	-	-	-	-	-	(44,131)	(516,231)	(560,362)
Total comprehensive income for the three months ended March 31, 2016	-	-	-	-	-	226,166	(44,131)	(516,231)	(334,196)
BALANCE, MARCH 31, 2016	309,757	$ 3,097,570	$ 1,662,181	$ 1,057,381	$ 222,793	$ 2,886,101	$ 204,990	$ 1,274,034	$ 10,405,050

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

TXC CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2016	**2015**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 256,887	$ 243,611
Adjustments for:		
Bad debt expense	(2,559)	(1,136)
Depreciation expense	240,599	239,750
Amortization expense	5,079	4,630
Net (gain) loss on fair value change of financial liabilities at fair value through profit or loss	(20,289)	(17,349)
Finance costs	9,049	10,917
Share of profits of associates and joint venture	892	(2,520)
Interest income	(6,370)	(7,095)
Impairment loss of financial assets	10,000	-
Loss on valuation of inventories	12,810	12,390
Loss (gain) on disposal of property, plant and equipment	1,642	(5,772)
Gain on sale of investments	-	(1,254)
Changes in operating assets and liabilities:		
Financial assets held for trading	(175,760)	223,018
Notes receivable	13,918	(12,621)
Accounts receivable	412,296	233,619
Receivables from related parties	(835)	998
Other receivables	54,363	14,875
Other receivables from related parties	(61)	(200)
Inventories	(152,503)	(128,837)
Prepayments	(5,873)	(9,367)
Other current assets	(238)	24,560
Accounts payable	(49,574)	62,768
Accounts payable to related parties	(281)	132
Other payables	(78,698)	(129,440)
Other payables to related parties	32	347
Net defined benefit liabilities - non-current	8,937	(973)
Other current liabilities	(3,270)	(3,299)
Cash generated from operations	530,193	751,752
Interest paid	(7,817)	(6,679)
Income taxes paid	(14,811)	(21,041)
Net cash generated by operating activities	507,565	724,032
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of net gain or loss arising on financial assets classified as held for trading recognized originally	(1,076,532)	(309,834)
Disposal of net gain arising on financial assets classified as held for trading recognized originally	365,913	156,123

(Continued)

TXC CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31 2016	2015
Purchase of available-for-sale financial assets	$ -	$ (130,819)
Purchase of financial assets at cost	-	(50,000)
Proceeds on sale of available-for-sale financial assets	-	21,254
Purchase of held-to-maturity financial assets	-	(50,280)
Disposal of held-to-maturity financial assets	50,300	-
Payments for property, plant and equipment	(71,713)	(92,728)
Proceeds from disposal or redemption of		
Property, plant and equipment	722	13,317
Increase in refundable deposits	(84)	-
Decrease in refundable deposits	-	9,756
Decrease in other financial assets	32,825	53,244
Increase in other financial assets	(331)	-
Decrease in other noncurrent assets	-	1,326
Increase in prepayment for equipment	-	(31,992)
Interest received	10,897	6,582
Net cash used in investing activities	(688,003)	(404,051)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in short-term loans	110,035	30,394
Repayment of bond payable	(800,000)	-
Proceeds from long-term borrowings	550,000	200,000
Repayments of long-term borrowings	(353,124)	(150,000)
Guarantee deposits received	(697)	26,493
Net cash generated by financing activities	(493,786)	106,887
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(15,663)	(22,208)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(689,887)	404,660
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	2,727,944	1,768,404
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 2,038,057	$ 2,173,064

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

1. ORGANIZATION AND OPERATIONS

TXC Corporation (TXC) was incorporated on December 28, 1983 under the Company Law and other related regulations of the Republic of China (ROC).

TXC specializes in five categories of products such as high quality Quartz Unite Crystal, Automotive Crystal, Crystal Oscillator (CXO) Surface Acoustic Wave (SAW) Filter, and Timing Module (TM), and provides complete solution in frequency devices and modules, and design service to fully satisfy various needs of the customers. TXC also successfully developed a variety of sensing elements (Sensors) through independent core technology. The products can be widely used in mobile communications, wearable, networking, automotive electronics and other markets. In addition, for expansion of the Group's future development, TXC makes efforts in applicating of core technical ability to import process related to the extension of the sapphire field.

On August 26, 2002, TXC’s shares began to be traded on the Taiwan Stock Exchange.

The functional currency of the Company is New Taiwan dollars. For greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars since the Company’s stocks are listed on the Taiwan Stock Exchange.

In order to ensure investors’ rights and interests, the Company had applied to Taiwan Corporate Governance Association for corporate governance assessment certification. The Company has acquired (CG6005 general version of corporate governance assessment and authentication) and (CG6008 advanced version of corporate governance assessment and authentication), on March 23, 2011 and June 27, 2013, respectively. The Company will continue to strengthen corporate governance functions in order to work with international standards and to protect public interests.

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the board of directors and issued on April 25, 2016.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

The International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) in Issue But Not Yet Endorsed by the FSC

The Group have not applied the following IFRS, IAS, IFRIC and SIC (collectively, the “IFRSs”) issued by the International Accounting Standards Board (IASB) but not yet endorsed by the FSC. On March 10, 2016, the FSC announced the scope of IFRSs to be endorsed and will take effect from January 1, 2017. The scope includes all IFRSs that were issued by the IASB before January 1, 2016 and have effective dates on or before January 1, 2017, which means the scope excludes those that are not yet effective as of January 1, 2017 such as IFRS 9 “Financial Instruments” and IFRS 15 “Revenue from Contracts with Customers” and those with undetermined effective date. In addition, the FSC announced that the Group should apply IFRS 15 starting January 1, 2018. As of the date the consolidated financial statements were authorized for issue, the FSC has not announced the effective dates of other new, amended and revised standards and interpretations.

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 3)
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures"	January 1, 2018
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"	January 1, 2016
Amendment to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
Amendment to IFRS 15 "Clarifications to IFRS 15"	January 1, 2018
IFRS 16 "Leases"	January 1, 2019
Amendment to IAS 1 "Disclosure Initiative"	January 1, 2016
Amendment to IAS 7 "Disclosure Initiative"	January 1, 2017
Amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Losses"	January 1, 2017
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	January 1, 2016
Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"	January 1, 2016
Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

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

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

Note 3: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

The initial application of the above New IFRSs, whenever applied, would not have any material impact on the Group's accounting policies, except for the following:

a. IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

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

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

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

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

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

The impairment of financial assets

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

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

b. Amendment to IAS 36 "Recoverable Amount Disclosures for Non-financial Assets"

The amendment clarifies that the recoverable amount of an asset or a cash-generating unit is disclosed only when an impairment loss on the asset has been recognized or reversed during the period. Furthermore, if the recoverable amount of an item of property, plant and equipment for which impairment loss has been recognized or reversed is fair value less costs of disposal, the Group is required to disclose the fair value hierarchy. If the fair value measurements are categorized within (Level 2/Level 3), the valuation technique and key assumptions used to measure the fair value are disclosed. The discount rate used is disclosed if such fair value less costs of disposal is measured by using present value technique.

c. IFRIC 21 "Levies"

IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government. It addresses the accounting for a liability whose timing and amount is certain and the accounting for a provision whose timing or amount is not certain. The Group accrues related liability when the transaction or activity that triggers the payment of the levy occurs. Therefore, if the obligating event occurs over a period of time (such as generation of revenue over a period of time), the liability is recognized progressively. If an obligation to pay a levy is triggered upon reaching a minimum threshold (such as a minimum amount of revenue or sales generated), the liability is recognized when that minimum threshold is reached.

d. Annual Improvements to IFRSs: 2010-2012 Cycle

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

The amended IFRS 2 changes the definitions of "vesting condition" and "market condition" and adds definitions for "performance condition" and "service condition". The amendment clarifies that a performance target can be based on the operations (i.e. a non-market condition) of the Group or another entity in the same group or the market price of the equity instruments of the Group or another entity in the same group (i.e. a market condition); that a performance target can relate either to the performance of the Group as a whole or to some part of it (e.g. a division); and that the period for achieving a performance condition must not extend beyond the end of the related service period. In addition, a share market index target is not a performance condition because it not only reflects the performance of the Group, but also of other entities outside the Group.

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

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

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

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

e. Annual Improvements to IFRSs: 2011-2013 Cycle

Several standards including IFRS 3, IFRS 13 and IAS 40 "Investment Property" were amended in this annual improvement.

IFRS 3 was amended to clarify that IFRS 3 does not apply to the accounting for the formation of all types of joint arrangements in the financial statements of the joint arrangement itself.

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

IAS 40 was amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required to determine whether the investment property acquired is acquisition of an asset or a business combination.

f. IFRS 15 "Revenue from Contracts with Customers"

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

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

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

In identifying performance obligations, IFRS 15 and related amendment require that a good or service is distinct if it is capable of being distinct (for example, the Group regularly sells it separately) and the promise to transfer it is distinct within the context of the contract (i.e. the nature of the promise in the contract is to transfer each of those goods or services individually rather than to transfer combined items).

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

g. Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

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

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

h. IFRS 16 "Leases"

IFRS 16 sets out the accounting standards for leases that will supersede IAS 17 and a number of related interpretations.

Under IFRS 16, if the Group is a lessee, it shall recognize right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for low-value and short-term leases. The Group may elect to apply the accounting method similar to the accounting for operating lease under IAS 17 to the low-value and short-term leases. On the consolidated statements of comprehensive income, the Group should present the depreciation expense charged on the right-of-use asset separately from interest expense accrued on the lease liability; interest is computed by using effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of the lease liability are classified within financing activities; cash payments for interest portion are classified within operating activities.

The application of IFRS 16 is not expected to have a material impact on the accounting of the Group as lessor.

