HERMES MICROVISION, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015 AND 2014

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

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REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

PWCR15000024

To Hermes Microvision, Inc.

We have reviewed the accompanying consolidated balance sheets of Hermes Microvision, Inc. and its subsidiaries as of June 30, 2015 and 2014, and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the six-month periods then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express a conclusion of these consolidated financial statements based on our reviews.

We conducted our reviews in accordance with the Statement of Auditing Standards No. 36 "Engagements to Review Financial Statements" in the Republic of China. A review consists primarily of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in the Republic of China, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with the "Rules Governing the Preparation of Financial Statements by Securities Issuers" and International Accounting Standard 34 "Interim Financial Reporting " as endorsed by the Financial Supervisory Commission.

PricewaterhouseCoopers, Taiwan

PricewaterhouseCoopers, Taiwan
Hsinchu, Taiwan
Republic of China

July 31, 2015

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

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HERMES MICROVISION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)
(The consolidated balance sheets as of June 30, 2015 and 2014 are reviewed, not audited)

Assets	Notes	June 30, 2015 AMOUNT	%	December 31, 2014 AMOUNT	%	June 30, 2014 AMOUNT	%
Current assets							
Cash and cash equivalents	6(1)	$ 8,379,252	50	$ 7,396,471	49	$ 7,260,790	54
Financial assets at fair value through profit or loss - current	6(2)	918,364	6	1,101,805	7	-	-
Bond investments without active markets - current	6(4)	833,220	5	1,266,000	8	2,120,415	16
Accounts receivable, net	6(5)	3,081,763	18	2,661,783	18	1,541,741	12
Accounts receivable - related parties	7	16,996	-	20,134	-	11,036	-
Other receivables		8,351	-	7,306	-	28,936	-
Inventories, net	6(6)	2,368,490	14	1,744,812	12	1,789,492	13
Prepayments		120,000	1	94,412	1	65,083	1
Other current assets		29,647	-	4,851	-	4,721	-
Current Assets		15,756,083	94	14,297,574	95	12,822,214	96
Non-current assets							
Available - for - sale financial assets - noncurrent	6(3)	7,450	-	7,450	-	4,412	-
Property, plant and equipment, net	6(7)	965,529	6	749,531	5	453,125	4
Intangible assets	6(8)	24,709	-	12,357	-	14,403	-
Deferred income tax assets		50,129	-	50,129	-	48,626	-
Other non - current assets		7,990	-	9,435	-	7,543	-
Non - current assets		1,055,807	6	828,902	5	528,109	4
Total assets		$ 16,811,890	100	$ 15,126,476	100	$ 13,350,323	100

(Continued)

HERMES MICROVISION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)
(The consolidated balance sheets as of June 30, 2015 and 2014 are reviewed, not audited)

Liabilities and Equity	Notes	June 30, 2015 AMOUNT	%	December 31, 2014 AMOUNT	%	June 30, 2014 AMOUNT	%
Current liabilities							
Accounts payable		$ 226,757	1	$ 177,559	1	$ 142,192	1
Accounts payable - related parties	7	-	-	-	-	5	-
Other payables	6(9)(11)	3,033,164	18	1,080,525	7	1,921,936	15
Other payables - related parties	7	44,482	-	78,177	-	46,675	-
Current income tax liabilities		229,700	2	267,987	2	184,884	1
Provisions for liabilities - current	6(12)	1,687,980	10	1,471,138	10	1,173,113	9
Other current liabilities		81,972	1	87,053	1	9,504	-
Current Liabilities		5,304,055	32	3,162,439	21	3,478,309	26
Non-current liabilities							
Deferred income tax liabilities		7,798	-	12,147	-	5,042	-
Other non - current liabilities	6(10)	77,369	-	76,926	-	78,975	1
Non - current liabilities		85,167	-	89,073	-	84,017	1
Total Liabilities		5,389,222	32	3,251,512	21	3,562,326	27
Equity							
Equity attributable to owners of parent company							
Share capital							
Share capital - common stock	6(13)	710,000	4	710,000	5	710,000	5
Capital surplus	6(14)	5,432,495	33	5,431,196	36	5,428,744	41
Retained earnings	6(15)						
Legal reserve		789,999	5	466,206	3	466,206	4
Unappropriated retained earnings		4,410,796	26	5,170,809	34	3,125,725	23
Other equity interest	6(16)						
Other equity interest		28,418	-	49,650	-	15,209	-
Equity attributable to owners of the parent company		11,371,708	68	11,827,861	78	9,745,884	73
Non - controlling interest		50,960	-	47,103	1	42,113	-
Total equity		11,422,668	68	11,874,964	79	9,787,997	73
Significant contingent liabilities and unrecognised contract commitments	9						
Total liabilities and equity		$ 16,811,890	100	$ 15,126,476	100	$ 13,350,323	100

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

HERMES MICROVISION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share)
(UNAUDITED)

		Three-month periods ended June 30				Six-month periods ended June 30			
		2015		2014		2015		2014	
	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Operating revenue	6(17) and 7	$ 2,305,840	100	$ 1,880,590	100	$ 3,878,598	100	$ 3,048,245	100
Operating costs	6(6)	(684,318)	(30)	(558,838)	(30)	(1,148,099)	(30)	(904,664)	(30)
Net operating margin		1,621,522	70	1,321,752	70	2,730,499	70	2,143,581	70
Operating expenses	6(20)(21) and 7								
Selling expenses		(144,215)	(6)	(132,098)	(7)	(293,404)	(7)	(226,417)	(8)
General and administrative expenses		(129,181)	(6)	(88,309)	(5)	(255,184)	(7)	(160,274)	(5)
Research and development expenses		(381,166)	(16)	(241,700)	(13)	(703,448)	(18)	(434,119)	(14)
Total operating expenses		(654,562)	(28)	(462,107)	(25)	(1,252,036)	(32)	(820,810)	(27)
Operating profit		966,960	42	859,645	45	1,478,463	38	1,322,771	43
Non-operating income and expenses									
Other income	6(18)	19,176	1	18,806	1	42,748	1	50,129	1
Other gains and losses	6(19)	(68,229)	(3)	(113,454)	(6)	(113,956)	(3)	22,283	1
Total non-operating income and expenses		(49,053)	(2)	(94,648)	(5)	(71,208)	(2)	72,412	2
Profit before tax		917,907	40	764,997	40	1,407,255	36	1,395,183	45
Income tax expense	6(22)	(228,244)	(10)	(162,489)	(9)	(277,373)	(7)	(207,026)	(6)
Profit for the period		$ 689,663	30	$ 602,508	31	$ 1,129,882	29	$ 1,188,157	39
Other comprehensive income for the period									
Components of other comprehensive income that will not be reclassified to profit or loss									
Actuarial gain on defined benefit plan		$ 32	-	$ -	-	$ -	-	$ -	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(6)	-	-	-	-	-	-	-
Summary of components of other comprehensive income that will not be reclassified to profit or loss		26	-	-	-	-	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss									
Cumulative translation differences of foreign operations		(15,046)	(1)	(16,027)	(1)	(26,528)	-	301	-
Income tax relating to the components of other comprehensive income	6(22)	2,489	-	-	-	4,349	-	-	-
Summary of components of other comprehensive income that will be reclassified to profit or loss		(12,557)	(1)	(16,027)	(1)	(22,179)	-	301	-
Other comprehensive income for the period		($ 12,531)	(1)	($ 16,027)	(1)	($ 22,179)	-	$ 301	-
Total comprehensive income for the period		$ 677,132	29	$ 586,481	30	$ 1,107,703	29	$ 1,188,458	39
Profit, attributable to:									
Equity holders of the parent company		$ 687,918	30	$ 601,192	31	$ 1,125,780	29	$ 1,185,505	39
Non-controlling interest		1,745	-	1,316	-	4,102	-	2,652	-
Profit for the period		$ 689,663	30	$ 602,508	31	$ 1,129,882	29	$ 1,188,157	39
Total comprehensive income attributable to:									
Equity holders of the parent company		$ 675,794	29	$ 585,997	30	$ 1,104,548	29	$ 1,185,757	39
Non-controlling interest		1,338	-	484	-	3,155	-	2,701	-
Total comprehensive income for the period		$ 677,132	29	$ 586,481	30	$ 1,107,703	29	$ 1,188,458	39
Earnings per share									
Basic earnings per share	6(23)	$ 9.69		$ 8.47		$ 15.86		$ 16.70	
Diluted earnings per share	6(23)	$ 9.68		$ 8.46		$ 15.84		$ 16.67	

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

HERMES MICROVISION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	Equity attributable to owners of the parent								
				Retained Earnings						
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Cumulative translation differences of foreign operations	Total	Non-controlling interest	Total equity
For the six-month period ended June 30, 2014										
Balance at January 1, 2014		$ 710,000	$ 5,427,023	$ 231,846	$ 4,144	$ 3,306,436	$ 14,957	$ 9,694,406	$ 38,626	$ 9,733,032
Distribution of 2013 earnings:										
Legal reserve		-	-	234,360	-	(234,360)	-	-	-	-
Reversal of special reserve		-	-	-	(4,144)	4,144	-	-	-	-
Cash dividends		-	-	-	-	(1,136,000)	-	(1,136,000)	-	(1,136,000)
Profit for the period		-	-	-	-	1,185,505	-	1,185,505	2,652	1,188,157
Other comprehensive income for the period	6(16)	-	-	-	-	-	252	252	49	301
Adjustments arising from changes in percentages of ownership in subsidiary	6(14)	-	1,721	-	-	-	-	1,721	786	2,507
Balance at June 30, 2014		$ 710,000	$ 5,428,744	$ 466,206	$ -	$ 3,125,725	$ 15,209	$ 9,745,884	$ 42,113	$ 9,787,997
For the six-month period ended June 30, 2015										
Balance at January 1, 2015		$ 710,000	$ 5,431,196	$ 466,206	$ -	$ 5,170,809	$ 49,650	$ 11,827,861	$ 47,103	$ 11,874,964
Distribution of 2014 earnings:										
Legal reserve		-	-	323,793	-	(323,793)	-	-	-	-
Cash dividends		-	-	-	-	(1,562,000)	-	(1,562,000)	-	(1,562,000)
Profit for the period		-	-	-	-	1,125,780	-	1,125,780	4,102	1,129,882
Other comprehensive income for the period	6(16)	-	-	-	-	-	(21,232)	(21,232)	(947)	(22,179)
Adjustments arising from changes in percentages of ownership in subsidiary	6(14)	-	1,299	-	-	-	-	1,299	702	2,001
Balance at June 30, 2015		$ 710,000	$ 5,432,495	$ 789,999	$ -	$ 4,410,796	$ 28,418	$ 11,371,708	$ 50,960	$ 11,422,668

