Advanced Semiconductor Engineering, Inc. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2015 and 2014 and Independent Auditors' Report

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Advanced Semiconductor Engineering, Inc. as of and for the year ended December 31, 2015, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards No. 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Advanced Semiconductor Engineering, Inc. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Advanced Semiconductor Engineering, Inc.

By

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JASON C.S. CHANG
Chairman
March 16, 2016

Deloitte.
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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Advanced Semiconductor Engineering, Inc.

We have audited the accompanying consolidated balance sheets of Advanced Semiconductor Engineering, Inc. and its subsidiaries (collectively, the "Group") as of December 31, 2015, December 31, 2014 and January 1, 2014, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2015 and 2014. These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. The financial statements of Siliconware Precision Industries Co., Ltd. ("SPIL") as of December 31, 2015 and for the year then ended were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts and information disclosed, is based on the report of the other auditors. The accompanying consolidated financial statements of the Group include its investments accounted for using the equity method in SPIL of NT$35,423,058 thousand, which was 10% of the Group's total assets, as of December 31, 2015, and its share of the profit of SPIL of NT$410,937 thousand, which was 2% of the Group's profit before income tax for the year ended December 31, 2015.

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

In our opinion, based on our audits and the report of the other auditors, such consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2015, December 31, 2014 and January 1, 2014, and the consolidated results of operations and the consolidated cash flows for the years ended December 31, 2015 and 2014, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC) and Interpretations of IAS (SIC) endorsed by the Financial Supervisory Commission of the Republic of China ("FSC").

As discussed in Note 3 to the consolidated financial statements, the Group has applied the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of IFRS, IAS, IFRIC and SIC endorsed by the FSC from January 1, 2015. Therefore, the Group retrospectively applied the aforementioned regulations, standards and interpretations and adjusted the affected items in the consolidated financial statements of the preceding periods.

We have also audited the parent company only financial statements of Advanced Semiconductor Engineering, Inc. as of December 31, 2015, December 31, 2014 and January 1, 2014 and for the years ended December 31, 2015 and 2014 on which we have expressed a modified unqualified opinion.

Deloitte & Touche

March 16, 2016

<u>*Notice to Readers*</u>

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2015 NT$	%	December 31, 2014 (Adjusted) NT$	%	Janauary 1, 2014 (Adjusted) NT$	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 4 and 6)	$ 55,251,181	15	$ 51,694,410	16	$ 45,026,371	16
Financial assets at fair value through profit or loss - current (Notes 4, 5 and 7)	3,833,701	1	4,988,843	2	2,764,269	1
Available-for-sale financial assets - current (Notes 4 and 8)	30,344	-	1,533,265	-	2,376,970	1
Trade receivables, net (Notes 4 and 9)	44,931,487	13	52,920,810	16	43,235,573	15
Other receivables (Note 4)	429,541	-	537,122	-	422,345	-
Current tax assets (Note 4)	168,717	-	65,312	-	150,596	-
Inventories (Notes 4, 5 and 10)	23,258,279	6	20,163,093	6	16,281,236	6
Inventories related to real estate business (Notes 4, 5, 11, 22 and 32)	25,713,538	7	23,986,478	7	18,589,255	6
Other financial assets - current (Notes 4 and 32)	301,999	-	638,592	-	278,375	-
Other current assets	2,814,053	1	3,427,265	1	3,051,492	1
Total current assets	156,732,840	43	159,955,190	48	132,176,482	46
NON-CURRENT ASSETS						
Available-for-sale financial assets - non-current (Notes 4 and 8)	924,362	-	941,105	-	1,140,329	-
Investments accounted for using the equity method (Notes 4 and 12)	37,422,909	10	1,492,441	1	1,216,201	1
Property, plant and equipment (Notes 4, 5, 13, 22, 31 and 33)	149,997,075	41	151,587,115	45	131,497,331	46
Goodwill (Notes 4, 5 and 14)	10,506,519	3	10,445,415	3	10,347,820	4
Other intangible assets (Notes 4, 5, 15 and 22)	1,382,093	-	1,467,871	1	1,605,824	1
Deferred tax assets (Notes 4 , 5 and 23)	5,156,515	2	4,506,971	1	3,783,265	1
Other financial assets - non-current (Notes 4 and 32)	345,672	-	367,345	-	354,993	-
Long-term prepayments for lease (Note 16)	2,556,156	1	2,585,964	1	4,072,281	1
Other non-current assets	263,416	-	635,350	-	637,163	-
Total non-current assets	208,554,717	57	174,029,577	52	154,655,207	54
TOTAL	$ 365,287,557	100	$ 333,984,767	100	$ 286,831,689	100