When IFRS 16 becomes effective, the Group may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of the initial application of this Standard recognized at the date of initial application.

i. Amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Losses"

The amendment clarifies that the difference between the carrying amount of the debt instrument measured at fair value and its tax base gives rise to a temporary difference, even though there are unrealized losses on that asset, irrespective of whether the Group expects to recover the carrying amount of the debt instrument by sale or by holding it and collecting contractual cash flows.

In addition, in determining whether to recognize a deferred tax asset, the Group should assess a deductible temporary difference in combination with all of its other deductible temporary differences, unless the tax law restricts the utilization of losses to deduction against income of a specific type, in which case, a deductible temporary difference is assessed in combination only with other deductible temporary differences of the appropriate type. The amendment also stipulates that, when determining whether to recognize a deferred tax asset, the estimate of probable future taxable profit may include some of the Group's assets for more than their carrying amount if there is sufficient evidence that it is probable that the Group will achieve this, and that the estimate for future taxable profit should exclude tax deductions resulting from the reversal of deductible temporary differences.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuingly assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance, and will disclose the relevant impact when the assessment is complete.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, or other regulations (please specify) and IAS 34 "Interim Financial Reporting" as endorsed by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual financial statements.

b. Basis of consolidation

See Note 14 and Table 5 for the detailed information of subsidiaries (including the percentage of ownership and main business).

c. Other significant accounting policies

Except for the following, the initial application of the above 2015 IFRSs version has not had any material impact on the Group's accounting policies:

1) Retirement benefit costs

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Income taxes

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The same critical accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2015, except for those described below.

6. CASH AND CASH EQUIVALENTS

	March 31, 2016	**December 31, 2015**	**March 31, 2015**
Cash on hand	$ 605	$ 758	$ 735
Demand deposits	1,882,477	2,290,647	1,514,891
Check accounts	2,789	5,035	4,455

(Continued)

	March 31, 2016	December 31, 2015	March 31, 2015
Cash equivalents (investments with original maturities less than three months)			
Time deposits	$ 102,136	$ 231,504	$ 652,983
Repurchase agreements collateralized by bonds	50,050	200,000	-
	$ 2,038,057	$ 2,727,944	$ 2,173,064

(Concluded)

The market rate intervals of cash in bank repurchase agreements collateralized by bonds at the end of the reporting period were as follows:

	March 31, 2016	December 31, 2015	March 31, 2015
Deposits in banks	0.08%-0.64%	0.48%-3.83%	0.17%-4.50%
Repurchase agreements collateralized by bonds	3%	0.48%-0.54%	-

7. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2016	December 31, 2015	March 31, 2015
Financial assets designated as at FVTPL			
Structured deposit (a)	$ 1,195,047	$ 489,017	$ 468,367
Financial assets held for trading			
Derivative financial assets (not under hedge accounting)			
Forward exchange contracts (b)	5,716	249	2,978
Non-derivative financial assets			
Non-derivative financial assets mutual funds	$ 802,757	$ 633,414	$ 593,904
Financial assets at fair value through profit or loss	$ 2,003,520	$ 1,122,680	$ 1,065,249
Financial liabilities held for trading			
Derivative financial assets (not under hedge accounting)			
Forward exchange contracts (b)	$ -	$ 4,978	$ -

a. The Group entered into a short-term structured time deposit contract with a bank from January 1, 2016 to March 31, 2016 and 2015. The structured time deposit contract includes an embedded derivative instrument which is not closely related to the host contract. The Group designated the entire contract as financial assets at FVTPL on initial recognition.

b. Outstanding forward exchange contracts consisted of the following:

	Currency	Maturity Date	Contract Amount (In Thousands)
March 31, 2016			
Sell	USD/NTD	2016.04.01	USD3,000/NTD99,982
Sell	USD/JPY	2016.04.06-2016.04.28	USD1,500/JPY170,723
Sell	USD/RMB	2016.04.01-2016.05.04	USD2,000/RMB12,956
Knock-out forward	USD/JPY	2016.04.05-2016.05.23	USD3,500/JPY402,175
Knock-out forward	USD/JPY	2016.04.07-2016.05.23	USD2,500/JPY286,975
December 31, 2015			
Sell	USD/NTD	2016.01.25-2016.03.01	USD6,000/NTD196,728
Knock-out forward	USD/JPY	2016.01.29-2016.03.04	USD4,500/JPY557,000
Sell	USD/JPY	2016.01.21-2016.01.22	USD1,000/JPY122,440
Knock-out forward	USD/NTD	2016.02.22	USD1,000/NTD33,030
Sell	USD/RMB	2016.01.04-2016.04.01	USD10,100/RMB64,877
Knock-out forward	USD/JPY	2016.01.29-2016.03.22	USD1,500/JPY179,850
March 31, 2015			
Sell	USD/NTD	2015.04.01-2015.04.27	USD4,000/NTD126,480
Sell	USD/JPY	2015.04.02-2015.05.26	USD3,753/JPY447,387
Sell	USD/RMB	2015.04.03-2015.08.04	USD13,900/RMB87,281
Knock-out forward	USD/NTD	2015.05.07-2015.06.11	USD4,000/NTD127,650
Knock-out forward	USD/JPY	2015.04.02-2015.05.07	USD3,000/JPY361,400

The Group entered into cross-currency swap contracts during the three months ended March 31, 2016 and 2015 to manage exposures due to exchange rate and interest rate fluctuations of foreign currency denominated assets and liabilities. However, those contracts did not meet the criteria of hedge effectiveness and therefore were not accounted for by using hedge accounting.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	March 31, 2016	December 31, 2015	March 31, 2015
Current			
Domestic investments			
Mutual funds	$ -	$ -	$ 130,957
Noncurrent			
Domestic investments			
Listed shares	$ 34,300	$ 34,300	$ 44,510
Foreign investment			
Listed shares	1,320,577	1,836,676	-
	$ 1,354,877	$ 1,870,976	$ 44,510

The shares of Guangdong Failong Crystal Technology Co., Ltd, which is held by the group, is classified as financial assets measured at cost. Due to the Company has been listed on ShenZhen Stock Exchange on May 15, 2015, and already has the public quoted market price in active market. The shares of Guangdong Failong Crystal Technology Co., Ltd, has been reclassified to available-for-sale financial assets (see Note 31).

9. HELD-TO-MATURITY FINANCIAL ASSETS

	March 31, 2016	December 31, 2015	March 31, 2015
Current			
Corporate bonds - Chinatrust	$ -	$ 47,840	$ -
Noncurrent			
Corporate bonds - Chinatrust	$ -	$ -	$ 47,840
Corporate bonds - Cayman Ton Yi	50,280	50,280	50,280
	$ 50,280	$ 50,280	$ 98,120

In 2013, the Group bought the denomination of RMB10 thousand and 3-year corporate bonds issued by Chinatrust with a coupon rate of 2.9% and an effective interest rate of 2.9% and due on March 2016. And in 2015, the Group bought the denomination of RMB10 thousand corporate bonds issued by Cayman Ton Yi Industrial Holdings Limited with a coupon rate of 4.2% and an effective interest rate of 4.2%.

10. FINANCIAL ASSETS MEASURED AT COST

	March 31, 2016	December 31, 2015	March 31, 2015
Noncurrent			
Domestic unlisted common shares	$ 105,520	$ 115,520	$ 115,520
Overseas unlisted common shares	-	-	46,478
	$ 105,520	$ 115,520	$ 161,998

The Group has assessed the recoverable amount of the financial assets measured at cost and recognized an impairment loss of $10,000 thousand during the period of three months ended March 31, 2016.

The Company held by oversea unlisted of the ordinary shares, which reclassification information, please refer to Notes 8 and 31.

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

11. OTHER FINANCIAL ASSETS

	March 31, 2016	December 31, 2015	March 31, 2015
Current			
Time deposits with original maturity more than 3 months	$ -	$ 32,825	$ -

The market interest rates of the time deposits with original maturity more than 3 months 0.61% as of December 31, 2015.

12. NOTES, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	March 31, 2016	December 31, 2015	March 31, 2015
Notes receivable			
Notes receivable - operating	$ 32,519	$ 46,437	$ 55,700
Notes receivable - non-operating	-	-	-
Less: Allowance for impairment loss	(10)	(15)	(86)
	$ 32,509	$ 46,422	$ 55,614
Accounts receivable			
Accounts receivable	$ 2,487,213	$ 2,899,508	$ 2,702,488
Accounts receivable - related parties	5,774	4,940	5,914
	2,492,987	2,904,448	2,708,402
Less: Allowance for impairment loss	(23,826)	(26,415)	(16,507)
Less: Allowance for impairment loss - related parties	(34)	(30)	(35)
	$ 2,469,127	$ 2,878,003	$ 2,691,860

The average credit period on sales of goods was 60 to 120 days. No interest was charged on trade receivables. In determining the recoverability of a trade receivable, the Group considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period. Historical experience shows that the Group recognized an allowance in accordance with the proportion of accounts receivable of each customers.

The aging of receivables that were past due but not impaired was as follows:

	March 31, 2016	December 31, 2015	March 31, 2015
Less than 60 days	$ 14,354	$167,658	$ 66,794
61 - 90 days	994	41,995	7,813
91 - 365 days	79,595	73,450	-
	$ 94,943	$283,103	$ 74,607

The above aging schedule was based on the past due date.

As of December 31, 2015 and March 31, 2016, accounts receivable overdue for more than 91-365 days which was due to certain agent's operating cash flows problems led to arrears, the Group has purchased credit guarantee insurance contracts and got eligible claims of $74,641 thousands, and also has estimated allowance for doubtful accounts.