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

HERMES MICROVISION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated profit before tax for the period		$ 1,407,255	$ 1,395,183
Adjustments to reconcile profit before tax to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Depreciation	6(7)(20)	33,657	28,145
Amortization	6(8)(20)	2,998	2,438
Revaluation of financial assets at fair value	6(19)	(3,337)	-
Loss on disposal of property, plant, equipment and intangible assets	6(19)	644	-
Compensation cost of employee stock option	6(11)(21)	1,406	1,336
Compensation cost of stock appreciation right	6(11)(21)	706,132	273,939
Interest income	6(18)	(34,731)	(33,906)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Accounts receivable		(419,980)	15,151
Accounts receivable - related parties		3,138	2,331
Other receivables		(788)	(4,094)
Inventories		(647,707)	(274,614)
Prepayments		(25,588)	(27,405)
Other current assets		(24,796)	29,030
Other non - current assets		(104)	(101)
Net changes in liabilities relating to operating activities			
Accounts payable		49,198	(7,511)
Accounts payable - related parties		-	(323)
Other payables		(298,225)	(112,064)
Other payables - related parties		(33,695)	(22,056)
Provisions for liabilities		216,842	200,854
Other current liabilities		5,081	4,566
Other non - current liabilities		443	(83)
Cash generated from operations		937,843	1,470,816
Interest received		34,474	33,906
Income tax paid		(327,555)	(187,369)
Net cash provided by operating activities		644,762	1,317,353
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in financial assets at fair value through profit or loss		186,778	-
Proceeds from disposal of bond investments without active markets-current		405,327	787,017
Acquisition of property, plant and equipment	6(24)	(282,500)	(202,477)
Proceeds from disposal of property, plant, equipment and intangible assets		148	-
Acquisition of intangible assets	6(8)	(15,445)	(6,227)
Increased in deposits - out		1,549	1,361
Net cash provided by investing activities		295,857	579,674
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the exercise of subsidiaries' employees stock option		595	1,171
Net cash provided by financing activities		595	1,171
Effect of fluctuations in exchange rate		41,567	(8,110)
Increase in cash and cash equivalents		982,781	1,890,088
Cash and cash equivalents at beginning of period	6(1)	7,396,471	5,370,702
Cash and cash equivalents at end of period	6(1)	$ 8,379,252	$ 7,260,790

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

HERMES MICROVISION, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(Unaudited)

1. HISTORY AND ORGANIZATION

Hermes Microvision, Inc. (the "Company") was incorporated on May 19, 2003. The Company and its subsidiaries (collectively referred herein as the "Group") are engaged in the research, development, design, manufacturing and sale of precision instruments and machinery (electronic inspection equipment.) The Company's stock was listed on the GreTai Securities Market, effective from May 21, 2012. The Company obtained the certification of Corporate Governance Assessment 6009 by Taiwan Corporate Governance Association on September 30, 2014.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on July 31, 2015.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

A. IAS 19 (revised), 'Employee benefits'

The revised standard makes amendments that net interest amount, calculated by applying the discount rate to the net defined benefit asset or liability, replaces the finance charge and expected return on plan assets. The revised standard eliminates the accounting policy choice that the actuarial gains and losses could be recognised based on corridor approach or recognised in profit or loss. The revised standard requires that the actuarial gains and losses can only be recognised immediately in other comprehensive income when incurred. Past service cost will be recognised

immediately in the period incurred and will no longer be amortised using straight-line basis over the average period until the benefits become vested. An entity is required to recognise termination benefits at the earlier of when the entity can no longer withdraw an offer of those benefits and when it recognises any related restructuring costs, rather than when the entity is demonstrably committed to a termination. Additional disclosures are required for defined benefit plans. Based on the Group's assessment, the impact of the standard is in the following table.

B. IAS 1, 'Presentation of financial statements'

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

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

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

D. IFRS 13, 'Fair value measurement'

The standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard sets out a framework for measuring fair value from market participants' perspective, and requires disclosures about fair value measurements. For non-financial assets only, fair value is determined based on the highest and best use of the asset. Based on the Group's assessment, the adoption of the standard has no significant impact on its consolidated financial statements, and the Group will disclose additional information about fair value measurements accordingly.

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

None.

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

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

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
IFRS 9, 'Financial instruments'	January 1, 2018
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	January 1, 2016
Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	January 1, 2016
Accounting for acquisition of interests in joint operations (amendments to IFRS 11)	January 1, 2016
IFRS 14, 'Regulatory deferral accounts'	January 1, 2016
IFRS 15, 'Revenue from contracts with customers'	January 1, 2018
Disclosure initiative (amendments to IAS 1)	January 1, 2016
Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38)	January 1, 2016
Agriculture: bearer plants (amendments to IAS 16 and IAS 41)	January 1, 2016
Defined benefit plans: employee contributions (amendments to IAS 19R)	July 1, 2014
Equity method in separate financial statements (amendments to IAS 27)	January 1, 2016
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	January 1, 2014
IFRIC 21, 'Levies'	January 1, 2014
Improvements to IFRSs 2010-2012	July 1, 2014
Improvements to IFRSs 2011-2013	July 1, 2014
Improvements to IFRSs 2012-2014	January 1, 2016

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the following, the accounting policies applied in the consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2014. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. These consolidated financial statements are prepared by the Group in accordance with the "Rules Governing the Preparation of Financial Statements by Securities Issuers" and ISA 34, "Interim Financial Reporting" as endorsed by the FSC.

B. Please refer to the group's consolidated financial statements for the year ended December 31, 2014.

(2) Basis of preparation

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

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

(b) Available-for-sale financial assets measured at fair value.

(c) Liabilities on cash-settled share-based payment arrangement measured at fair value.

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

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

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

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

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

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

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

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

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of subsidiary	Main Business Activities	Percentage of Ownership June 30, 2015	December31, 2014	June 30, 2014	Note
Hermes Microvision Inc.	HMI Holdings Inc.	Investment holdings	100%	100%	100%	-
HMI Holdings Inc.	Hermes Microvision Korea Inc.	Marketing of e-Beam inspection equipment and its components and related technical support services	100%	100%	100%	-
HMI Holdings Inc.	Hermes Microvision Japan Inc.	Marketing of e-Beam inspection equipment and its components and related technical support services	100%	100%	100%	-
HMI Holdings Inc.	Ansing International LLC.	Investment holdings	-	100%	100%	Note
HMI Holdings Inc.	Hermes Microvision Co., Ltd. (Beijing)	Research, development and manufacturing of semiconductor machinery and equipment and related technical support services	100%	-	-	Note
HMI Holdings Inc.	HMI Investment Corp.	Investment holdings	100%	100%	-	-
Ansing International LLC.	Hermes Microvision, Co., Ltd. (Beijing)	Research, development and manufacturing of semiconductor machinery and equipment and related technical support services	-	100%	100%	Note
HMI Investment Corp.	Hermes Microvision, Inc. (USA)	Research and development center	94%	94%	-	Note
Hermes Microvision Inc.	Hermes Microvision, Inc. (USA)	Research and development center	-	-	94%	Note

Note: In consideration of the operation of the group, the Board of Directors had approved the adjustment in the group structure. As a result, investments in subsidiaries are made through HMI Holdings Inc.

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

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

E. Nature and extent of the restrictions on fund remittance from subsidiaries to the parent company: None.

(4) Pensions

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 curtailments, settlements, or other significant one-off events. Additionally, the related information is disclosed accordingly.

(5) Income tax

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pre-tax income of the interim period, and the related information is disclosed accordingly.

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

The preparation of these consolidated financial statements requires management to make critical judgments in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgments in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

A.Evaluation of inventories

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

As of June 30, 2015, the carrying amount of inventories was $2,368,490.

B.Realisability of deferred income tax assets

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. Assessment of the realisability of deferred tax assets involves critical accounting judgments and estimates of the management, including the assumptions of expected future sales revenue growth rate and profit rate, available tax credits, tax planning, etc. Any variations in global economic environment, industrial environment, and laws and regulations might cause material adjustments to deferred tax assets.

As of June 30, 2015, the Group recognized deferred tax assets amounting to $50,129.

C.Provision for warranty liability

Warranty liabilities are primarily arising from sales of equipment. The amount of the obligation is estimated based on the sufficient objective evidences, including the historical warranty records.