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ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	December 31, 2015 NT$	%	December 31, 2014 (Adjusted) NT$	%	Janauary 1, 2014 (Adjusted) NT$	%
CURRENT LIABILITIES						
Short-term borrowings (Note 17)	$ 32,635,321	9	$ 41,176,033	12	$ 44,618,195	16
Commerical papers and bank acceptances payable (Note 17)	4,348,054	1	-	-	-	-
Financial liabilities at fair value through profit or loss - current (Notes 4, 5 and 7)	3,005,726	1	2,651,352	1	1,853,304	1
Derivative financial liabilities for hedging - current (Notes 4 and 5)	-	-	-	-	3,310	-
Trade payables	34,138,564	9	35,411,281	11	28,988,976	10
Other payables (Note 19)	19,194,818	5	22,364,516	7	14,758,553	5
Current tax liabilities (Note 4)	4,551,785	1	4,150,036	1	3,000,869	1
Advance real estate receipts (Note 4)	2,703,706	1	480,325	-	19,248	-
Current portion of bonds payable (Notes 4 and 18)	14,685,866	4	-	-	731,438	-
Current portion of long-term borrowings (Notes 17 and 32)	2,057,465	1	2,831,007	1	5,276,206	2
Other current liabilities	3,180,767	1	2,134,917	1	1,585,177	-
Total current liabilities	120,502,072	33	111,199,467	34	100,835,276	35
NON-CURRENT LIABILITIES						
Bonds payable (Notes 4 and 18)	23,740,384	7	31,270,131	10	20,582,567	7
Long-term borrowings (Notes 17 and 32)	42,493,668	12	24,104,424	7	29,580,659	11
Deferred tax liabilities (Notes 4, 5 and 23)	4,987,549	1	3,932,819	1	2,663,767	1
Long-term payables	-	-	-	-	894,150	-
Net defined benefit liabilities (Notes 3, 4, 5 and 20)	4,072,493	1	4,382,530	1	4,545,960	2
Other non-current liabilities	1,071,509	-	657,392	-	651,171	-
Total non-current liabilities	76,365,603	21	64,347,296	19	58,918,274	21
Total liabilities	196,867,675	54	175,546,763	53	159,753,550	56
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 21)						
Share capital						
Ordinary shares	79,029,290	22	78,525,378	24	77,560,040	27
Shares subscribed in advance	156,370	-	189,801	-	620,218	-
Total share capital	79,185,660	22	78,715,179	24	78,180,258	27
Capital surplus	23,757,099	7	16,013,058	5	7,920,220	3
Retained earnings						
Legal reserve	12,649,145	3	10,289,878	3	8,720,971	3
Special reserve	3,353,938	1	3,353,938	1	3,663,930	2
Unappropriated earnings	40,180,986	11	38,737,422	12	26,521,201	9
Total retained earnings	56,184,069	15	52,381,238	16	38,906,102	14
Other Equity	5,081,689	1	5,068,539	1	(102,616)	-
Treasury shares	(7,292,513)	(2)	(1,959,107)	(1)	(1,959,107)	(1)
Equity attributable to owners of the Company	156,916,004	43	150,218,907	45	122,944,857	43
NON-CONTROLLING INTERESTS (Notes 4 and 21)	11,503,878	3	8,219,097	2	4,133,282	1
Total equity	168,419,882	46	158,438,004	47	127,078,139	44
TOTAL	$ 365,287,557	100	$ 333,984,767	100	$ 286,831,689	100

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)
(With Deloitte & Touche audit report dated March 16, 2016)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars Except Earnings Per Share)