Movements of the Allowance for Doubtful Accounts Receivables

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2015	$ -	$ 17,688	$ 17,688
Provision	-	-	-
Reversal	-	(1,104)	(1,104)
Effect of exchange rate changes	-	(42)	(42)
Balance at March 31, 2015	$ -	$ 16,542	$ 16,542
Balance at January 1, 2016	$ 7,493	$ 18,952	$ 26,445
Provision	-	-	-
Reversal	-	(2,554)	(2,554)
Effect of exchange rate changes	-	(31)	(31)
Balance at March 31, 2016	$ 7,493	$ 16,367	$ 23,860

Movements of the Allowance for Doubtful Notes Receivables

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2015	$ -	$ 118	$ 118
Provision	-	-	-
Reversal	-	(32)	(32)
Balance at March 31, 2015	$ -	$ 86	$ 86
Balance at January 1, 2016	$ -	$ 15	$ 15
Provision	-	-	-
Reversal	-	(5)	(5)
Balance at March 31, 2016	$ -	$ 10	$ 10

13. INVENTORIES

	March 31, 2016	December 31, 2015	March 31, 2015
Finished goods	$ 266,545	$ 304,265	$ 351,650
Work in process	400,441	355,487	393,005
Raw materials	224,873	185,802	217,589
Supplies and spare parts	47,855	43,429	47,074
Merchandise	510,078	419,067	538,223
Land to be development	224,145	225,976	226,562
	$ 1,673,937	$ 1,534,026	$ 1,774,103

Prepayment for land purchases is the payment made by Chongqing All Sum to acquire the land use right in Chongqing Gao-Shing District to develop and sell real estate. Chongqing All Sum has acquired real estate certificate issued by Chongqing Association of land and real estate resources during 2013. The land has not been constructed yet as of March 31, 2016.

The cost of inventories recognized as cost of goods sold in the three months ended March 31, 2016 and 2015 included $1,498,958 thousand and $1,601,849 thousand, respectively, which include $12,810 thousand and $12,390 thousand, respectively, due to write-downs of inventories.

14. SUBSIDIARIES

Subsidiary Included in Consolidated Financial Statements

The detail information of the subsidiaries at the end of reporting period was as follows:

			Percentage of Ownership at			
Investor	**Investee**	**Business Nature**	**March 31, 2016**	**December 31, 2015**	**March 31, 2015**	**Note**
TXC Corporation	Taiwan Crystal Technology International Limited (TCTI)	Investment holding	100.00	100.00	100.00	a), k)
	TXC Technology, Inc.	Marketing activities	100.00	100.00	100.00	b), k)
	TXC Japan Corporation	Marketing activities	100.00	100.00	100.00	c), k)
	Taiwan Crystal Technology (HK) Limited (TCT-HK)	Investment holding	100.00	100.00	100.00	f), k)
	TXC Optec Corporation	Manufacture and sales of electronic products	100.00	100.00	-	j), k)
Taiwan Crystal Technology International Limited	Growing Profits Trading Ltd. (GPT)	International trading	100.00	100.00	100.00	d), k)
	TXC (Ningbo) Corporation (NGB)	Manufacture and sales of electronic products	100.00	100.00	100.00	e), k)
TXC (Ningbo) Corporation	TXC (Chongqing) Corporation (Chongqing)	Manufacture and sales of electronic products	66.40	66.40	59.56	g), k)
	Chongqing All Sun Company Limited (Chongqing All sun)	Marketing activities	100.00	100.00	100.00	h), k)
	Ningbo Jingyu Company Limited (Ningbo Jingyu)	Purchasing and selling electronic component	100.00	100.00	100.00	i), k)
Taiwan Crystal Technology (HK) Limited	TXC (Chongqing) Corporation (Chongqing)	Manufacture and sales of electronic products	33.60	33.60	40.44	g), k)

a. Taiwan Crystal Technology International Limited was incorporated on December 23, 1998 in Samoa.

b. TXC Technology, Inc. was incorporated on December 1, 2000 in California, U.S.A.

c. TXC Japan Corporation was incorporated on September 13, 2005 in Yokohama, Japan.

d. Growing Profits Limited was incorporated on March 9, 1999 in the British Virgin Islands.

e. TXC (Ningbo) Corporation was incorporated on March 12, 1999 in Ningbo, China.

f. Taiwan Crystal Technology (HK) Limited was incorporated on July 6, 2010 in Hong Kong Special Administrative Region, China.

g. TXC (Chongqing) Corporation was incorporated on October 11, 2010 in Chongqing, China.

h. Chongqing All Sun Corporation was incorporated on February 14, 2011 in Chongqing, China.

i. Ningbo Jingyu Company Limited was incorporated on September 7, 2011 in Ningbo, China.

j. TXC Optec Corporation was established on April 22, 2015 in Taiwan. The contributed capital was $100 thousand in 10 shares. According to decisions made in 2015 annual general meeting, in order to ensure professional services, which enhance competency and performance, TXC Corporation will divide the assets and liabilities of photovoltaics industry to TXC Optec Corporation following "R.O.C. Business Mergers And Acquisitions Act" and related acts. TXC Optec Corporation will issue 21,490 thousand shares in exchange of the assets and liabilities mentioned above. The date fixed for the spin-off fell on September 1, 2015. The divided capitalized value is $429,900 thousand. The contributed capital for TXC Optec Corporation increase to $215,000 thousand (21,500 thousand shares) on the date fixed for the spin-off of December 31, 2015.

k. All company are immaterial subsidiaries, their financial statements have not been review.

15. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	March 31, 2016	December 31, 2015	March 31, 2015
Investments in associates	$ 66,144	$ 65,032	$ 66,855

Investments in Associates

	March 31, 2016	December 31, 2015	March 31, 2015
Associates that are not individually material	$ 66,144	$ 65,032	$ 66,855

Refer to Table 4 "name, locations, and related information of investees on which the Company exercises significant influence" for the nature of activities, principal place of business and country of incorporation of the associates.

In November 2014, the TXC acquired 2,500 thousand shares of Tai-Shing Electronics Components Corporation for $65,000 thousand; following such acquisition, the Company's percentage of ownership in Tai-Shing was 12.5%. The TXC sold parts of his holding to non-relationship with the Company during the three months ended September 30, 2015. The sale of the interests generating $1,628 thousand, and the ratio dropped to 11.65%. The TXC has power to govern the financial and operating policies of Tai-Shing due to part of directors of TXC are the same as Tai-Shing. As a result, Tai-Shing is accounted for using the equity method.

The equity-method investees' financial statements, which had been used to determine the carrying amount of the Group's investments share of profit and other comprehensive income of associates, had not yet been reviewed. The Group believes that any adjustments arising would have had no material effect on the Group's financial statements.

16. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Land Improvements	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Property in Construction	Total
Cost								
Balance at January 1, 2015	$ 598,145	$ 151	$ 2,439,616	$ 6,284,679	$ 15,911	$ 249,959	$ -	$ 9,588,461
Additions	-	-	2,779	85,801	1,452	2,696	-	92,728
Disposals	-	-	-	(204,264)	-	(1,575)	-	(205,839)
Effect of foreign currency exchange differences	-	-	(14,046)	(53,733)	(248)	(2,021)	-	(70,048)
Transfer from investment property	-	-	(3,261)	-	-	-	-	(3,261)
Reclassification	-	-	-	20,546	-	(20,546)	-	-
Balance at March 31, 2015	$ 598,145	$ 151	$ 2,425,088	$ 6,133,029	$ 17,115	$ 228,513	$ -	$ 9,402,041
Accumulated depreciation and impairment								
Balance at January 1, 2015	$ -	$ 151	$ 691,467	$ 3,552,254	$ 9,358	$ 181,401	$ -	$ 4,434,631
Disposals	-	-	-	(196,836)	-	(1,458)	-	(198,294)
Depreciation expenses	-	-	33,378	198,578	713	6,205	-	238,874
Transfer from investment property	-	-	(774)	-	-	-	-	(774)
Effect of foreign currency exchange differences	-	-	(3,661)	(29,284)	(145)	(1,389)	-	(34,479)
Balance at March 31, 2015	$ -	$ 151	$ 720,410	$ 3,524,712	$ 9,926	$ 184,759	$ -	$ 4,439,958
Carrying value at January 1, 2015	$ 598,145	$ -	$ 1,748,149	$ 2,732,425	$ 6,553	$ 68,558	$ -	$ 5,153,830
Carrying value at March 31, 2015	$ 598,145	$ -	$ 1,704,678	$ 2,608,317	$ 7,189	$ 43,754	$ -	$ 4,962,083
Cost								
Balance at January 1, 2016	$ 598,145	$ 1,071	$ 2,498,401	$ 6,468,161	$ 18,197	$ 209,208	$ 1,027	$ 9,794,210
Additions	-	-	42,945	19,916	-	8,852	-	71,713
Disposals	-	(151)	(39,429)	(31,067)	-	(1,457)	-	(72,104)
Transfer from investment property	-	-	-	12,400	-	-	-	12,400
Reclassification	-	-	400	(400)	-		-	-
Effect of foreign currency exchange differences	-	-	(8,539)	(31,805)	(149)	(928)	(9)	(41,430)
Balance at March 31, 2016	$ 598,145	$ 920	$ 2,493,778	$ 6,437,205	$ 18,048	$ 215,675	$ 1,018	$ 9,764,789
Accumulated depreciation and impairment								
Balance at January 1, 2016	$ -	$ 173	$ 807,852	$ 4,234,422	$ 10,455	$ 170,956	$ -	$ 5,223,858
Disposals	-	(151)	(39,429)	(29,372)	-	(788)	-	(69,740)
Depreciation expenses	-	33	33,676	199,250	756	5,757	-	239,472
Effect of foreign currency exchange differences	-	-	(2,482)	(20,843)	(99)	(719)	-	(24,143)
Balance at March 31, 2016	$ -	$ 55	$ 799,617	$ 4,383,457	$ 11,112	$ 175,206	$ -	$ 5,369,447
Carrying value at January 1, 2016	$ 598,145	$ 898	$ 1,690,549	$ 2,233,739	$ 7,742	$ 38,252	$ 1,027	$ 4,570,352
Carrying value at March 31, 2016	$ 598,145	$ 865	$ 1,694,161	$ 2,053,748	$ 6,936	$ 40,469	$ 1,018	$ 4,395,342

The above items of property, plant and equipment were depreciated on a straight-line basis at the following rates per annum:

Land improvements	6 years
Buildings	
Industrial building	35-61 years
Electrical power systems	4-10 years
Engineering systems	1-17 years
Equipment	
Major production equipments	1-5 years
Temperature control systems	4-7 years
Transportation equipments	4-7 years
Transportation equipments	3-8 years
Office equipment	2-6 years

The major component parts of the buildings held by the Group included (plants, electro-powering machinery and engineering systems, etc.), which were depreciated over their estimated useful lives.