As of June 30, 2015, the carrying amount of accrued warranty liabilities was $1,687,980.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2015	December 31, 2014
Cash on hand	$ 255	$ 447
Checking accounts and demand deposits	1,782,377	2,272,324
Time deposits	6,596,620	5,123,700
Total	$ 8,379,252	$ 7,396,471

	June 30, 2014
Cash on hand	$ 617
Checking accounts and demand deposits	1,890,245
Time deposits	5,369,928
Total	$ 7,260,790

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

B.The Group has no cash and cash equivalences pledged to others.

(2) Financial assets at fair value through profit or loss

Items	June 30, 2015	December 31, 2014
Current items:		
Financial assets held for trading - beneficiary certificates	$ 915,000	$ 1,100,000
Valuation	3,364	1,805
Total	$ 918,364	$ 1,101,805

Items	June 30, 2014
Current items:	
Financial assets held for trading - beneficiary certificates	$ -
Valuation	-
Total	$ -

A. The Group recognized net gain (loss) of ($453), $0, $3,337 and $0 on financial assets held for trading for the three-month and six-month periods ended June 30, 2015 and 2014, respectively.

B. The Group has no financial assets at fair value through profit or loss pledged to others.

(3) Available-for-sale financial assets

Item	June 30, 2015	December 31, 2014
Non-listed and emerging stocks	$ 7,450	$ 7,450
Valuation adjustment of available-for-sale financial assets	-	-
Total	$ 7,450	$ 7,450

Item	June 30, 2014
Non-listed and emerging stocks	$ 4,412
Valuation adjustment of available-for-sale financial assets	-
Total	$ 4,412

The Group did not recognize any other comprehensive income for fair value change for the three-month and six-month periods ended June 30, 2015 and 2014, respectively.

(4) Investments in debt instrument without active markets

Item	June 30, 2015	December 31, 2014
Time deposits	$ 833,220	$ 1,266,000

Item	June 30, 2014
Time deposits	$ 2,120,415

A. The Group listed the time deposits more than 90 days in this account.

B. The Group recognized interest of $4,801, $7,941, $4,931 and $14,427 in profit for the three-month and six-month periods ended June 30, 2015 and 2014, respectively.

C. The counterparties of the Group's investments have good credit quality.

(5) Accounts receivable

	June 30, 2015	December 31, 2014
Accounts receivable	$ 3,081,763	$ 2,661,783
Less: allowance for bad debts	-	-
	$ 3,081,763	$ 2,661,783

	June 30, 2014
Accounts receivable	$ 1,541,741
Less: allowance for bad debts	-
	$ 1,541,741

A. Analysis of movement of impaired accounts receivable:

As of June 30, 2015, December 31, 2014, and June 30, 2014, the Group had no provisions for impairment of accounts receivable.

B.The Group's accounts receivable that were neither past due nor impaired were fully performing in line with the credit standards prescribed based on counterparties' industrial characteristics, scale of business and profitability, which had good credit quality.

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

(6) Inventories

	June 30, 2015		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 1,017,673	($ 178,462)	$ 839,211
Work - in - process	1,671,314	(165,808)	1,505,506
Finished goods	171,323	(147,550)	23,773
Total	$ 2,860,310	($ 491,820)	$ 2,368,490

	December 31, 2014		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 801,210	($ 204,582)	$ 596,628
Work - in - process	1,204,431	(125,020)	1,079,411
Finished goods	236,738	(167,965)	68,773
Total	$ 2,242,379	($ 497,567)	$ 1,744,812

	June 30, 2014		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 748,383	($ 173,124)	$ 575,259
Work - in - process	1,103,066	(145,319)	957,747
Finished goods	417,608	(161,122)	256,486
Total	$ 2,269,057	($ 479,565)	$ 1,789,492

The cost of inventories recognized as expense for the period:

	Three-month period ended June 30, 2015	Three-month period ended June 30, 2014
Cost of goods sold	$ 695,489	$ 517,131
Loss (gain) on decline (recovery) in market value	(11,171)	41,707
	$ 684,318	$ 558,838

	Six-month period ended June 30, 2015	Six-month period ended June 30, 2014
Cost of goods sold	$ 1,141,007	$ 820,796
Loss on decline in market value	7,092	83,868
	$ 1,148,099	$ 904,664

(7) Property, plant and equipment

	Buildings	Machinery	Computer and communication equipment	Transportation equipment	Furniture and fixtures	Leasehold improvements	Other equipment	Prepayments for equipment and construction in progress	Total
At January 1, 2015									
Cost	$ -	$ 268,525	$ 9,258	$ 6,095	$ 37,338	$ 63,744	$ 17,302	$ 611,885	$ 1,014,147
Accumulated depreciation and impairment	-	(192,608)	(4,218)	(3,530)	(22,175)	(41,082)	(1,003)	-	(264,616)
	$ -	$ 75,917	$ 5,040	$ 2,565	$ 15,163	$ 22,662	$ 16,299	$ 611,885	$ 749,531
Six-month period ended June 30, 2015									
Opening net book amount	$ -	$ 75,917	$ 5,040	$ 2,565	$ 15,163	$ 22,662	$ 16,299	$ 611,885	$ 749,531
Additions	-	3,606	922	-	25,940	715	1,987	221,901	255,071
Disposals	-	(730)	-	(51)	(11)	-	-	-	(792)
Reclassifications	103,038	3,592	-	-	-	-	8,162	(117,735)	(2,943)
Depreciation charge	-	(18,000)	(957)	(474)	(3,218)	(9,431)	(1,577)	-	(33,657)
Net exchange differences	-	(1,098)	(125)	(39)	(66)	(300)	-	(53)	(1,681)
Closing net book amount	$ 103,038	$ 63,287	$ 4,880	$ 2,001	$ 37,808	$ 13,646	$ 24,871	$ 715,998	$ 965,529
At June 30, 2015									
Cost	$ 103,038	$ 265,274	$ 9,875	$ 5,947	$ 59,569	$ 45,022	$ 26,769	$ 715,998	$ 1,231,492
Accumulated depreciation and impairment	-	(201,987)	(4,995)	(3,946)	(21,761)	(31,376)	(1,898)	-	($ 265,963)
	$ 103,038	$ 63,287	$ 4,880	$ 2,001	$ 37,808	$ 13,646	$ 24,871	$ 715,998	$ 965,529

	Machinery	Computer and communication equipment	Transportation equipment	Furniture and fixtures	Leasehold improvements	Other equipment	Prepayments for equipment and construction in progress	Total
At January 1, 2014								
Cost	$ 253,902	$ 7,515	$ 5,546	$ 26,050	$ 54,627	$ 4,088	$ 187,245	$ 538,973
Accumulated depreciation and impairment	(153,166)	(2,677)	(2,614)	(15,902)	(29,610)	(414)	-	(204,383)
	$ 100,736	$ 4,838	$ 2,932	$ 10,148	$ 25,017	$ 3,674	$ 187,245	$ 334,590
Six-month period ended June 30, 2014								
Opening net book amount	$ 100,736	$ 4,838	$ 2,932	$ 10,148	$ 25,017	$ 3,674	$ 187,245	$ 334,590
Additions	5,055	742	-	8,474	3,013	378	130,189	147,851
Reclassifications	57	-	-	-	-	(57)	-	-
Depreciation charge	(18,431)	(775)	(435)	(2,698)	(5,237)	(569)	-	(28,145)
Net exchange differences	(233)	10	(7)	(34)	(146)	-	(761)	(1,171)
Closing net book amount	$ 87,184	$ 4,815	$ 2,490	$ 15,890	$ 22,647	$ 3,426	$ 316,673	$ 453,125
At June 30, 2014								
Cost	$ 258,278	$ 8,264	$ 5,521	$ 34,435	$ 57,311	$ 4,353	$ 316,673	$ 684,835
Accumulated depreciation and impairment	(171,094)	(3,449)	(3,031)	(18,545)	(34,664)	(927)	-	($ 231,710)
	$ 87,184	$ 4,815	$ 2,490	$ 15,890	$ 22,647	$ 3,426	$ 316,673	$ 453,125

(8) Intangible assets

		Computer Software
At January 1, 2015		
Cost	$	29,396
Accumulated amortization and impairment	(	17,039)
	$	12,357
Six-month period ended June 30, 2015		
Opening net book amount	$	12,357
Additions - acquired separately		15,445
Amortization charge	(	2,998)
Net exchange differences	(	95)
Closing net book amount	$	24,709
At June 30, 2015		
Cost	$	44,604
Accumulated amortization and impairment	(	19,895)
	$	24,709

		Computer Software
At January 1, 2014		
Cost	$	22,571
Accumulated amortization and impairment	(	11,939)
	$	10,632
Six-month period ended June 30, 2014		
Opening net book amount	$	10,632
Additions - acquired separately		6,227
Amortization charge	(	2,438)
Net exchange differences	(	18)
Closing net book amount	$	14,403
At June 30, 2014		
Cost	$	28,746
Accumulated amortization and impairment	(	14,343)
	$	14,403

Details of amortization on intangible assets are as follows:

	Three-month period ended June 30, 2015	Three-month period ended June 30, 2014
Operating costs	$ -	$ -
Operating expenses	1,720	1,227
	$ 1,720	$ 1,227

	Six-month period ended June 30, 2015	Six-month period ended June 30, 2014
Operating costs	$ -	$ -
Operating expenses	2,998	2,438
	$ 2,998	$ 2,438

(9) Other payables

	June 30, 2015	December 31, 2014
Accrued salaries and bonuses	$ 1,179,143	$ 818,813
Accrued employees' bonuses and director's and supervisors' remuneration	155,669	87,995
Dividends payable	1,562,000	-
Accrued commission	31,772	40,684
Payables on equipment	18,109	45,538
Others	86,471	87,495
	$ 3,033,164	$ 1,080,525

	June 30, 2014
Accrued salaries and bonuses	$ 455,707
Accrued employees' bonuses and director's and supervisors' remuneration	143,323
Dividends payable	1,136,000
Accrued commission	36,591
Payables on equipment	22,769
Others	127,546
	$ 1,921,936

(10) Pension

A.(a)The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.