	For the Years Ended December 31			
	2015		2014 (Adjusted)	
	NT$	%	NT$	%
OPERATING REVENUES (Note 4)	$ 283,302,536	100	$ 256,591,447	100
OPERATING COSTS (Notes 10, 20 and 22)	233,167,308	82	203,002,918	79
GROSS PROFIT	50,135,228	18	53,588,529	21
OPERATING EXPENSES (Notes 20 and 22)				
Selling and marketing expenses	3,588,472	1	3,438,166	2
General and administrative expenses	10,724,568	4	10,214,810	4
Research and development expenses	10,937,566	4	10,289,684	4
Total operating expenses	25,250,606	9	23,942,660	10
PROFIT FROM OPERATIONS	24,884,622	9	29,645,869	11
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 22)	876,008	-	588,875	-
Other gains, net (Note 22)	1,437,036	1	776,290	1
Finance costs (Note 22)	(2,312,143)	(1)	(2,354,097)	(1)
Share of the profit or loss of associates and joint ventures (Note 4)	402,730	-	(108,726)	-
Total non-operating income and expenses	403,631	-	(1,097,658)	-
PROFIT BEFORE INCOME TAX EXPENSE	25,288,253	9	28,548,211	11
INCOME TAX EXPENSE (Notes 4, 5 and 23)	4,839,246	2	4,266,626	2
NET PROFIT FOR THE YEAR	20,449,007	7	24,281,585	9
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit obligation	(62,911)	-	(28,145)	-
Share of other comprehensive loss of associates and joint ventures	(37,748)	-	(1,031)	-
Income tax relating to items that will not be reclassified subsequently	11,002	-	22,938	-
	(89,657)	-	(6,238)	-

(Continued)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars Except Earnings Per Share)

	For the Years Ended December 31			
	2015		2014 (Adjusted)	
	NT$	%	NT$	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	$ (63,509)	-	$ 5,405,027	2
Unrealized gain (loss) on available-for-sale financial assets	10,451	-	(133,714)	-
Cash flow hedges	-	-	3,279	-
Share of other comprehensive income (loss) of associates and joint ventures	(4,832)	-	235,156	-
	(57,890)	-	5,509,748	2
Other comprehensive income (loss) for the year, net of income tax	(147,547)	-	5,503,510	2
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 20,301,460	7	$ 29,785,095	11
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 19,478,873	7	$ 23,636,522	9
Non-controlling interests	970,134	-	645,063	-
	$ 20,449,007	7	$ 24,281,585	9
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 19,405,806	7	$ 28,802,296	11
Non-controlling interests	895,654	-	982,799	-
	$ 20,301,460	7	$ 29,785,095	11
EARNINGS PER SHARE (Note 24)				
Basic	$ 2.55		$ 3.07	
Diluted	$ 2.44		$ 2.96	

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)
(With Deloitte & Touche audit report dated March 16, 2016)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company														
								Accumulated Other Comprehensive Income							
	Share Capital			Retained Earnings											
	Shares (In Thousands)	Amounts	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating Foreign Operations	Unrealized Gain on Available-for-sale Financial Assets	Cash Flow Hedges	Total	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2014	7,787,827	$ 78,180,258	$ 7,908,870	$ 8,720,971	$ 3,663,930	$ 26,608,253	$ 38,993,154	$ (525,521)	$ 426,246	$ (3,279)	$ (102,554)	$ (1,959,107)	$ 123,020,621	$ 4,144,338	$ 127,164,959
Effect of retrospective application	-	-	11,350	-	-	(87,052)	(87,052)	(62)	-	-	(62)	-	(75,764)	(11,056)	(86,820)
ADJUSTED BALANCE AT JANUARY 1, 2014	7,787,827	78,180,258	7,920,220	8,720,971	3,663,930	26,521,201	38,906,102	(525,583)	426,246	(3,279)	(102,616)	(1,959,107)	122,944,857	4,133,282	127,078,139
Change in capital surplus from investments in associates accounted for using the equity method	-	-	26,884	-	-	-	-	-	-	-	-	-	26,884	-	26,884
Profit for the year ended December 31, 2014 (After Adjusted)	-	-	-	-	-	23,636,522	23,636,522	-	-	-	-	-	23,636,522	645,063	24,281,585
Other comprehensive income (loss) for the year ended December 31, 2014, net of income tax (After Adjusted)	-	-	-	-	-	(5,381)	(5,381)	5,067,344	100,532	3,279	5,171,155	-	5,165,774	337,736	5,503,510
Total comprehensive income for the year ended December 31, 2014 (After Adjusted)	-	-	-	-	-	23,631,141	23,631,141	5,067,344	100,532	3,279	5,171,155	-	28,802,296	982,799	29,785,095
Appropriation of 2013 earnings															
Legal reserve	-	-	-	1,568,907	-	(1,568,907)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	(309,992)	309,992	-	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(10,156,005)	(10,156,005)	-	-	-	-	-	(10,156,005)	-	(10,156,005)
	-	-	-	1,568,907	(309,992)	(11,414,920)	(10,156,005)	-	-	-	-	-	(10,156,005)	-	(10,156,005)
Issue of dividends received by subsidiaries from the Company	-	-	188,790	-	-	-	-	-	-	-	-	-	188,790	-	188,790
Partial disposal of interests in subsidiaries and additional acquisition of majority-owned subsidiaries (Notes 26)	-	-	6,877,099	-	-	-	-	-	-	-	-	-	6,877,099	3,068,406	9,945,505
Issue of ordinary shares under employee share options	73,898	534,921	1,000,065	-	-	-	-	-	-	-	-	-	1,534,986	-	1,534,986
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(85,766)	(85,766)
Additional non-controlling interest arising on issue of employee share options by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	120,376	120,376
ADJUSTED BALANCE AT DECEMBER 31, 2014	7,861,725	$ 78,715,179	$ 16,013,058	$ 10,289,878	$ 3,353,938	$ 38,737,422	$ 52,381,238	$ 4,541,761	$ 526,778	$ -	$ 5,068,539	$ (1,959,107)	$ 150,218,907	$ 8,219,097	$ 158,438,004
Equity component of convertible bonds issued by the Company (Note 18)	-	-	214,022	-	-	-	-	-	-	-	-	-	214,022	-	214,022
Change in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	150	-	-	-	-	-	-	-	-	-	150	-	150
Profit for the year ended December 31, 2015	-	-	-	-	-	19,478,873	19,478,873	-	-	-	-	-	19,478,873	970,134	20,449,007
Other comprehensive income (loss) for the year ended December 31, 2015, net of income tax	-	-	-	-	-	(86,217)	(86,217)	(48,191)	61,341	-	13,150	-	(73,067)	(74,480)	(147,547)
Total comprehensive income (loss) for the year ended December 31, 2015	-	-	-	-	-	19,392,656	19,392,656	(48,191)	61,341	-	13,150	-	19,405,806	895,654	20,301,460
Appropriation of 2014 earnings															
Legal reserve	-	-	-	2,359,267	-	(2,359,267)	-	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(15,589,825)	(15,589,825)	-	-	-	-	-	(15,589,825)	-	(15,589,825)
	-	-	-	2,359,267	-	(17,949,092)	(15,589,825)	-	-	-	-	-	(15,589,825)	-	(15,589,825)
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	-	-	(5,333,406)	(5,333,406)	-	(5,333,406)