Refer to Note 33 for the carrying amount of property, plant and equipment that had been pledged by the group to secure borrowings/general banking facilities granted to the Group.

17. INVESTMENT PROPERTIES

	March 31, 2016	December 31, 2015	March 31, 2015
Completed investment property	$ 65,777	$ 67,412	$ 56,050

Except for depreciation recognized, the Group had no significant addition, disposal, and impairment of property, plant and equipment during the three months ended March 31, 2016 and 2015.

	Completed Investment Property
Cost	
Balance at January 1, 2015	$ 81,242
Transferred to property, plant and equipment	3,261
Effect of foreign currency exchange differences	(1,077)
Balance at March 31, 2015	$ 83,426
Accumulated depreciation and impairment	
Balance at January 1, 2015	$ (26,069)
Transferred to property, plant and equipment	(774)
Depreciation expense	(876)
Effect of foreign currency exchange differences	343
Balance at March 31, 2015	$ (27,376)
Cost	
Balance at January 1, 2016	$ 105,935
Effect of foreign currency exchange differences	(818)
Balance at March 31, 2016	$ 105,117
Accumulated depreciation and impairment	
Balance at January 1, 2016	$ (38,523)
Depreciation expense	(1,127)
Effect of foreign currency exchange differences	310
Balance at March 31, 2016	$ (39,340)

The investment properties held by the Group were depreciated over their useful lives of 4-61 years, using the straight-line method.

The fair value of the Group’s investment properties as of March 31, 2016, December 31, 2015 and March 31, 2015 was $132,838 thousand, $124,116 thousand and $112,289 thousand, respectively. The fair value valuation had not been performed by independent qualified professional valuers; however, management of the Group used the valuation model that market participants would use in determining the fair value the valuation was arrived at by reference to market evidence of transaction prices for similar properties.

All of the Group’s investment property was held under freehold interests. The carrying amount of the investment properties that had been pledged by the Group to secure borrowings/general banking facilities granted to the Group were reflected in Note 33.

18. PREPAYMENTS FOR LEASE

	March 31, 2016	December 31, 2015	March 31, 2015
Current asset (included in prepaid rent line item)	$ 2,602	$ 2,637	$ 2,646
Noncurrent asset	112,276	113,887	116,805
	$ 114,878	$ 116,524	$ 119,451

As of March 31, 2016, December 31, 2015 and March 31, 2015, prepaid lease payments include land use right, which are located in mainland China.

The carrying amount of the land use right certificates that had been pledged by the Group to secure borrowings/general banking facilities granted to the Group were reflected in Note 33.

19. OTHER ASSETS

	March 31, 2016	December 31, 2015	March 31, 2015
Current portion			
Prepaid expenses	$ 19,498	$ 18,689	$ 29,190
Overpaid sales tax	20,018	27,555	39,725
Others	23,421	16,455	16,487
	$ 62,937	$ 62,699	$ 85,402
Noncurrent portion			
Long-term prepayments	$ -	$ -	$ 88,321
Prepayments for real estate	32,932	37,552	29,998
	$ 32,932	$ 37,552	$ 118,319

The prepayments for real estate is the payment made by TXC (Ningbo) Corporation for locating the office space. As of December 31, 2015, has been completed and transferred to the buildings.

20. BORROWINGS

a. Short-term borrowings

	March 31, 2016	December 31, 2015	March 31, 2015
Secured borrowings (Note 33)			
Bank loans (1)	$ 47,969	$ 101,867	$ 123,772
Unsecured borrowings			
Line of credit borrowings (2)	158,074	98,475	283,073
Letters of credit (3)	56,929	51,941	45,590
	215,003	150,416	328,663
	$ 262,972	$ 252,283	$ 452,435

1) The short-term secured borrowings interest rate at March 31, 2016, December 31, 2015 and March 31, 2015 on the bank loans was 1.22%-1.23%, 1.36% and 1.464%.

2) The weighted average effective interest rate at March 31, 2016, December 31, 2015 and March 31, 2015 on the bank loans was 2.7%, 1.35%-2.56% and 1.21%-2.198%.

3) The letters of credit interest rate at March 31, 2016, December 31, 2015 and March 31, 2015 on the bank loans was 0.89%, 0.9% and 0.955%.

b. Long-term borrowings

	March 31, 2016	December 31, 2015	March 31, 2015
Secured borrowings (Note 32)			
Bank loans*	$ 618,750	$ 921,875	$ 450,000
Unsecured borrowings			
Bank loans	1,387,160	794,664	1,078,802
Less: Current portion	(374,713)	(550,914)	(684,927)
Long-term borrowings: Noncurrent	$ 1,631,197	$ 1,165,625	$ 843,875

The borrowings of the Group were as follows:

	Maturity Date	March 31, 2016	December 31, 2015	March 31, 2015
Floating rate borrowings				
Secured bank borrowing denominated in NT$	2019.08.01	$ -	$ 187,500	$ 200,000
Secured bank borrowing denominated in NT$	2019.09.01	218,750	234,375	250,000
Secured bank borrowing denominated in NT$	2020.04.20	400,000	500,000	-
Secured bank borrowing denominated in NT$	2017.01.01	-	-	200,000
Unsecured bank borrowing denominated in NT$	2015.09.06	-	-	150,000
Unsecured bank borrowing denominated in NT$	2015.11.06	-	-	200,000
Unsecured bank borrowing denominated in NT$	2017.12.15	-	50,000	200,000
Unsecured bank borrowing denominated in NT$	2017.09.09	200,000	200,000	-
Unsecured bank borrowing denominated in US$	2018.02.26	68,534	65,650	62,600
Unsecured bank borrowing denominated in US$	2018.02.26	34,266	32,825	31,300
Unsecured bank borrowing denominated in US$	2016.05.28	77,498	82,064	78,250
Unsecured bank borrowing denominated in US$	2017.03.04	62,568	65,650	62,600
Unsecured bank borrowing denominated in US$	2018.02.01	97,147	98,475	94,052
Unsecured bank borrowing denominated in US$	2016.09.01	97,147	-	-
Unsecured bank borrowing denominated in US$	2018.01.25	250,000	-	-
Unsecured bank borrowing denominated in US$	2018.01.25	100,000	-	-
Unsecured bank borrowing denominated in US$	2018.01.25	100,000	-	-
Unsecured bank borrowing denominated in US$	2018.01.25	100,000	-	-
Less: Current portion		(374,713)	(550,914)	(684,927)
		$ 1,631,197	$ 1,165,625	$ 843,875

* The weighted average effective rate of the bank borrowings at March 31, 2016, December 31, 2015 and March 31, 2015 was 0.97%-2.12% per annum, 1.00%-1.782% per annum and 1.15%-1.805% per annum, respectively.

21. BONDS PAYABLE

	March 31, 2016	December 31, 2015	March 31, 2015
Unsecured domestic bonds	$ -	$ 798,941	$ 786,282
Less: Current portion	-	(798,941)	(786,282)
	$ -	$ -	$ -

On January 25, 2013, the Corporation issued forth unsecured domestic convertible bonds with an aggregate value of $800,000 thousand to pay off borrowings and purchase equipment.

Other details of the bond issuance are summarized as follows:

a. Issue date: January 25, 2013.

b. Total issue amount: $800,000 thousand.

c. Issue price: 100%.

d. Par value: $100 thousand.

e. Coupon rate: 0%.

f. Repayment term: The bonds are repayable on January 25, 2016 upon the maturity of the bonds.

g. Conversion right: Holder can request for conversion of the bonds to the Corporation's common stock.

h. Conversion period: From February 26, 2013 to January 15, 2016.

i. Conversion price: The original conversion price per share is $40.9. The conversion price is subject to adjustment based on a certain formula if there are changes in outstanding shares or execution of conversion below market price.

j. Redemption of bonds

    1) Redemption on the maturity date: On the maturity date, the Corporation will redeem the bonds of the principal amounts.

    2) Early redemption on the maturity date:

        a) During the period of time between one month after issuance and the 40th day before maturity, if the closing price of the Corporation's shares reaches 30% of the conversion price for 30 consecutive trading days, the Corporation may redeem the remaining bonds at a price of their book value.

        b) During the period of time between one month after issuance and the 40th day before maturity, when over 90% of the bonds had been redeemed, bought back or converted, the Corporation may redeem the remaining bonds at a price of their book value.

k. Converted bond: As of March 31, 2015, all bonds had been called.

22. NOTES PAYABLE AND TRADE PAYABLES

	March 31, 2016	December 31, 2015	March 31, 2015
Trade payables			
Trade payables - operating	$ 1,061,380	$ 1,110,954	$ 1,130,899

23. OTHER LIABILITIES

	March 31, 2016	December 31, 2015	March 31, 2015
Other payables			
Bonus to employees, directors and supervisors	$ 149,630	$ 121,443	$ 153,245
Commission	77,887	67,001	68,340
Salaries	74,413	82,217	69,955
Bonus	81,935	212,224	54,614
Payables for annual leave	25,429	25,803	24,462
Others	136,233	115,364	106,960
	$ 545,527	$ 624,052	$ 477,576
Other liabilities			
Construction receipt payable	$ 7,984	$ 11,460	$ 21,189
Deposits received	4,495	4,495	5,615
Others	38,040	25,627	34,672
	$ 50,519	$ 41,582	$ 61,476
Noncurrent			
Guarantee deposits received (Note 28)	$ 54,571	$ 55,268	$ 57,359

24. RETIREMENT BENEFIT PLANS

Employee benefit expenses for the three months ended March 31, 2016 and 2015 were $585 thousand and $599 thousand.