(b)For the aforementioned pension plan, the Group recognised pension costs of $517, $474, $1,035 and $949 for the three-month and six-month periods ended June 30, 2015 and 2014, respectively.

(c)Expected contributions to the defined benefit pension plan of the Group for the year ended December 31, 2015 amounts to $1,184.

B.(a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b)The Company's indirect Chinese subsidiary – Hermes Microvision Co., Ltd. (Beijing) has a funded defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (the "PRC") are based on certain percentage of the employees' monthly salaries and wages. Except for the monthly contributions, Hermes Microvision Co., Ltd. (Beijing) has no further obligations under the plan.

(c)The subsidiary Hermes Microvision, Inc. (USA) has established a 401(k) plan in accordance with Article 401(k) of the Internal Revenue Code of the U.S.A. Under the 401(k) plan, Hermes Microvision, Inc. (USA) may contribute monthly a certain amount of the employees' monthly salaries, not exceeding the maximum limit, to the employees' pension accounts based on its employee reward and retirement policy.

(d)The pension costs under defined contribution pension plans of the Group for the three-month

and six-month periods ended June 30, 2015 and 2014 were $11,749, $6,152, $23,541 and $15,321 , respectively.

(11) Share-based payment

The Group:

A. The Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Stock appreciation rights plan 1	December 31, 2013	1,104,000	3 years	Note 1
Stock appreciation rights plan 2	January 1, 2014	729,700	5 years	Note 2
Stock appreciation rights plan 3	April 1, 2014	50,500	5 years	Note 2
Stock appreciation rights plan 4	July 1, 2014	40,000	5 years	Note 2
Stock appreciation rights plan 5	October 1, 2014	61,600	5 years	Note 2
Stock appreciation rights plan 6	January 1, 2015	78,800	5 years	Note 2
Stock appreciation rights plan 7	April 1, 2015	48,800	5 years	Note 2

Note 1: 40% of the stock appreciation rights were vested since grant date and the others will be vested 7.5% every season in the next eight seasons.

Note 2: 25% of the stock appreciation rights will be vested after four seasons since grant date and the others will be vested 6.25% every season in the next 16 seasons from the first vesting date.

Each stock appreciation right represents the future appreciation of one share. The plan will be cash-settled by multiplying the execution rights of the employees and the price variance of the closing date's stock price and the executing price.

B. The fair value of stock appreciation rights are measured by using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Expected price volatility	Expected term	Expected dividends yield rate	Risk - free interest rate	Fair value per unit (in NT dollars)
Stock appreciation rights plan	December 31, 2013	43.18%	3 Years	0%	0.5332%~ 0.5595%	$1,296.00~1,298.41
Stock appreciation rights plan	January 1, 2014	41.36%~43.18%	5 Years	0%	0.5332%~ 0.7619%	$1,080.00~1,148.50
Stock appreciation rights plan	April 1, 2014	41.36%~43.18%	5 Years	0%	0.5332%~ 0.8033%	$828.00~979.75
Stock appreciation rights plan	July 1, 2014	41.36%~43.18%	5 Years	0%	0.5332%~ 0.8429%	$1,025.44~1,128.96
Stock appreciation rights plan	October 1, 2014	41.36%~43.18%	5 Years	0%	0.5450%~ 0.8790%	$1,127.80~1,953.51
Stock appreciation rights plan	January 1, 2015	41.36%~43.18%	5 Years	0%	0.5595%~ 0.9122%	$1,046.66~1,959.08
Stock appreciation rights plan	April 1, 2015	41.36%~43.18%	5 Years	0%	0.5745%~ 0.9396%	$1,078.58~1,968.76

C. Details of the stock appreciation rights plan 1 are as follows:

	Six-month period ended June 30, 2015	Six-month period ended June 30, 2014
	No. of Rights	No. of Rights
Rights outstanding at beginning of the period	691,643	1,104,000
Rights granted	-	-
Rights forfeited	(3,293)	(16,073)
Rights exercised	(198,054)	(243,958)
Rights outstanding at end of the period	490,296	843,969
Rights exercisable at end of the period	253,242	277,669

Details of the stock appreciation rights plan 2 are as follows:

	Six-month period ended June 30, 2015	Six-month period ended June 30, 2014
	No. of Rights	No. of Rights
Rights outstanding at beginning of the period	695,300	-
Rights granted	-	729,700
Rights forfeited	(16,500)	(26,500)
Rights exercised	(100,252)	-
Rights outstanding at end of the period	578,548	703,200
Rights exercisable at end of the period	115,955	-

Details of the stock appreciation rights plan 3 are as follows:

	Six-month period ended June 30, 2015	Six-month period ended June 30, 2014
	No. of Rights	No. of Rights
Rights outstanding at beginning of the period	48,500	-
Rights granted	-	50,500
Rights forfeited	-	-
Rights exercised	(5,665)	-
Rights outstanding at end of the period	42,835	50,500
Rights exercisable at end of the period	6,460	-

Details of the stock appreciation rights plan 4 are as follows:

	Six-month period ended June 30, 2015
	No. of Rights
Rights outstanding at beginning of the period	40,000
Rights granted	-
Rights forfeited	-
Rights exercised	-
Rights outstanding at end of the period	40,000
Rights exercisable at end of the period	-

Details of the stock appreciation rights plan 5 are as follows:

	Six-month period ended June 30, 2015
	No. of Rights
Rights outstanding at beginning of the period	61,600
Rights granted	-
Rights forfeited	(8,000)
Rights exercised	-
Rights outstanding at end of the period	53,600
Rights exercisable at end of the period	-

Details of the stock appreciation rights plan 6 are as follow:

	Six-month period ended June 30, 2015
	No. of Rights
Rights outstanding at beginning of the period	-
Rights granted	78,800
Rights forfeited	(4,000)
Rights exercised	-
Rights outstanding at end of the period	74,800
Rights exercisable at the end of the period	-

Details of the stock appreciation rights plan 7 are as follow:

	Six-month period ended June 30, 2015
	No. of Rights
Rights outstanding at beginning of the period	-
Rights granted	48,800
Rights forfeited	-
Rights exercised	-
Rights outstanding at end of the period	48,800
Rights exercisable at the end of the period	-

D. The weighted average stock price of stock appreciation right at exercise dates for the six-month periods ended June 30, 2015 and 2014, was $1,874 (in dollars) and $1,110 (in dollars), respectively.

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

	Three-month period ended June 30, 2015	Three-month period ended June 30, 2014
Cash settled-stock appreciation rights plan	$ 471,590	$ 86,789

	Six-month period ended June 30, 2015	Six-month period ended June 30, 2014
Cash settled-stock appreciation rights plan	$ 706,132	$ 273,939

F. Liabilities incurred from share based payment transactions are shown below:

	June 30, 2015	December 31, 2014	June 30, 2014
Liabilities on cash-settled stock appreciation rights plan	$ 951,202	$ 575,940	$ 294,401
(shown in other payables)			

Subsidiary-Hermes Microvision, Inc. (U.S.A):

A. As of June 30, 2015, the Company's subsidiary - Hermes Microvision, Inc. (U.S.A) share based payment arrangements were as follows:

Type of arrangement	Grant date	Outstanding quantity granted	Contract period	Vesting conditions
Employee stock options	April 1, 2005 ~ November 1, 2011	201,043	10 years	4 years' service

The above share - based payment arrangements are settled by equity.

B. Details of the share-based payment arrangements of Hermes Microvision Inc. (U.S.A) are as follows:

	Six-month period ended June 30, 2015		Six-month period ended June 30, 2014	
	No. of options	Weighted-average exercise price (in US dollars)	No. of options	Weighted-average exercise price (in US dollars)
Options outstanding at beginning of the period	254,574	0.8658	378,000	0.85270
Options exercised	(53,531)	0.8512	(50,342)	0.7706
Options expired	-	-	-	-
Options outstanding at end of the period	201,043	0.8697	327,658	0.8600
Options exercisable at end of the period	179,669	0.8696	147,874	0.8565

C. The weighted-average stock price of stock options at exercise dates for the six-month periods ended June 30, 2015 and 2014 was \$0.8512 (in US dollars) and \$0.7706 (in US dollars), respectively.

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

		June 30, 2015		December 31, 2014	
Date of the plan	Expiry date	No. of shares (in thousands)	Exercise price (in US dollars)	No. of shares (in thousands)	Exercise price (in US dollars)
April 1, 2005 ~ November 1, 2011	March 31, 2020~ October 31, 2021	201	\$0.56~0.87	255	\$0.56~0.87

		June 30, 2014	
Date of the plan	Expiry date	No. of shares (in thousands)	Exercise price (in US dollars)
April 1, 2005 ~ November 1, 2011	March 31, 2020~ October 31, 2021	328	\$ 0.56~0.87

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

Type of arrangement	Grant date	Exercise price (in US dollars)	Expected price volatility	Expected term	Expected dividends yield rate	Risk-free interest rate	Fair value per unit (in US dollars)
Employee stock options	April 1, 2005 ~ November 1, 2011	\$0.49~0.87	29.85%~ 42.16%	1~9.84 years	-	2.22%~ 5.2%	\$0.1043~ 0.4954

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

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

	Three-month period ended June 30, 2015	Three-month period ended June 30, 2014
Equity-settled	\$ 879	\$ 670

	Six-month period ended June 30, 2015	Six-month period ended June 30, 2014
Equity-settled	\$ 1,406	\$ 1,336

(12) Provisions

	Warranty
At January 1, 2015	\$ 1,471,138
Additional provisions	216,842
At June 30, 2015	\$ 1,687,980

	Warranty
At January 1, 2014	\$ 972,259
Additional provisions	200,854
At June 30, 2014	\$ 1,173,113

(13) Share capital

A. As of June 30, 2015, the Company's authorized capital was \$1,200,000, consisting of 120,000 thousand shares of ordinary stock, and the paid-in capital was \$710,000 with a par value of \$10 (in NT dollars) per share. All proceeds from shares issued have been collected.