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ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company														
	Share Capital			Retained Earnings				Accumulated Other Comprehensive Income							
	Shares (In Thousands)	Amounts	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating Foreign Operations	Unrealized Gain on Available-for-sale Financial Assets	Cash Flow Hedges	Total	Treasury Shares	Total	Non-controlling Interests	Total Equity
Issue of dividends received by subsidiaries from the Company	-	$ -	$ 292,351	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 292,351	$ -	$ 292,351
Partial disposal of interests in subsidiaries and additional acquisition of majority-owned subsidiaries (Note 26)	-	-	7,197,510	-	-	-	-	-	-	-	-	-	7,197,510	1,712,836	8,910,346
Changes in percentage of ownership interest in subsidiaries	-	-	(564,344)	-	-	-	-	-	-	-	-	-	(564,344)	564,344	-
Issue of ordinary shares under employee share options	48,703	470,481	604,352	-	-	-	-	-	-	-	-	-	1,074,833	-	1,074,833
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(232,148)	(232,148)
Additional non-controlling interest arising on issue of employee share options by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	344,095	344,095
BALANCE AT DECEMBER 31, 2015	7,910,428	$ 79,185,660	$ 23,757,099	$ 12,649,145	$ 3,353,938	$ 40,180,986	$ 56,184,069	$ 4,493,570	$ 588,119	$ -	$ 5,081,689	$ (7,292,513)	$ 156,916,004	$ 11,503,878	$ 168,419,882