25. EQUITY

a. Capital stock

Ordinary shares

	March 31, 2016	December 31, 2015	March 31, 2015
Numbers of shares authorized (in thousands)	500,000	500,000	500,000
Shares authorized	$ 5,000,000	$ 5,000,000	$ 5,000,000
Number of shares issued and fully paid (in thousands)	309,757	309,757	309,757
Shares issued	$ 3,097,570	$ 3,097,570	$ 3,097,570

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

30,000 thousand shares of the Company's shares authorized were reserved for the issuance of convertible bonds and employee share options.

b. Capital surplus

	March 31, 2016	December 31, 2015	March 31, 2015
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Arising from issuance of common shares	$ 611,776	$ 611,776	$ 611,776
Arising from conversion of bonds	977,028	977,028	977,028
Arising from share warrants	27,745	27,745	27,745
May not be used for any purpose			
Arising from recognition of option premium on issue of convertible bonds	45,632	45,632	45,632
	$ 1,662,181	$ 1,662,181	$ 1,662,181

The carrying amount at the beginning and at the end of three months ended March 31, 2015 and 2016 was no change for each class of capital surplus.

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

c. Retained earnings and dividend policy

Appropriation of earnings and dividend policy

Under the Corporation's Articles of Incorporation, the Corporation should appropriate 10% of its net income less any prior years' deficit as legal reserve. The remaining amount may be fully retained or partially retained and partially distributed for dividends, upon the stockholders' approval, according to the following percentages.

1) Employee bonus - not less than 3%

2) Directors and supervisors' remuneration - not more than 2%

3) Stock bonuses to employees include subsidiaries' employees who meet certain criteria set by the stockholders' meetings.

Dividends are recommended by the board of directors in accordance with the Corporation's dividend policy. Under this policy, industry trend and growth should be evaluated, investment opportunities should be fully understood, and proper capital adequacy ratios should be considered in determining the dividend to be distributed. In addition, cash dividends should not be less than 20% of the total dividends to be appropriated.

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The consequential amendments to the Company's Articles of Incorporation had been proposed by the Company's board of directors on December 21, 2015 and are subject to the resolution of the shareholders in their meeting to be held on June 7, 2016. For information about the accrual basis of the employees' compensation and remuneration to directors and supervisors and the actual appropriations, please refer to f. employee benefits expense in Note 26.

Under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", the Company should appropriate or reverse to a special reserve.

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

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

The appropriations of earnings for 2015 and 2014 had been approved in the shareholders' meetings on April 25, 2016 and June 16, 2015, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	For the Year Ended December 31		For the Year Ended December 31	
	2015	2014	2015	2014
Legal reserve	$ 93,820	$ 99,517	$ -	$ -
Cash dividends	774,393	774,393	2.5	2.5

26. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

Net profit (loss) from continuing operations had been arrived at after charging (crediting):

a. Other income

	For the Three Months Ended March 31	
	2016	2015
Interest income	$ 6,370	$ 7,095
Income from government grants	560	1,728
Others	16,397	12,586
	$ 23,327	$ 21,409

b. Other gains and losses

	For the Three Months Ended March 31	
	2016	2015
Gain/(loss) on disposal of property, plant and equipment	$ (1,642)	$ 5,772
Gain on disposal of investment	-	1,254
Net gain/(loss) arising on financial assets designated as at FVTPL	20,289	17,349
Impairment loss on financial assets	(10,000)	-
Foreign exchange (losses)/gains	(24,747)	(6,849)
Other expense	(20,980)	(3,719)
	$ (37,080)	$ 13,807

c. Impairment loss on financial assets

	For the Three Months Ended March 31	
	2016	2015
Available-for-sale financial assets - current	$ 10,000	$ -

d. Finance costs

	For the Three Months Ended March 31	
	2016	2015
Interest on bank loans	$ (7,990)	$ (6,774)
Interest on convertible bonds	(1,059)	(4,143)
	$ (9,049)	$ (10,917)

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2016	2015
Property, plant and equipment	$ 239,472	$ 238,874
Investment property	1,127	876
Others	5,079	4,630
	$ 245,678	$ 244,380
An analysis of deprecation by function		
Operating costs	$ 203,459	$ 207,788
Operating expenses	37,140	31,962
	$ 240,599	$ 239,750

(Continued)

	For the Three Months Ended March 31	
	2016	2015
An analysis of amortization by function		
Operating costs	$ 2,471	$ 2,604
Operating expenses	2,608	2,026
	$ 5,079	$ 4,630

(Concluded)

f. Employee benefits expense

	For the Three Months Ended March 31	
	2016	2015
Post-employment benefits (see Note 24)		
Defined contribution plans	$ 14,823	$ 14,645
Defined benefit plans	585	599
	15,408	15,244
Other employee benefits		
Salaries	386,867	329,832
Insurance expenses	21,172	17,761
Others	6,865	5,510
	414,904	353,103
	$ 430,312	$ 368,347
An analysis of employee benefits expense by function		
Operating costs	$ 247,017	$ 215,549
Operating expenses	183,295	152,798
	$ 430,312	$ 368,347

The existing Articles of Incorporation of the Company stipulate to distribute bonus to employees and remuneration to directors and supervisors at the rates no less than 3% and no higher than 2%, respectively, of net income (net of the bonus and remuneration). For the three months ended March 31, 2015, the bonus to employees and the remuneration to directors and supervisors were $23,875 thousand and $3,979 thousand, respectively, representing 12% and 2%, respectively, of the base net income.

To be in compliance with the Company Act as amended in May 2015, the proposed amended Articles of Incorporation of the Company stipulate to distribute employees' compensation and remuneration to directors and supervisors at the rates no less than 3% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration to directors and supervisors. For the three months ended March 31, 2016, the employees' compensation and the remuneration to directors and supervisors were $24,160 thousand and $4,027 thousand, respectively, representing 9% and 1.5%, respectively, of the base net profit.

If there is a change in the proposed amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in accounting estimate.

The employees’ compensation and remuneration to directors and supervisors in cash for the year ended December 31, 2015 and 2014 have been approved by the Company’s board of directors on April 25, 2016 and are subject to the resolution of the amendments to the Company’s Articles of Incorporation for adoption by the shareholders in their meeting to be held on June 16, 2016, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The employees’ compensation and remuneration to directors and supervisors in cash for the year ended December 31, 2015 are expected to be approved by the shareholders’ meeting in June 7, 2016.

	For Fiscal Year 2015		For Fiscal Year 2014	
	Cash Bonus	**Share Bonus**	**Cash Bonus**	**Share Bonus**
Employee bonus	$ 104,094	$ -	$ 107,478	$ -
Directors and supervisors’ remuneration	17,349	-	17,913	-

There was no difference between the amounts of the bonus to employees and the remuneration to directors on April 25, 2016 and supervisors approved in the shareholders’ meetings on June 16, 2016 and the amounts recognized in the financial statements for the years ended December 31, 2015 and 2014, respectively.

Information on the employees’ compensation and remuneration to directors and supervisors resolved by the Company’s board of directors in 2016 and bonus to employees, directors and supervisors resolved by the shareholders' meeting in 2015 are available on the Market Observation Post System website of the Taiwan Stock Exchange.

27. INCOME TAXES RELATING TO CONTINUING

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended March 31	
	2016	**2015**
Current tax		
In respect of the current period	$ 21,292	$ 14,598
Income tax of unappropriated earnings	-	-
	21,292	14,598
Deferred tax		
In respect of the current period	9,429	7,948
Income tax expense recognized in profit or loss	$ 30,721	$ 22,546

b. Integrated income tax

	March 31, 2016	December 31, 2015	March 31, 2015
Unappropriated earnings			
Unappropriated earnings generated before January 1, 1997	$ -	$ -	$ -
Unappropriated earnings generated on and after January 1, 1998	2,886,101	2,659,935	2,832,437
	$ 2,886,101	$ 2,659,935	$ 2,832,437
Imputation credits accounts	$ 187,979	$ 187,979	$ 117,593

The creditable ratio for distribution of earnings of 2015 and 2014 was 8.23% (predict) and 7.16%, respectively.

c. Income tax assessments

The tax returns through 2009 and 2011, had been assessed by the tax authorities.

28. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share from continuing operations were as follows:

Net Profit for the Period

	For the Three Months Ended March 31	
	2016	2015
Profit for the period attributable to owners of the Company	$ 226,166	$ 221,065
Effect of dilutive potential ordinary shares:		
Convertible bonds	879	3,439
Employee share option	-	-
Earnings used in the computation of diluted earnings per share	$ 227,045	$ 224,504

Weighted average number of ordinary shares outstanding (in thousand shares):

	For the Three Months Ended March 31	
	2016	2015
Weighted average number of ordinary shares in computation of basic earnings per share	309,757	309,757
Effect of dilutive potential ordinary shares:		
Convertible bonds	5,374	18,059
Employee share option	-	-
Bonus issue to employee	2,928	3,280
Weighted average number of ordinary shares used in the computation of diluted earnings per share	318,059	331,096

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

29. OPERATING LEASE ARRANGEMENTS

The Group as Lessee

Operating leases relate to leases of warehouse in trade zone with lease terms 3 years. All operating lease contracts contain clauses for 3-yearly market rental reviews. The Group does not have a bargain purchase option to acquire the leased land at the expiry of the lease periods.

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

	March 31, 2016	December 31, 2015	March 31, 2015
Not later than 1 year	$ 727	$ 1,455	$ 2,909
Later than 1 year and not later than 5 years	-	-	727
Later than 5 years	-	-	-
	$ 727	$ 1,455	$ 3,636

30. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings and other equity.

The Group is not subject to any externally imposed capital requirements.

31. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

Fair value of financial instruments not carried at fair value

The management consider that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

March 31, 2016

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 802,757	$ -	$ -	$ 802,757
Structured deposits	-	1,195,047	-	1,195,047
Forward exchange contracts	-	5,716	-	5,716
	$ 802,757	$ 1,200,763	$ -	$ 2,003,520
Available-for-sale financial assets				
Securities unlisted in ROC				
Equity securities	$ -	$ -	$ 34,300	$ 34,300
Mutual funds	1,320,577	-	-	1,320,577
	$ 1,320,577	$ -	$ 34,300	$ 1,354,877
Financial liabilities at FVTPL				
Forward exchange contracts	$ -	$ 4,978	$ -	$ 4,978

December 31, 2015

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 633,414	$ -	$ -	$ 633,414
Structured deposits	-	489,017	-	489,017
Forward exchange contracts	-	249	-	249
	$ 633,414	$ 489,266	$ -	$ 1,122,680
Available-for-sale financial assets				
Securities unlisted in ROC				
Equity securities	$ -	$ -	$ 34,300	$ 34,300
Foreign securities	1,836,676	-	-	1,836,676
	$ 1,836,676	$ -	$ 34,300	$ 1,870,976
Financial liabilities at FVTPL				
Forward exchange contracts	$ -	$ 4,978	$ -	$ 4,978

March 31, 2015

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 593,904	$ -	$ -	$ 593,904
Structured deposits	-	468,367	-	468,367
Forward exchange contracts	-	2,978	-	2,978
	$ 593,904	$ 471,345	$ -	$ 1,065,249
Available-for-sale financial assets				
Securities unlisted in ROC				
Equity securities	$ -	$ -	$ 44,510	$ 44,510
Mutual funds	130,957	-	-	130,957
	$ 130,957	$ -	$ 44,510	$ 175,467

There were no transfers between Levels 1 and 2 between January 1 to March 31, 2015 to 2016.

2) Reconciliation of Level 3 fair value measurements of financial assets

March 31, 2016

	Available-for-sale Financial Assets Unlisted Shares
Balance at January 1, 2016	$ 34,300
Net translation differences	-
Balance at March 31, 2016	$ 34,300

March 31, 2015

	Available-for-sale Financial Assets Unlisted Shares
Balance at January 1, 2015	$ 44,510
Net translation differences	-
Balance at March 31, 2015	$ 44,510

3) Valuation techniques and inputs applied for the purpose of measuring Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign currency forward contracts	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Structured deposits	Book value method. The products had short matured period, therefore the fair value is reasonable to be estimated based on the book value.

4) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

The fair values of unlisted equity securities - ROC were determined using income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees. The significant unobservable inputs used are listed on the table below. An increase in long-term revenue growth rates or long-term pre-tax operating margin or a decrease in WACC or discount for lack of marketability used in isolation would result in increase in fair value.

	March 31, 2016
Long-term revenue growth rates	11.73%
Long-term pre-tax operating margin	7.1%
WACC	13.12%
Discount for lack of marketability	30.58%

c. Categories of financial instruments

	March 31, 2016	December 31, 2015	March 31, 2015
Financial assets			
Fair value through profit or loss (FVTPL) (1)	$ 2,003,520	$ 1,122,680	$ 1,065,249
Loans and receivables (2)	4,583,773	5,788,019	4,968,331
Held-to-maturity investments (3)	50,280	98,120	98,120
Available-for-sale financial assets (4)	1,460,397	1,986,496	337,465
Financial liabilities			
Fair value through profit or loss (FVTPL) (1)	-	4,978	-
Amortized cost (5)	3,878,407	4,505,636	4,377,933

1) The balances included the carrying amount of structured deposits, forward exchange contracts, non-derivative financial assets mutual funds.

2) The balances included loans and receivables measured at amortized cost, which comprise (cash and cash equivalents, notes receivables, trade and other receivables, other financial assets, and refundable deposits.

3) The balances included the carrying amount of financial bond investment.

4) The balances included the carrying amount of available-for-sale shares and mutual funds.

5) The balances included financial liabilities measured at amortized cost, which comprise short-term and long-term loans, notes, payable, trade and other payables, and bonds issued.

d. Financial risk management objectives and policies

The Group's major financial instruments included equity and debt investments, bonds payable, borrowings. The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reported quarterly to the Group's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including: Forward foreign exchange contracts to hedge the exchange rate risk arising on the Group's foreign currency monetary.

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

Several subsidiaries of the Company had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period (see Note 36).

<u>Sensitivity analysis</u>

The Group was mainly exposed to the USD and JPY.

The following table details the Group's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. The sensitivity analysis included external loans/borrowings as well as loans/borrowings to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in post-tax profit and other equity associated with New Taiwan dollars strengthen 1% against the relevant currency. For a 1% weakening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on post-tax profit and other equity and the balances below would be negative.

	USD Impact		**JPY Impact**	
	For the Three Months Ended March 31		**For the Three Months Ended March 31**	
	2016	**2015**	**2016**	**2015**
Profit or loss	$ 21,405	$ 20,149	$ (2,134)	$ (1,419)

i. This was mainly attributable to the exposure outstanding on USD receivables and payables, which were not hedged at the end of the reporting period.

ii. This was mainly attributable to the exposure to outstanding JPY payables, which were not hedged, at the end of the reporting period.

b) Interest rate risk

The Group was exposed to interest rate risk because the Group's bank deposits and the Group borrowed funds at floating interest rates.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	March 31, 2016	**December 31, 2015**	**March 31, 2015**
Fair value interest rate risk			
Financial assets	$ 152,186	$ 464,329	$ 652,983
Financial liabilities	-	798,941	786,282
Cash flow interest rate risk			
Financial assets	1,882,477	2,290,647	1,514,891
Financial liabilities	2,268,882	2,767,763	1,981,237

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 0.25% basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.25% basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2016 and 2015 would decrease/increase by $242 thousand and $291 thousand, which was mainly attributable to the Group's exposure to interest rates on its floating rate bank deposits and bank borrowings.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group is arising from: The carrying amount of the respective recognized financial assets as stated in the balance sheets.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liability. As of March 31, 2016, December 31, 2015 and March 31, 2015, the Group had available unutilized overdraft and short-term bank loan facilities of approximately $5,224,373 thousand, $5,420,615 thousand and $3,876,883 thousand, respectively.

Liquidity and interest risk rate tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows.

Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

March 31, 2016

	Weighted Interest Average Effective Rate (%)	**Less Than 1 Year**	**2-3 Years**	**4-5 Years**	**5+ Years**	**Total**
Non-derivative financial liabilities						
Accounts payable	-	$ 1,062,602	$ -	$ -	$	$ 1,062,602
Other payables	-	546,923	-	-	-	546,923
Other current liabilities	-	50,519	-	-	-	50,519
Variable interest rate (liabilities)	0.89-2.7	637,685	1,372,146	156,250	102,801	2,268,882
Guarantee deposits received	-	-	54,571	-	-	54,571

December 31, 2015

	Weighted Interest Average Effective Rate (%)	Less Than 1 Year	2-3 Years	4-5 Years	5+ Years	Total
Non-derivative financial liabilities						
Accounts payable	-	$ 1,112,457	$ -	$ -	$ -	$ 1,112,457
Other payables	-	625,416	-	-	-	625,416
Other current liabilities	-	41,582	-	-	-	41,582
Bonds payable	-	798,941	-	-	-	798,941
Variable interest rate (liabilities)	0.9-2.56	803,197	978,125	187,500	-	1,968,822
Guarantee deposits received	-	-	55,268	-	-	55,268

March 31, 2015

	Weighted Interest Average Effective Rate (%)	Less Than 1 Year	2-3 Years	4-5 Years	5+ Years	Total
Non-derivative financial liabilities						
Accounts payable	-	$ 1,131,352	$ -	$ -	$ -	$ 1,131,352
Other payables	-	479,062	-	-	-	479,062
Other current liabilities	-	61,476	-	-	-	61,476
Bonds payable	-	786,282	-	-	-	786,282
Variable interest rate (liabilities)	0.955-2.198	1,137,362	703,250	140,625	-	1,981,237
Guarantee deposits received	-	-	57,359	-	-	57,359

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

The following table detailed the Group’s liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

March 31, 2016

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Net settled					
Foreign exchange forward contracts	$ -	$ -	$ -	$ -	$ -

December 31, 2015

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Net settled					
Foreign exchange forward contracts	$ (867)	$ (3,825)	$ (286)	$ -	$ -

March 31, 2015

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Net settled					
Foreign exchange forward contracts	$ -	$ -	$ -	$ -	$ -

e. Reclassifications

On May 15, 2015, the Group reclassified its financial assets and the fair values at the reclassification date were as follows:

	Before Reclassifications	After Reclassifications
Financial assets at fair value through profit or loss - held for trading	$ 458,729	$ -
Available-for-sale financial assets	-	458,729
	$ 458,729	$ 458,729

Since the investment in Guandong Failong Crystal Technology Co., Ltd. has market price after it became listed in the Shenzhen Stock Exchange on May 15, 2015, it is most appropriate to reclassify if as available-for-sale investment.

The carrying amounts and fair values of the reclassified financial assets (excluding those that had been derecognized) were as follows:

	March 31, 2016		December 31, 2015		March 31, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Available-for-sale financial assets	$ 1,320,577	$ 1,320,577	$ 1,836,676	$ 1,836,676	$ 46,478	$ 46,478

32. RELATED-PARTY TRANSACTIONS

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

Trading Transactions

	For the Three Months Ended March 31	
	2016	2015
Sales of goods		
Associates	$ 5,499	$ 5,633
Purchase of goods		
Others	$ 17	$ 20

Selling prices to related parties were similar to those for third parties.