B. As authorized during the shareholders' meeting on June 4, 2013, the Board of Directors adopted a resolution in the July 31, 2013 meeting to increase capital by issuance of Global Deposit Receipts ("GDRs"). The offering was completed in November 2013 with the issuance of 5,000 thousand new shares and 5,000 thousand existing outstanding shares, totaling 10,000 thousand units to be listed in Luxembourg Stock Exchange. Each unit of GDRs represents 1 common share. The issue price was US$29.17 per unit, which is equivalent to NT$860 per unit. Total proceeds raised were $4,238,036 after deducting the issuance costs. As of June 30, 2015, the outstanding shares of GDRs were 650 thousand units representing 650 thousand shares.

(14) Capital surplus

Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized as mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	Share premium	Adjustments arising from changes in ownership percentage in subsidiary
At January 1, 2015	$ 5,411,867	$ 19,329
Adjustments arising from changes in ownership percentage in subsidiary	-	1,299
At June 30, 2015	$ 5,411,867	$ 20,628

	Share premium	Adjustments arising from changes in ownership percentage in subsidiary
At January 1, 2014	$ 5,411,867	$ 15,156
Adjustments arising from changes in ownership percentage in subsidiary	-	1,721
At June 30, 2014	$ 5,411,867	$ 16,877

(15) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior year's operating losses and then 10% of the remaining amount shall be set aside as legal reserve. Appropriation of the remainder shall be proposed by the Board of Directors and resolved by the stockholders.

B. As the Company's industry is in the growth stage, in order to be in line with the industry's overall environment and its characteristics and pursue the goals of the Company's sustainable operations and shareholders' long-term interests, the dividend policy is adopted taking into consideration the Company's actual operating results of the dividend distribution year and the capital budget planning of the following year. Dividends are distributed in the form of stock or cash. According to the Company's dividend policy, cash dividends shall account for at least 10% of the total dividends distributed.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When the debit balance on other equity items is reversed subsequently, the amount of the associated special reserve could be released and included in the distributable earnings.

E. The dividend distribution for 2014 and 2013 was approved by shareholders on May 29, 2014 and June 6, 2014 and amounted to $1,562,000 ($22 (in dollars) per share) and $1,136,000 ($16 (in dollars) per share), respectively.

F. For information relating to employee's remuneration (bonuses) and directors' and supervisors' remuneration, please refer to Note 6(21).

(16) Other equity

		Currency translation
At January 1, 2015	$	49,650
Cumulative translation difference of foreign operations	(	25,581)
Tax on cumulative translation difference of foreign operations		4,349
At June 30, 2015	$	28,418

		Currency translation
At January 1, 2014	$	14,957
Cumulative translation difference of foreign operations		252
At June 30, 2014	$	15,209

(17) Operating revenue

	Three-month period ended June 30, 2015	Three-month period ended June 30, 2014
Sales revenue	$ 2,204,000	$ 1,819,716
Other operating revenue	101,840	60,874
	$ 2,305,840	$ 1,880,590

	Six-month period ended June 30, 2015	Six-month period ended June 30, 2014
Sales revenue	$ 3,694,103	$ 2,934,892
Other operating revenue	184,495	113,353
	$ 3,878,598	$ 3,048,245

(18) Other income

	Three-month period ended June 30, 2015	Three-month period ended June 30, 2014
Interest income:		
Interest income from bank deposits	$ 13,614	$ 10,727
Interest income from financial assets	4,801	7,941
Others	761	138
Total	$ 19,176	$ 18,806

	Six-month period ended June 30, 2015	Six-month period ended June 30, 2014
Interest income:		
Interest income from bank deposits	$ 29,800	$ 19,479
Interest income from financial assets	4,931	14,427
Others	8,017	16,223
Total	$ 42,748	$ 50,129

(19) Other gains and losses

	Three-month period ended June 30, 2015	Three-month period ended June 30, 2014
Gains on disposal of property, plant and equipment	($ 655)	$ -
Net currency exchange gain (loss)	(67,058)	(113,417)
Gains on valuation of financial assets	(877)	-
Gain on disposal of investments of financial assets	424	-
Other losses	(63)	(37)
Total	($ 68,229)	($ 113,454)

	Six-month period ended June 30, 2015	Six-month period ended June 30, 2014
Gains on disposal of property, plant and equipment	($ 644)	$ -
Net currency exchange gain (loss)	(116,297)	22,325
Gains on valuation of financial assets	1,559	-
Gain on disposal of investments of financial assets	1,778	-
Other losses	(352)	(42)
Total	($ 113,956)	$ 22,283

(20) Expenses by nature

	Three-month period ended June 30, 2015	Three-month period ended June 30, 2014
Employee benefit expense	$ 888,483	$ 437,861
Depreciation charges on property, plant and equipment	16,470	14,189
Amortization charges on intangible assets	1,720	1,227
Total	$ 906,673	$ 453,277

	Six-month period ended June 30, 2015	Six-month period ended June 30, 2014
Employee benefit expense	$ 1,541,880	$ 802,253
Depreciation charges on property, plant and equipment	33,657	28,145
Amortization charges on intangible assets	2,998	2,438
Total	$ 1,578,535	$ 832,836

(21) Employee benefit expense

	Three-month period ended June 30, 2015		Three-month period ended June 30, 2014	
Wages and salaries	$	335,753	$	311,105
Compensation cost of employee stock options and stock appreciation right		472,469		87,459
Labor and health insurance fees		41,178		20,230
Pension costs		12,266		6,626
Other personnel expenses		26,817		12,441
	$	888,483	$	437,861

	Six-month period ended June 30, 2015		Six-month period ended June 30, 2014	
Wages and salaries	$	711,516	$	441,715
Compensation cost of employee stock options and stock appreciation right		707,538		275,275
Labor and health insurance fees		64,348		41,274
Pension costs		24,576		16,270
Other personnel expenses		33,902		27,719
	$	1,541,880	$	802,253

A. According to the Articles of Incorporation of the Company, when distributing earnings, the Company shall distribute bonus to the employees and pay remuneration to the directors and supervisors that account for no less than 1% and 1%, respectively, of the total distributed amount.

However, in accordance with the Company Act amended on May 20, 2015, a company shall distribute employee remuneration, based on the current year's profit condition, in a fixed amount or a proportion of profits. If a company has accumulated deficit, earnings should be channeled to cover losses. Aforementioned employee remuneration could be paid by cash or stocks. Specifics of the compensation are to be determined in a board meeting that registers two-thirds of directors in attendance, and the resolution must receive support from half of participating members. The resolution should be reported to the shareholders at shareholders' meeting. Qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive aforementioned stock or cash may be specified in the Articles of Incorporation.

The company will propose an amendment on the clause relating to employee remuneration in the Articles of Incorporation in accordance with the latest amendment of Company Act at shareholder's meeting. Hence, at this fiscal year, employee remuneration will be accrued according to the financial performance this year and the latest amendment of Company Act.

B.For the three-month and the six-month periods ended June 30, 2015 and 2014, employees' remuneration (bonus) was accrued at $46,782, $29,013, $71,522 and $43,526, respectively; directors' and supervisors' remuneration was accrued at $4,678, $2,902, $7,152 and $4,353, respectively. The aforementioned amounts were recognized in salary expenses. The expenses recognised for the year of 2015 were accrued based on the earnings of current year; the expenses recognised for the year of 2014 were accrued based on the net income of 2014 and the percentage specified in the Articles of Incorporation of the Company, taking into account other factors such as legal reserve.

Information about the appropriation of employees' bonus and directors' and supervisors' remuneration by the Company as proposed by the Board of Directors and resolved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(22) Income tax

A. Income tax expense

a) Components of income tax expense:

	Three-month period ended June 30, 2015	Three-month period ended June 30, 2014
Current tax:		
Current tax on profits for the period	$ 116,432	$ 156,209
Tax on undistributed surplus earnings	134,480	-
Adjustments in respect of prior period	(22,668)	6,280
Total current tax	228,244	162,489
Deferred tax:		
Origination and reversal of temporary differences	-	-
Income tax expense	$ 228,244	$ 162,489

	Six-month period ended June 30, 2015	Six-month period ended June 30, 2014
Current tax:		
Current tax on profits for the period	$ 165,561	$ 200,746
Tax on undistributed surplus earnings	134,480	-
Adjustments in respect of prior period	(22,668)	6,280
Total current tax	277,373	207,026
Deferred tax:		
Origination and reversal of temporary differences	-	-
Income tax expense	$ 277,373	$ 207,026

b) The income tax (charge)/credit relating to components of other comprehensive income are as follows:

	Three-month period ended June 30, 2015	Three-month period ended June 30, 2014
Cumulative translation differences of foreign operations	$ 2,489	$ -
Actuaril loss on defined benefit plan	(6)	-

	Six-month period ended June 30, 2015	Six-month period ended June 30, 2014
Cumulative translation differences of foreign operations	$ 4,349	$ -
Actuaril loss on defined benefit plan	-	-

B. As of June 30, 2015, the Company's income tax returns have been assessed and approved by the Tax Authority through 2012.

