

## Chapter 6 Review and Analysis of Financial Conditions, Operating Results and Risk Management

### Balance Sheet Analysis

#### Consolidated balance sheet analysis

Explanation of significant changes (at least a 20% change) in the past two years' assets, liabilities and shareholders' equity:

1. Other assets rose as some property, plant and equipment were reclassified as investment properties in 2016.
2. Current liabilities decreased and non-current liabilities increased due to the issuance of convertible bonds in 2016 to pay down short-term bank loans.

#### 2015 - 2016 Consolidated Balance Sheet

Unit: NT\$'000, %

	2015	2016	YoY change	
			Amount	%
Current assets	34,174,935	34,280,112	105,177	0.31
Investments	4,958,924	5,412,671	453,747	9.15
Property, plant and equipment	47,247,121	42,415,229	(4,831,892)	(10.23)
Intangible assets	62,402,424	59,677,982	(2,724,442)	(4.37)
Other assets	7,302,269	9,591,411	2,289,142	31.35
Total assets	156,085,673	151,377,405	(4,708,268)	(3.02)
Current liabilities	59,232,218	38,144,597	(21,087,621)	(35.60)
Non-current liabilities	31,561,731	47,046,273	15,484,542	49.06
Total liabilities	90,793,949	85,190,870	(5,603,079)	(6.17)
Paid-in capital	34,208,328	34,208,328	-	-
Capital surplus	14,586,376	14,985,047	398,671	2.73
Retained earnings	41,652,299	41,630,893	(21,406)	(0.05)
Other equity and treasury stock	(30,891,298)	(30,407,378)	483,920	(1.57)
Non-controlling interests	5,736,019	5,769,645	33,626	0.59
Total equity	65,291,724	66,186,535	894,811	1.37

## Stand-alone balance sheet analysis

Explanation of significant changes (at least a 20% change) in the past two years' assets, liabilities and shareholders' equity:

1. Other assets rose as some property, plant and equipment were reclassified as investment properties in 2016.
2. Current liabilities decreased and non-current liabilities increased due to the issuance of convertible bonds in 2016 to pay down short-term bank loans.

### 2015- 2016 Stand-alone Balance Sheet

Unit: NT\$'000, %

	2015	2016	YoY change	
			Amount	%
Current assets	19,357,631	22,561,728	3,204,097	16.55
Investments	44,904,267	42,250,372	(2,653,895)	(5.91)
Property, plant and equipment	32,709,888	27,081,627	(5,628,261)	(17.21)
Intangible assets	40,441,171	38,039,908	(2,401,263)	(5.94)
Other assets	5,470,595	8,715,470	3,244,875	59.31
Total assets	142,883,552	138,649,105	(4,234,447)	(2.96)
Current liabilities	58,318,339	37,044,613	(21,273,726)	(36.48)
Non-current liabilities	25,009,508	41,187,602	16,178,094	64.69
Total liabilities	83,327,847	78,232,215	(5,095,632)	(6.12)
Paid-in capital	34,208,328	34,208,328	-	-
Capital surplus	14,586,376	14,985,047	398,671	2.73
Retained earnings	41,652,299	41,630,893	(21,406)	(0.05)
Other equity and treasury stock	(30,891,298)	(30,407,378)	483,920	(1.57)
Total shareholders' equity	59,555,705	60,416,890	861,185	1.45

**Impact of changes in financial conditions on financial results:** No significant impact

**Preventive measures:** Not applicable