Rental Revenue

Related Party	Location	Rent Collection	For the Three Months Ended March 31 2016 Amount	2016 % to Total Account Balance	2015 Amount	2015 % to Total Account Balance
TSE Technology (Ningbo) Co., Ltd. (TSE Technology)	1F., No. 189, Huangshan W. Rd., Beilun Dist., Ningbo City	Based on contract, and paid on a monthly basis	$ 914	-	$ 925	-

Receivable from and Payable to Related Parties

	March 31, 2016	December 31, 2015	March 31, 2015
Accounts receivable from related parties			
Associates	$ 5,774	$ 4,940	$ 5,914
Less: Allowance for impairment loss	(34)	(30)	(35)
	$ 5,740	$ 4,910	$ 5,879
Account payable to related parties			
Associates	$ -	$ 959	$ -
Others	1,222	544	453
	$ 1,222	$ 1,503	$ 453
Other receivables from related parties			
Associates	$ 707	$ 646	$ 828
Other payable from related parties			
Others	$ 1,396	$ 1,364	$ 1,486

Term of purchases from related parties were similar to those for third parties.

Acquisition of Property, Plant and Equipment

	Acquisition Amounts For the Three Months Ended March 31 2016	2015
Others	$ 929	$ 253

Compensation of Key Management Personnel

The remuneration of directors and other members of key management personnel for the three months ended March 31, 2016 and 2015 were as follows:

	For the Three Months Ended March 31	
	2016	2015
Short-term benefits	$ 21,333	$ 18,096
Post-employment benefits	727	611
	$ 22,060	$ 18,707

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

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, the tariff of imported raw materials guarantees or the deposit for hiring foreign workers:

	March 31, 2016	December 31, 2015	March 31, 2015
Land	$ 573,770	$ 573,770	$ 573,770
Building equipment, net	1,034,886	1,056,956	1,311,574
Investment property	25,842	26,500	28,030
Prepaid rental	15,032	15,269	15,715
	$ 1,649,530	$ 1,672,495	$ 1,929,089

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group were as follows:

Unused letters of credit amounted to approximately JPY203,225 thousand, JPY144,551 thousand, JPY111,964 and US$169 thousand as of March 31, 2016, December 31, 2015 and March 31, 2015.

As of March 31, 2015, the Company unrecognized commitments are as follows:

	Contract Amount	Paid Amount	Unpaid Amount
Acquisition of equipment	$ 42,160	$ 37,574	$ 4,586
Acquisition of equipment	RMB 3,534	RMB -	RMB 3,534
Acquisition of equipment	JPY 66,200	US$ -	US$ 66,200
Acquisition of equipment	US$ 526	US$ -	US$ 526

For the year ended December 31, 2014, the Company sold overseas unlisted common shares of Sitime to unrelated party amounted to $20,551 thousand and had already received $7,917 thousand, while the remaining payment of $12,634 thousand have to fulfill specific conditions to be collected. The Company will recognize the remaining balance once the conditions be fulfilled and the value can be reliably measured.

35. SIGNIFICANT EVENTS AFTER REPORTING PERIOD: NONE

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

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

March 31, 2016

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 92,589	32.382 (USD:NTD)	$ 2,998,217
USD	24,537	6.4611 (USD:RMB)	794,557
JPY	599,978	0.2871 (JPY:NTD)	172,254
JPY	38,720	0.0573 (JPY:RMB)	11,117
Financial liabilities			
Monetary items			
USD	25,872	32.382 (USD:NTD)	837,787
USD	25,153	6.4611(USD:RMB)	814,504
JPY	1,010,612	0.2871 (JPY:NTD)	290,147
JPY	339,892	0.0573 (JPY:RMB)	97,583

December 31, 2015

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 103,850	32.825 (USD:NTD)	$ 3,408,876
USD	26,282	6.4936 (USD:RMB)	862,707
JPY	289,288	0.2727 (JPY:NTD)	78,889
Financial liabilities			
Monetary items			
USD	46,802	32.825 (USD:NTD)	1,536,276
USD	25,733	6.4936 (USD:RMB)	844,686
JPY	956,855	0.2727 (JPY:NTD)	260,934
JPY	363,866	0.0539 (JPY:RMB)	99,226

March 31, 2015

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 105,063	31.30 (USD:NTD)	$ 3,288,472
USD	29,071	6.1422 (USD:RMB)	909,922
JPY	331,374	0.2604 (JPY:NTD)	86,290
Financial liabilities			
Monetary items			
USD	36,819	31.30 (USD:NTD)	1,152,435
USD	32,940	6.1422 (USD:RMB)	1,031,022
JPY	631,330	0.2604 (JPY:NTD)	164,398
JPY	244,895	0.511 (JPY:RMB)	63,771

For the three months ended March 31, 2016 and 2015, unrealized net foreign exchange loss were $24,747 thousand and $6,849 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

37. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and information on investees:

1) Lending funds to others.

2) Providing endorsements or guarantees for others.

3) Holding of securities at the end of the period.

4) Aggregate purchases or sales of the same securities reaching NT$300 million or 20 percent of paid-in capital or more.

5) Acquisition of real estate reaching NT$300 million or 20 percent of paid-in capital or more.

6) Disposal of real estate reaching NT$300 million or 20 percent of paid-in capital or more.

7) Purchases or sales of goods from or to related parties reaching NT$100 million or 20 percent of paid-in capital or more.

8) Trade receivables from related parties reaching NT$100 million or 20 percent of paid-in capital or more.

9) Trading in derivative instruments.

10) Others: The business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions between them.

11) Information on investees

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in the mainland China area.

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

38. SEGMENT INFORMATION

	Segment Revenue		Segment Profit	
	For the Three Months Ended March 31		For the Three Months Ended March 31	
	2016	2015	2016	2015
Crystal	$ 1,978,482	$ 2,037,484	$ 275,026	$ 215,473
Optec	130,491	97,585	5,555	1,319
	$ 2,108,973	$ 2,135,069	280,581	216,792
Investment income share of profits of associates accounted for using the equity method			(892)	2,520
Interest income			6,370	7,095
Gain (loss) on disposal of property, plant and equipment			(1,642)	5,772
Exchange (loss) gain			(24,747)	(6,849)
Valuation gain (loss) on financial instruments			20,289	17,349
Financial costs			(9,049)	(10,917)
Others			(14,023)	11,849
Profit before tax (continuing operations)			$ 256,887	$ 243,611

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales for the three months ended March 31, 2016 and 2015.

Segment profit represented the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, share of profits of associates, gain recognized on the disposal of interest in former associates, rental revenue, interest income, gain or loss on disposal of property, plant and equipment, gain or loss on disposal of financial instruments, exchange gain or loss, valuation gain or loss on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

TABLE 1

TXC CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2016
(In Thousands of New Taiwan Dollars or U.S. Dollars)

Holding Company	Marketable Securities Type and Issuer/Name	Security Issuer's Relationship with the Holding Company	Financial Statement Account	March 31, 2016				Note
				Shares/Units	Carrying Amount	Percentage of Ownership	Market Value or Net Asset Value	
TXC Corporation	Stock listed overseas							
	Guandong Failong Crystal Technology Co., Ltd.	None	Available-for-sale financial assets - noncurrent	10,096	$ 1,320,577	6	$ 1,320,577	
	Stock - emerging company							
	Win Win Precision Technology Co., Ltd.	None	Available-for-sale financial assets - noncurrent	1,365	$ 34,300	3	$ 34,300	
	Stock - unlisted company							
	Marson Technology Co., Ltd.	None	Financial assets carried at cost	414	$ 3,000	5	None	
	iSentek Inc.	None	〃	2,500	50,000	13	〃	
	UPI Semiconductor Corp.	Chairman is a direct of the Company	〃	2,000	52,520	2	〃	
					$ 105,520			
	Financial bonds							
	Cayman Ton Yi Industrial Holdings	〃	Held-to-maturity financial assets - noncurrent	RMB 10,000	$ 50,280	-	$ 50,280	
NGB	Mutual fund							
	Southern Cash Currency Fund	None	Financial instruments at FVTPL - current	RMB 27,742	$ 139,040	-	$ 139,040	
	E Fund Money Market Fund	〃	〃	RMB 9,499	47,605	-	47,605	
	China International Fund Management Co., Ltd.	〃	〃	RMB 10,583	53,038	-	53,038	
	China Merchants Fund	〃	〃	RMB 10,096	50,600	-	50,600	
	China GuangFa Money Market Fund	〃	〃	RMB 30,470	152,711	-	152,711	
	Money Market Fund	〃	〃	RMB 9,530	47,761	-	47,761	
	Agriculture Bank Fund	〃	〃	RMB 30,203	151,370	-	151,370	
					$ 642,125		$ 642,125	
	Structured deposits							
	Bank of Communication	〃	〃	RMB 50,472	$ 252,954	-	$ 252,954	
	First Sino Bank	〃	〃	RMB 40,232	201,635	-	201,635	
	China Everbright Bank	〃	〃	RMB 51,153	256,369	-	256,369	
	China Merchants	〃	〃	RMB 30,089	150,798	-	150,798	
					$ 861,756		$ 861,756	

(Continued)

Holding Company	Marketable Securities Type and Issuer/Name	Security Issuer's Relationship with the Holding Company	Financial Statement Account	March 31, 2016				Note
				Shares/Units	Carrying Amount	Percentage of Ownership	Market Value or Net Asset Value	
TXC (Chongqing) Limited	Mutual fund							
	China International Fund Management Co., Ltd	None	Financial instruments at FVTPL - current	RMB 11,890	$ 59,590	-	$ 59,590	
	E Fund Money Market Fund	〃	〃	RMB 6,036	30,250	-	30,250	
	Southern Cash Currency Fund	〃	〃	RMB 12,376	62,025	-	62,025	
					$ 151,865		$ 151,865	
	Structured deposits							
	First Sino Bank	〃	〃	RMB 31,129	$ 156,011	-	$ 156,011	
	Agriculture Bank	〃	〃	RMB 10,918	54,719	-	54,719	
	China Construction Bank	〃	〃	RMB 4,309	21,595		21,595	
					$ 232,325	-	$ 232,325	
Ningbo Jingyu Company Limited	Mutual fund							
	Southern Cash Fund	〃	〃	RMB 946	$ 4,740	-	$ 4,740	
Chongqing Allsun Company Limited	Mutual fund							
	Southern Cash Fund	〃	〃	RMB 803	$ 4,027	-	$ 4,027	
	Structured deposits							
	China Construction Banks	〃	〃	RMB 10,069	$ 50,462		$ 50,462	
	Chongqing Rural Commercial Banks	〃	〃	RMB 10,077	50,504	-	50,504	
					$ 100,966		$ 100,966	