C. Unappropriated retained earnings:

	June 30, 2015	December 31, 2014	June 30, 2014
Earnings generated in and after 1998	$ 4,410,796	$ 5,170,809	$ 3,125,725

D. As of June 30, 2015, December 31, 2014 and June 30, 2014, the balance of the imputation tax credit account was $334,351, $254,610 and $173,895, respectively. The creditable tax rate was 10.18% for 2014 and was estimated to be 7.58% for 2015.

E. The Company's products are qualified for a five-year exemption on income tax under the

"Incentives for Emerging Important Strategic Industries in Manufacturing and Technology Services". The income tax is valid from January 1, 2012 to December 31, 2016.

(23) Earnings per share

	Three-month period ended June 30, 2015		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to equity holders of the parent company	$ 687,918	71,000	$ 9.69
Diluted earnings per share		-	
Profit attributable to equity holders of the parent company	$ 687,918	71,000	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	72	
Profit attributable to equity holders of the parent company plus assumed conversion of all dilutive potential ordinary shares	$ 687,918	71,072	$ 9.68

	Three-month period ended June 30, 2014		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to equity holders of the parent company	$ 601,192	71,000	$ 8.47
Diluted earnings per share		-	
Profit attributable to equity holders of the parent company	$ 601,192	71,000	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	93	
Profit attributable to equity holders of the parent company plus assumed conversion of all dilutive potential ordinary shares	$ 601,192	71,093	$ 8.46

	Six-month period ended June 30, 2015		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to equity holders of the parent company	$ 1,125,780	71,000	$ 15.86
Diluted earnings per share			
Profit attributable to equity holders of the parent company	$ 1,125,780	71,000	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	72	
Profit attributable to equity holders of the parent company plus assumed conversion of all dilutive potential ordinary shares	$ 1,125,780	71,072	$ 15.84

	Six-month period ended June 30, 2014		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to equity holders of the parent company	$ 1,185,505	71,000	$ 16.70
Diluted earnings per share			
Profit attributable to equity holders of the parent company	$ 1,185,505	71,000	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	104	
Profit attributable to equity holders of the parent company plus assumed conversion of all dilutive potential ordinary shares	$ 1,185,505	71,104	$ 16.67

(24) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Six-month period ended June 30, 2015	Six-month period ended June 30, 2014
Purchase of property, plant and equipment	$ 255,071	$ 147,851
Add: opening balance of payable on equipment	45,538	77,395
Less: ending balance of payable on equipment	(18,109)	(22,769)
Cash paid during the period	$ 282,500	$ 202,477

B. Financing activities with no cash flow effects:

	Six-month period ended June 30, 2015	Six-month period ended June 30, 2014
Cash dividends declared	$ 1,562,000	$ 1,136,000

7. RELATED PARTY TRANSACTIONS

(1) Significant transactions and balances with related parties

A. Operating revenue:

	Three-month period ended June 30, 2015	Three-month period ended June 30, 2014
Sales of goods:		
The entity with significant influence over the Group	$ 11,204	$ 9,962

	Six-month period ended June 30, 2015	Six-month period ended June 30, 2014
Sales of goods:		
The entity with significant influence over the Group	$ 25,596	$ 14,882

There are no significant differences in sale prices and collection terms between related parties and third parties.

B.Purchases of services:

	Three-month period ended June 30, 2015	Three-month period ended June 30, 2014
Technology service charge - The entity with significant influence over the Group	$ 5,193	$ -
Commission expense - The entity with significant influence over the Group	$ 8,362	$ -
Other expenses - The entity with significant influence over the Group	$ 4	$ 3

	Six-month period ended June 30, 2015	Six-month period ended June 30, 2014
Technology service charge - The entity with significant influence over the Group	$ 11,758	$ 3,818
Commission expense - The entity with significant influence over the Group	$ 20,030	$ 2,545
Other expenses - The entity with significant influence over the Group	$ 8	$ 10

The above transactions are under normal commercial terms and conditions.

C.Accounts receivable:

	June 30, 2015	December 31, 2014
Receivables from the entity with significant influence over the Group	$ 16,996	$ 20,134

	June 30, 2014
Receivables from the entity with significant influence over the Group	$ 11,036

The receivables from the entity with significant influence over the Group arise mainly from sale transactions. The receivables are due from 30~60 day after the date of sales. The receivables are unsecured in nature and bear no interest. There are no provisions accrued against receivables from related parties.

D.Accounts payable:

	June 30, 2015	December 31, 2014
Payables from the entity with significant influence over the Group	$ -	$ -

	June 30, 2014
Payables from the entity with significant influence over the Group	$ 5

E.Other payables:

	June 30, 2015	December 31, 2014
Payables from the entity with significant influence over the Group	$ 44,482	$ 78,177

	June 30, 2014
Payables from the entity with significant influence over the Group	$ 46,675

F.Leases

	Three-month period ended June 30, 2015	Three-month period ended June 30, 2014
Rental expense-		
The entity with significant influence over the Group	$ 1,864	$ 5,764

	Six-month period ended June 30, 2015	Six-month period ended June 30, 2014
Rental expense- The entity with significant influence over the Group	$ 6,936	$ 11,458

(2) Key management compensation

	Three-month period ended June 30, 2015	Three-month period ended June 30, 2014
Salaries and other short-term employee benefits	$ 7,650	$ 10,450
Share-based payment	14,143	40
	$ 21,793	$ 10,490

	Six-month period ended June 30, 2015	Six-month period ended June 30, 2014
Salaries and other short-term employee benefits	$ 20,748	$ 22,523
Share-based payment	16,411	43,253
	$ 37,159	$ 65,776

8. PLEDGED ASSETS

None.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. Operating leases commitments

The Group leases offices and plant assets under non-cancellable operating lease agreements. Rental expense of $20,177, $24,852, $43,557 and $41,952 were recognized for the three-month and six-month periods ended June 30, 2015 and 2014, respectively.

The majority of lease agreements are renewable at the end of the lease periods at market rates.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	June 30, 2015	December 31, 2014
Not later than one year	$ 52,606	$ 42,287
Later than one year but not later than five years	178,887	141,639
Later than five years	61,370	76,098
Total	$ 292,863	$ 260,024

	June 30, 2014
Not later than one year	$ 54,258
Later than one year but not later than five years	145,617
Later than five years	91,619
Total	$ 291,494

B. Capital commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	June 30, 2015	December 31, 2014
Future payments for plant and equipment	$ 73,800	$ 210,643

	June 30, 2014
Future payments for plant and equipment	$ 502,327

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital risk management

In order to safeguard the Group's ability to adapt to the changes in the industry and to accelerate the new product development, the Group's objectives when managing capital are to maintain sufficient financial resources to support the operating capital, capital expenditures, research and development activities and dividends paid to shareholders.

The Group monitors capital through the ratio of total liabilities divided by total assets. The Group's strategy is to maintain the ratio within 50%. As of June 30, 2015, December 31, 2014 and June 30, 2014, the Group's ratios of total liabilities divided by total assets were as follows:

	June 30, 2015	December 31, 2014
Total liabilities	$ 5,389,222	$ 3,251,512
Total assets	$ 16,811,890	$ 15,126,476
Total liabilities/total assets ratio	32%	21%

	June 30, 2014
Total liabilities	$ 3,562,326
Total assets	$ 13,350,323
Total liabilities/total assets ratio	27%

(2) Financial instruments

A. Fair value information of financial instruments

The carrying amounts of the Group's financial instruments measured at amortized cost approximate their fair values. These include cash and cash equivalents, notes payable, accounts receivable, other receivables, short-term loans, notes payable, accounts payable and other payables.

B. Financial risk management policies

a) No significant change is made in the three-month and six-month periods ended June 30, 2015. For more information, please refer to the company and its subsidiaries' consolidated financial statements for the year ended December 31, 2014, Note 12.

C. Significant financial risks and degrees of financial risks

a) Market risk

Foreign exchange risk

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

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

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

iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, RMB, KRW and JPY). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the

exchange rate fluctuations is as follows:

	June 30, 2015		
	Foreign Currency Amount (In Thousands)	Exchange Rate	Book Value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 167,049	30.860	$ 5,155,129
JPY:NTD	366,803	0.252	92,581
USD:KRW	648	1,107.880	19,986
USD:JPY	12,564	122.266	387,713
CNY:NTD	1,392	6.204	42,969
Financial liabilities			
Monetary items			
USD:NTD	$ 16,446	30.860	$ 507,522
USD:JPY	12,669	122.266	390,967

	December 31, 2014		
	Foreign Currency Amount (In Thousands)	Exchange Rate	Book Value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 195,290	31.650	$ 6,180,932
USD:JPY	479	119.620	15,149
USD:CNY	1,330	6.220	42,091
Financial liabilities			
Monetary items			
USD:NTD	$ 10,089	31.650	$ 319,318
USD:KRW	232	1,082.980	251,670

	June 30, 2014				
	Foreign Currency Amount (In Thousands)		Exchange Rate	Book Value (NTD)	
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	$	176,858	29.865	$	5,281,864
USD:JPY		799	101.375		23,862
Financial liabilities					
Monetary items					
USD:NTD	$	6,583	29.865	$	196,601
USD:JPY		379	101.375		11,319

v. Please refer to the following table for the detail of unrealized exchange gain (loss) arising from significant foreign exchange variation on the monetary items held by the Group.

	Three-month period ended June 30, 2015				
	Foreign Currency Amount (In Thousands)		Exchange Rate	Book Value (NTD)	
Financial assets					
Monetary items					
USD:NTD	$	-	30.860	($	26,849)
CNY:NTD		-	4.973	(	7)
JPY:NTD		-	0.252	(	2,936)
EUR:NTD		-	34.460		1
USD:KRW	(	5,050)	1,107.880	(	142)
USD:JPY	(	3,467)	122.226	(	876)
USD:CNY		2	6.204		10
Financial liabilities					
Monetary items					
USD:NTD	$	-	30.860	($	2,263)
CNY:NTD		-	4.973		-
JPY:NTD		-	0.252		133
EUR:NTD		-	34.460	(	8)
USD:KRW	(	5,784)	1,107.880	(	162)
USD:JPY	(	2,603)	122.266	(	657)
USD:CNY		5	6.204		27

	Three-month period ended June 30, 2014		
	Foreign Currency Amount (In Thousands)	Exchange Rate	Book Value (NTD)
Financial assets			
Monetary items			
USD:NTD	$ -	29.865	($ 232,825)
CNY:NTD	-	4.811	(3)
JPY:NTD	-	0.295	(1)
EUR:NTD	-	40.780	(1)
USD:KRW	950	1,004.541	26
USD:JPY	(14,301)	101.375	(4,233)
USD:CNY	(31)	6.208	(153)
Financial liabilities			
Monetary items			
USD:NTD	$ -	29.865	($ 365)
CNY:NTD	-	4.811	(3)
JPY:NTD	-	0.295	(24)
EUR:NTD	-	40.780	-
USD:KRW	63,168	1,004.541	1,853
USD:JPY	515	101.375	152
USD:CNY	(7)	6.208	(36)

	Six-month period ended June 30, 2015		
	Foreign Currency Amount (In Thousands)	Exchange Rate	Book Value (NTD)
Financial assets			
Monetary items			
USD:NTD	$ -	30.860	($ 54,864)
CNY:NTD	-	4.973	(1)
JPY:NTD	-	0.252	(4,036)
EUR:NTD	-	34.460	(11)
USD:KRW	(3,646)	1,107.880	(102)
USD:JPY	(3,375)	122.266	(852)
USD:CNY	(8)	6.204	(40)
Financial liabilities			
Monetary items			
USD:NTD	$ -	30.860	($ 905)
CNY:NTD	-	4.973	-
JPY:NTD	-	0.252	41
EUR:NTD	-	34.460	-
USD:KRW	(4,478)	1,107.880	(125)
USD:JPY	(2,618)	122.266	(661)
USD:CNY	1	6.204	6

	Six-month period ended June 30, 2014		
	Foreign Currency Amount (In Thousands)	Exchange Rate	Book Value (NTD)
Financial assets			
Monetary items			
USD:NTD	$ -	29.865	($ 5,685)
CNY:NTD	-	4.811	-
JPY:NTD	-	0.295	-
EUR:NTD	-	40.780	-
USD:KRW	(1,680)	1,004.541	(50)
USD:JPY	(217)	101.375	(64)
USD:CNY	(3)	6.208	(15)
Financial liabilities			
Monetary items			
USD:NTD	$ -	29.865	$ 2,119
CNY:NTD	-	4.811	-
JPY:NTD	-	0.295	2
EUR:NTD	-	40.780	-
USD:KRW	35,815	1,004.541	1,065
USD:JPY	482	101.375	142
USD:CNY	-	6.208	-

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

	Six-month period ended June 30, 2015		
	Sensitivity Analysis		
	Extent of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 51,551	$ -
JPY:NTD	1%	926	-
USD:KRW	1%	200	
USD:JPY	1%	3,877	-
USD:CNY	1%	430	-
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 5,075	$ -
USD:JPY	1%	3,910	

	Six-month period ended June 30, 2014		
	Sensitivity Analysis		
	Extent of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 52,819	$ -
USD:JPY	1%	239	-
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 1,966	$ -
USD:JPY	1%	113	-

Price risk

The Group's investments in equity securities consist of unlisted stocks, which are classified on the consolidated balance sheet as available-for-sale financial assets. The price of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased / decreased by 5% with all other variables held constant, total equity for the six-month periods ended June 30, 2015 and 2014 would have increased / decreased by $373 and $221, as a result of gains / losses on equity securities classified as available-for-sale.

Interest rate risk

At June 30, 2015 and 2014, if interest rates on NTD-denominated time deposits had been 0.25% higher/lower with all other variables held constant, post-tax profit for the six-month periods ended June 30, 2015 and 2014 would have been $18,575 and $23,415 lower / higher, respectively, mainly as a result of higher/lower interest revenue on floating rate time deposits.

b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored. Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions.

ii. No credit limits were exceeded during the reporting periods, and management does not expect any significant losses from non-performance by these counterparties.

c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, and compliance with internal balance sheet ratio targets.

ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group finance. Group finance invests surplus cash in interest bearing current accounts that are expected to readily generate cash inflows for managing liquidity risk.

iii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining periods at the balance sheet date to the

contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:		
June 30, 2015		Less than 1 year
Accounts payable	$	226,757
Other payables		3,033,164
Other payables - related parties		44,482

Non-derivative financial liabilities:		
December 31, 2014		Less than 1 year
Accounts payable	$	177,559
Other payables		1,080,525
Other payables - related parties		78,177

Non-derivative financial liabilities:		
June 30, 2014		Less than 1 year
Accounts payable	$	142,192
Accounts payable - related parties		5
Other payables		1,921,936
Other payables - related parties		46,675

(3) Fair value information

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

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The Goup does not invest any assets in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

C. The following table presents the Group's financial assets and liabilities that are measured at fair value as of June 30, 2015, December 31, 2014 and June 30, 2014：

June 30, 2015	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Held for trading financial assets	$ 918,364	$ -	$ -	$ 918,364
Equity securities	-	-	7,450	7,450
Total	$ 918,364	$ -	$ 7,450	$ 925,814

December 31, 2014	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Held for trading financial assets	$1,101,805	$ -	$ -	$1,101,805
Equity securities	-	-	7,450	7,450
Total	$1,101,805	$ -	$ 7,450	$1,109,255

June 30, 2014	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Equity securities	$ -	$ -	$ 4,412	$ 4,412
Total	$ -	$ -	$ 4,412	$ 4,412

D. The methods and assumptions the Group used to measure fair value are as follows:

The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares	Closed-end fund	Open-end fund	Government bond	Corporate bond	Convertible (exchangeable) bond
Market quoted price	Closing price	Closing price	Net asset value	Transaction price	Weighted average quoted	Closing

E. For the six-month periods ended June 30, 2015 and 2014, there was no transfer between Level 1 and Level 2.

F. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or

regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the closing price or the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily equity instruments and debt instruments classified as financial assets/financial liabilities at fair value through profit or loss or available - for - sale financial assets.

G. The following table presents the changes in level 3 instruments as of June 30, 2015 and 2014.

	2015	
	Equity securities	
At January 1	$	7,450
Acquisition		-
At June 30	$	7,450

	2014	
	Equity securities	
At January 1	$	4,412
Acquisition		-
At June 30	$	4,412

H. Finance segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at June 30, 2015		Valuation technique	Significant unobservable input	Range (weighte average)	Relationship of inputs to fair value
Venture capital shares Private equity fund	$	7,450	Net asset value	Not applicable	-	Not applicable

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: Please refer to table 2.

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

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

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 3.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 4.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 8.

14. SEGMENT INFORMATION

(1) Segment information

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

Six-month period ended June 30, 2015

	Amount
Revenue from external customers	$ 3,878,598
Inter-segment revenue	$ -
Segment income	$ 1,407,255
Total segment assets	$ 16,811,890

Six-month period ended June 30, 2014

	Amount
Revenue from external customers	$ 3,048,245
Inter-segment revenue	$ -
Segment income	$ 1,395,183
Total segment assets	$ 13,350,323

(2) Reconciliation for segment income (loss)

None.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

For the six-month period ended June 30, 2015

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of June 30, 2015 Number of shares	Book value (Note 3)	Ownership (%)	Fair value	Footnote (Note 4)
Hermes Microvision, Inc.	TransPacific Medtech Fund, L.P.	Non-related party	Available-for -sale financial assets-noncurrent	-	$ 7,450	25%	$ 7,450	None
〃	Jih Sun Money Market Fund	〃	Financial assets at fair value through profit and loss-current	13,788,908	201,075	-	201,075	〃
〃	Franklin Templeton SinoAm Money Market Fund	〃	〃	9,948,637	101,172	-	101,172	〃
〃	Yuanta China Opportunity Bond Fund	〃	〃	7,105,031	75,879	-	75,879	〃
〃	Franklin Templeton SinoAm Global Bd Acc Fund	〃	〃	2,897,732	38,841	-	38,841	〃
〃	Fuh Hwa Emerging Market RMB Short-Term Income Fund	〃	〃	7,367,387	77,063	-	77,063	〃
〃	Fuh Hwa Global Fixed Income Fund of Funds	〃	〃	5,296,610	74,841	-	74,841	〃
〃	Fuh Hwa Strategic High Income Fund of Funds	〃	〃	7,923,930	100,951	-	100,951	〃
〃	Union Advantage Global FI Portfolio Fund	〃	〃	3,207,678	49,365	-	49,365	〃
〃	UPAMC Global Fixed Income Selection Fund	〃	〃	4,194,666	49,298	-	49,298	〃
〃	Fuh Hwa Olympic II Global Fund of Funds	〃	〃	3,773,585	49,698	-	49,698	〃
〃	Franklin Templeton SinoAm Global Growth Fund	〃	〃	2,935,421	29,677	-	29,677	〃
〃	Jih Sun Asian High Yield Bond Fund	〃	〃	4,359,882	50,944	-	50,944	〃
〃	Nomura Global Bond Portfolio	〃	〃	1,521,017	19,560	-	19,560	〃