(Concluded)

TABLE 2

TXC CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2016
(In Thousands of New Taiwan Dollars or U.S. Dollars)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Equity in Net Gain (Loss)	Ending Balance	
					Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Carrying Value (Foreign Currencies in Thousands)	Gain (Loss) on Disposal (Foreign Currencies in Thousands)		Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)
TXC (Ningbo) Corporation	Mutual funds	Financial instruments at FVTPL - current	Money Market Fund	None	-	$ 81,211	-	$ 294,370	-	$ (328,060)	$ (328,060)	$ -	$ 240	-	$ 47,761

TABLE 3

TXC CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2016
(In Thousands of New Taiwan Dollars or U.S. Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms (Note)	Unit Price	Payment Terms	Ending Balance	% to Total	
TXC Corporation	TXC (Ningbo) Corporation	Subsidiary	Purchase	$ 462,968	35	Note	Its trading price depends on its function within the Group	Note	$ (452,031)	(41)	
	TXC (Chongqing) Limited	〃	Purchase	151,973	11	〃	〃	〃	(159,771)	(14)	
TXC (Ningbo) Corporation	Growing Profit Trading Ltd.	〃	Purchase	101,754	28	〃	〃	〃	(111,546)	(25)	

Note: The terms of purchases from related parties were not significantly different from those with third parties.

TABLE 4

TXC CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2016
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Related Party	Nature of Relationship	Balance of Accounts Receivable - Related Party	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Bad Debt
					Amount	Action Taken		
TXC (Ningbo) Corporation	TXC Corporation	Subsidiary	$ 452,031	4.08	$ -	-	$ 128,909	$ -
Growing Profits Trading Ltd.	TXC (Ningbo) Corporation	Subsidiary	111,546	3.64	-	-	-	-
TXC (Chongqing) Limited	TXC Corporation	Subsidiary	159,771	3.80	-	-	61,148	-

TABLE 5

TXC CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE THREE MONTHS ENDED MARCH 31, 2016
(In Thousands of New Taiwan Dollars or U.S. Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2016			Net Income (Losses) of the Investee	Equity in the Earnings (Losses)	Note
				March 31, 2016	December 31, 2015	Shares (In Thousands)	Percentage of Ownership	Carrying Value			
TXC Corporation	Taiwan Crystal Technology International Ltd.	Western Samoa	Investment	$ 1,390,461	$ 1,390,461	42,835	100.00	$ 4,810,877	$ 99,279	$ 102,277	Difference from upstream transactions $2,998 thousand
	TXC Technology Inc.	U.S.A.	Marketing activities	9,879	9,879	300	100.00	15,166	(2,568)	(2,568)	
	TXC Japan Corporation	Japan	Marketing activities	6,172	6,172	2	100.00	16,711	95	95	
	Taiwan Crystal Technology International (HK) Limited	Hong Kong	Investment	298,362	298,362	10,080	100.00	367,115	7,983	7,983	
	Taishing Electronics Company Taiwan	Taiwan	Manufacture and sales of electronics products	60,580	60,580	2,330	11.65	66,144	10,217	(892)	
	TXC Optec Corporation	Taiwan	Manufacture and sales of sapphire	430,000	430,000	21,500	100.00	435,687	2,289	2,289	
Taiwan Crystal Technology International Ltd.	Growing Profit Trading Ltd.	B.V.I.	International trading	1,691	1,691	50	100.00	305,457	1,855	1,855	
	TXC (Ningbo) Corporation	Ningbo	Manufacture and sales of electronics products	1,487,211	1,487,211	45,835	100.00	4,539,998	97,424	97,424	
TXC (Ningbo) Corporation	TXC (Chongqing) Corporation	Chongqing	Manufacture and sales of electronics products	604,152	604,152	123,745	66.40	716,711	23,758	15,775	
	Chongqing All Sun Company Limited	Chongqing	Market activities	312,644	312,644	66,000	100.00	330,159	(325)	(325)	
	Ningbo Jingyu Company Limited	Ningbo	International trading	4,807	4,807	1,000	100.00	7,989	(931)	(931)	
Taiwan Crystal Technology International (HK) Limited	TXC (Chongqing) Limited	Chongqing	Manufacture and sales of electronics products	298,362	298,362	10,080	33.60	366,593	23,758	7,983	

TXC CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2016
(In Thousands of New Taiwan Dollars or U.S. Dollars)

1. Name of the investees in Mainland China, main businesses and products, paid-in capital, method of investment, information on inflow or outflow of capital, percentage of ownership, investment income or loss, ending balance of investment, dividends remitted by the investee, and the limit of investment in Mainland China:

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2016 (US$ in Thousand)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2016 (US$ in Thousand)	Investee Company Net Income	Percentage of Ownership	Investment Income (Loss) Recognized (Note 2)	Carrying Amount as of March 31, 2016	Accumulated Inward Remittance of Earnings as of March 31, 2016
					Outflow	Inflow						
TXC (Ningbo) Corporation	Manufacturing and sales of crystal and crystal oscillator	$ 1,487,211	Indirect investment of the Corporation in Mainland China through the Corporation's subsidiary in a third region	$ 1,427,630	$ -	$ -	$ 1,427,630	$ 97,424	100.00	$ 97,424	$ 4,539,998	$ 256,146
Guandong Failong Crystal Technology Co., Ltd.	Manufacturing and sales of new electronic components	580,947	Direct investment of the Corporation in Mainland China	46,478	-	-	46,478	-	6.00	-	1,320,577	-
TXC (Chongqing) Corporation	Manufacturing and sales of electronic devices and hardware components	902,514	Indirect investment of the Corporation in Mainland China through the Corporation's subsidiary in a third region	298,362	-	-	298,362	23,758	100.00	23,758	1,083,304	-
Chongqing All Suns Company Limited	Real estate intermediary service, real estate management and electronic product wholesale	312,644	Other investment of the Corporation Mainland China	-	-	-	-	(325)	100.00	(325)	330,159	-
Ningbo Jingyu Company Limited	Purchasing and selling electronic component	4,807	Other investment of the Corporation Mainland China	-	-	-	-	(931)	100.00	(931)	7,989	-

2.

Accumulated Investment in Mainland China as of March 31, 2016 (US$ in Thousand)	Investment Amounts Authorized by Investment Commission, MOEA (US$ in Thousand)	Upper Limit on Investment
$ 1,772,470	$ 1,832,878	$ -

Note: The investment in Mainland China has no maximum limitation since TXC Corporation had acquire the approval by the Industrial Development Bureau of the Company's establishment of operating head quarters in Taiwan.

TXC CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE THREE MONTHS ENDED MARCH 31, 2016
(In Thousands of New Taiwan Dollars)

1. Significant direct or indirect transactions with the investees, prices and terms of payment, unrealized gain or loss:

Company Name	Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
			Amount	%		Payment Term	Comparison with Normal Transaction	Ending Balance	%		
TXC Corporation	NGB	Purchase	$ 462,968	35	Its trading price depends on its function within the group	Similar with third parties	Its trading price depends on its function within the group	$ (452,031)	(41)	$ 23,706	
		Sale	49,100	3	〃	〃	〃	53,290	2	3,247	
	CKG	Purchase	151,973	11	〃	〃	〃	(159,771)	(14)	6,917	
GPT	NGB	Sale	101,754	45	〃	〃	〃	111,546	38	-	
	CKG	Sale	44,903	20	〃	〃	〃	77,089	26	-	

2. The transactions of properties and the profit or loss: None.

3. Endorsements guarantees or collateral directly or indirectly provided to the investees: None.

4. Financings directly or indirectly provided to the investees: Note.

5. Other transactions that significantly impacted current year’s profit or loss or financial position: None.

TXC CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2016
(In Thousands of New Taiwan Dollars)

For the three months ended March 31, 2016

No.	Company Name	Counterparty	Natural of Relationship (Note 1)	Intercompany Transactions			
				Accounts	Amount	Terms (Note 2)	Percentage of Consolidated Total Gross Sales or Total Assets (%)
0	TXC Corporation	TXC Technology, Inc.	a	Other expense - consulting expense	$ 17,973	a	1
		TXC Japan Corporation	a	Other expense - consulting expense	10,188	a	-
				Purchase	12,336	a	1
				Accounts payable	9,687	a	-
		TXC (Ningbo) Corporation	a	Sales	49,100	a	2
				Purchase	462,968	a	22
				Accounts receivable	53,290	a	-
				Accounts payable	452,031	a	3
		TXC (Chongqing) Limited	a	Purchase	151,973	a	7
				Accounts payable	159,771	a	1
		Growing profits Trading Ltd.	a	Purchase	24,662	a	1
				Accounts payable	22,996	a	-
1	TXC (Ningbo) Corporation	Growing profits Trading Ltd.	c	Purchase	101,754	c	5
				Accounts payable	111,546	c	1
		TXC (Chongqing) Limited	c	Purchase	40,396	c	2
				Accounts payable	47,011	c	-
2	TXC (Chongqing) Limited	Growing profits Trading Ltd.	c	Purchase	44,903	c	2
				Accounts payable	77,089	c	1

Note 1: a. Represent the transactions from parent company to subsidiary.
c. Represent the transactions between subsidiaries.

Note 2: In 2016, the selling price and purchasing price were not significantly different from those with third parties, except those for NGB, GPT and TXC (Chongqing) Limited which depends on its function within the Group.