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.
Note 2: Leave the column blank if the issuer of marketable securities is non-related party.
Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.
Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

Table 2

Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital

For the six-month period ended June 30, 2015

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2015		Addition (Note 3)		Disposal (Note 3)				Balance as at June 30, 2015	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
Hermes Microvision, Inc.	Franklin Templeton SinoAm Money Market Fund	Financial assets at fair value through profit or loss	-	-	24,703,413	$ 250,456	-	$ -	14,754,776	$ 150,000	$ 150,000	$ -	9,948,637	$ 101,172
	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss	-	-	12,198,581	200,321	8,511,748	140,000	20,710,329	340,635	340,000	635	-	-
	Union Money Market Fund	Financial assets at fair value through profit or loss	-	-	7,715,275	100,135	7,690,592	100,000	15,405,868	200,257	200,000	257	-	-
	Fuh Hwa Monney Market Fund	Financial assets at fair value through profit or loss	-	-	-	-	14,045,536	200,000	14,045,536	200,076	200,000	76	-	-

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

For the six-month period ended June 30, 2015

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote (Note 2)
Hermes Mirovision, Inc.	Hermes Microvision Japan Inc.	Subsidiary	Sales	($ 485,230)	(13%)	30 days after delivery	Approximately the same with third party transactions	Approximately the same with third party transactions	$ 482,494	16%	
〃	Hermes Microvision Inc. (US)	〃	Sales	(157,249)	(4%)	30 days after acceptance	〃	〃	54,885	2%	
〃	Hermes Microvision Inc. (US)	〃	Purchases	404,065	38%	30 days after delivery	〃	〃	(120,458)	(53%)	
〃	HERMES MICROVISION CO., LTD (BEIJING)	〃	Purchases	120,445	10%	30 days after delivery	〃	〃	(38,576)	(17%)	

Note 1: If terms of related-party transactions are different from third-party transactions, explain the differences and reasons in the 'Unit price' and 'Credit term' columns.

Note 2: In case related-party transaction terms involve advance receipts (prepayments) transactions, explain in the footnote the reasons, contractual provisions, related amounts, and differences in types of transactions compared to third-party transactions.

Note 3: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

For the six-month period ended June 30, 2015

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2015 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Hermes Mirovision, Inc.	Hermes Microvision Japan Inc.	Subsidiary	$ 482, 494	4. 00	$ -	-	$ 8, 880	-
Hermes Mirovision, Inc. (US)	Hermes Mirovision, Inc.	Subsidiary	120,458	8.33	-	-	110,183	-

Note 1: Fill in separately the balances of accounts receivable–related parties, notes receivable–related parties, other receivables–related parties....

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Table 5

Significant inter-company transactions during the reporting periods

For the six-month period ended June 30, 2015

Expressed in thousands of NTD

(Except as otherwise indicated)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Hermes Microvision Inc. (TW)	Hermes Microvision Inc. (US)	1	Sales	$ 157,249	The price and terms were based on the ordinary course of business	4.05%
0	"	"	1	Purchases	404,065	The price and terms were based on the ordinary course of business	10.42%
0	"	"	1	Contracted research expense	687,617	No similar types of transactions for comparison as these transactions were based on mutually agreed price and terms	17.73%
0	"	"	1	Other expenses	61,748	No similar types of transactions for comparison as these transactions were based on mutually agreed price and terms	1.59%
0	"	"	1	Cost of goods sold	134,823	No similar types of transactions for comparison as these transactions were based on mutually agreed price and terms	3.48%
0	"	"	1	Accounts receivable	54,885	Net 30 days, after delivery	0.33%
0	"	"	1	Accounts payable	120,458	Net 30 days, after acceptance	0.72%
0	"	"	1	Other payable	247,569	Net 30 days, after acceptance	1.47%
0	"	Hermes Microvision Japan Inc.	1	Sales	485,230	The price and terms were based on the ordinary course of business	12.51%
0	"	"	1	Other expenses	14,686	No similar types of transactions for comparison as these transactions were based on mutually agreed price and terms	0.38%
0	"	"	1	Accounts receivable	482,494	Net 30 days, after delivery	2.87%
0	"	Hermes Microvision Korea Inc.	1	Sales	15,931	The price and terms were based on the ordinary course of business	0.41%
0	"	"	1	Purchases	13,323	The price and terms were based on the ordinary course of business	0.34%

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
0	"	"	1	Contracted research expense	10,656	The price and terms were based on the ordinary course of business	0.27%
0	Hermes Microvision Inc. (TW)	"	1	Other expenses	10,109	No similar types of transactions for comparison as these transactions were based on mutually agreed price and terms	0.26%
0	"	"	1	Accounts receivable	12,666	Net 30 days, after delivery	0.08%
0	"	"	1	Other payable	15,698	Net 30 days, after acceptance	0.09%
0	"	HERMES MICROVISION CO., LTD (BEIJING)	1	Purchases	120,445	The price and terms were based on the ordinary course of business	3.11%
0	"	"	1	Accounts payable	38,576	Net 30 days, after acceptance	0.23%
1	Hermes Microvision Inc. (US)	Hermes Microvision Inc. (TW)	2	Sales	404,065	The price and terms were based on the ordinary course of business	10.42%
1	"	"	2	Purchases	157,249	The price and terms were based on the ordinary course of business	4.05%
1	"	"	2	Contracted research revenue	687,617	No similar types of transactions for comparison as these transactions were based on mutually agreed price and terms	17.73%
1	"	"	2	Other income	61,748	No similar types of transactions for comparison as these transactions were based on mutually agreed price and terms	1.59%
1	"	"	2	Accounts payable	54,885	Net 30 days, after acceptance	0.33%
1	"	"	2	Accounts receivable	120,458	Net 30 days, after delivery	0.72%
1	"	"	2	Other receivable	247,569	Net 30 days, after delivery	1.47%
1	"	HERMES MICROVISION CO., LTD (BEIJING)	3	Sales	26,790	The price and terms were based on the ordinary course of business	0.69%
1	"	"	3	Purchases	31,689	The price and terms were based on the ordinary course of business	0.82%
1	"	"	3	Contracted research expense	83,322	No similar types of transactions for comparison as these transactions were based on mutually agreed price and terms	2.15%

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

(1)Parent company is '0'.

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

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

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

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

Table 6

Information on investees

For the six-month period ended June 30, 2015

Expressed in thousands of NTD
(Except as otherwise indicated)

				Initial investment amount		Shares held as at June 30, 2015					
Investor	Investee (Notes 1 and 2)	Location	Main business activities	Balance as at June 30, 2015	Balance as at June 30, 2014	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the six-month period ended June 30, 2015 (Note 2(2))	Investment income(loss) recognised by the Company for the six-month period ended June 30, 2015 (Note 2(3))	Footnote
Hermes Microvision Inc.	HMI Holdings Inc.	Samoa	Investment holdings	843,045	843,045	27,546,821	100%	$ 970,761	$ 55,063	$ 55,063	Subsidiary
HMI Holdings Inc.	Hermes Microvision Korea Inc.	Korea	Marketing of e-Bean inspection equipment and its components and related technical support	2,140	2,140	500	100%	16,971	898	-	〃
HMI Holdings Inc.	Hermes Microvision Japan Inc.	Japan	Marketing of e-Bean inspection equipment and its components and related technical support	52,574	52,574	2,980	100%	58,184	6,672	-	〃
HMI Holdings Inc.	HMI Investment Corp.	Samoa	Investment holdings	-	-	21,546,821	100%	757,720	65,388	-	〃
HMI Investment Corp.	Hermes Microvision Inc.	America	Reserch and development	665,970	665,970	61,785,000	94%	757,720	69,786	-	〃

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

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

(1)The columns of 'Investee', 'Location', 'Main business activities', Initial investment amount' and 'Shares held as at June 30, 2015' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column..

(2)The 'Net profit (loss) of the investee for the six-month period ended June 30, 2015' column should fill in amount of net profit (loss) of the investee for this period.

(3)The 'Investment income (loss) recognised by the Company for the six-month period ended June 30, 2015' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Table 7

Information on investments in Mainland China

For the six-month period ended June 30, 2015

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2015	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the Six-month period ended June 30, 2015: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the Six-month period ended June 30, 2015: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2015	Net income of investee as of June 30, 2015	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the Six-month period ended June 30, 2015 (Note 2)	Book value of investments in Mainland China as of June 30, 2015	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2015	Footnote
Hermes Microvision Co., Ltd. (Beijing)	Reserch, development and manufacturing of semuconductor machinery and equipment and related technical support services	$ 116,520	(2)	$ 133,738	None	None	$ 133,738	($ 17,896)	100%	($ 17,896)	$ 137,886	None	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2015	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Hermes Microvision Co., Ltd. (Beijing)	$ 133,738	$ 133,738	$ 6,853,600

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

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

(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

(3) Others

Note 2: In the 'Investment income (loss) recognised by the Company for the six-month period ended June 30, 2015' column:

(1)It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.

(2)Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:

A.The financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

B.The financial statements that are audited and attested by R.O.C. parent company's CPA.

C.Others.

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

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

For the six-month period ended June 30, 2015

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				
Investee in Mainland China	Amount	%	Amount	%	Balance at June 30, 2015	%	Balance at June 30, 2015	Purpose	Maximum balance during the Six-month period ended June 30, 2015	Balance at June 30, 2015	Interest rate	Interest during the Six-month period ended June 30, 2015	Others
Hermes Microvision Co., Ltd. (Beijing)	$ 1,931	0.05%	None	None	$ 766	0.03%	None	None	None	None	None	None	None
〃	(120,445)	(11.37%)	None	None	(38,576)	(17.01%)	None	None	None	None	None	None	None