The accompanying notes are an integral part of the consolidated financial statements (Concluded)
(With Deloitte & Touche audit report dated March 16, 2016)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2015	2014 (Adjusted)
	NT$	NT$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 25,288,253	$ 28,548,211
Adjustments for:		
Depreciation expense	28,938,770	25,805,042
Amortization expense	579,894	545,734
Net gain on fair value change of financial assets and liabilities at fair value through profit or loss	(2,472,835)	(1,838,840)
Interest expense	2,268,786	2,324,426
Interest income	(242,084)	(243,474)
Dividend income	(396,973)	(101,252)
Compensation cost of employee share options	133,496	110,157
Share of the profit or loss of associates and joint ventures	(402,730)	108,726
Impairment loss recognized on financial assets	8,232	28,421
Impairment loss recognized on non-financial assets	610,140	899,480
Net loss on foreign currency exchange	1,358,777	1,404,234
Others	1,411,599	313,138
Changes in operating assets and liabilities		
Financial assets held for trading	4,162,522	823,313
Trade receivables	7,982,736	(9,703,070)
Other receivables	55,112	(8,625)
Inventories	(5,128,726)	(8,208,824)
Other current assets	407,017	102,353
Financial liabilities held for trading	(1,725,606)	(835,779)
Trade payables	(1,272,717)	6,422,305
Other payables	(814,809)	3,045,452
Other current liabilities	2,545,312	703,764
Other operating activities items	(247,024)	(186,455)
	63,047,142	50,058,437
Interest received	253,289	233,457
Dividend received	499,918	101,252
Interest paid	(2,067,955)	(2,065,244)
Income tax paid	(4,184,089)	(2,463,153)
Net cash generated from operating activities	57,548,305	45,864,749
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets designated as at fair value through profit or loss	(100,842,813)	(108,958,658)
Proceeds on sale of financial assets designated as at fair value through profit or loss	102,139,161	109,825,159
Purchase of available-for-sale financial assets	(1,273,510)	(3,565,428)
Proceeds on sale of available-for-sale financial assets	2,761,145	4,388,130

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ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2015	2014 (Adjusted)
	NT$	NT$
Cash received from return of capital by available-for-sale financial assets	$ 44,511	$ 20,411
Acquisition of associates and joint ventures	(35,673,097)	(100,000)
Payments for property, plant and equipment	(30,280,124)	(39,598,964)
Proceeds from disposal of property, plant and equipment	243,031	421,207
Payments for intangible assets	(491,135)	(396,466)
Decrease (increase) in other financial assets	358,266	(372,569)
Increase in other non-current assets	(336,864)	(480,711)
Net cash used in investing activities	(63,351,429)	(38,817,889)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of short-term borrowings	(8,532,792)	(3,442,162)
Proceeds from commerical papers and bank acceptances payable	4,348,054	-
Proceeds from issue of bonds	6,136,425	8,888,562
Repayment of bonds payable	-	(729,790)
Proceeds from long-term borrowings	39,887,570	32,030,868
Repayment of long-term borrowings	(22,926,660)	(40,978,403)
Dividends paid	(15,297,474)	(9,967,215)
Proceeds from exercise of employee share options	1,285,102	1,498,343
Payments for acquisition of treasury shares	(5,333,406)	-
Proceeds from partial disposal of interests in subsidiaries	8,910,346	9,991,439
Dividends paid to non-controlling interest	(232,148)	(85,766)
Other financing activities items	391,322	(2,879)
Net cash generated from (used in) financing activities	8,636,339	(2,797,003)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	723,556	2,418,182
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,556,771	6,668,039
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	51,694,410	45,026,371
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 55,251,181	$ 51,694,410

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)
(With Deloitte & Touche audit report dated March 16, 2016)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in Thousands, Unless Stated Otherwise)

1. GENERAL INFORMATION

Advanced Semiconductor Engineering, Inc. (the "Company"), a corporation incorporated in Nantze Export Processing Zone under the laws of Republic of China (the "ROC"). In August 2004, the Company merged its subsidiaries, ASE (Chung Li) Inc. and ASE Material Inc., and established Chung-Li Branch. In August 2006, the Company spun-off and assigned its substrate production business to ASE Electronics Inc. In January 2011, the Company established Nan-Tou Branch. In May 2012, the Company merged its subsidiary, PowerASE Technology, Inc. In August 2013, the Company merged its subsidiary, Yang Ting Tech Co., Ltd. The Company and its subsidiaries (collectively referred to as the "Group") offer a comprehensive range of semiconductors packaging, testing, and electronic manufacturing services ("EMS").

Since July 1989, the Company's ordinary shares have been listed on the Taiwan Stock Exchange (the "TSE") under the symbol "2311". Since September 2000, the Company's ordinary shares of the Company have been traded on the New York Stock Exchange (the "NYSE") under the symbol "ASX" in the form of American Depositary Shares ("ADS"). The ordinary shares of its subsidiary, Universal Scientific Industrial (Shanghai) Co., Ltd. (the "USISH"), have been listed on the Shanghai Stock Exchange (the "SSE") under the symbol "601231" since February 2012.

The consolidated financial statements are presented in the Company's functional currency, New Taiwan dollar (NT$).

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved for issue by board of directors on March 16, 2016.

3. APPLICATION OF NEW AND REVISED STANDARDS, AMENDMENTS AND INTERPRETATIONS

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the FSC

   Rule No. 1030029342 and Rule No. 1030010325 issued by the FSC on April 3, 2014, stipulated that the Group should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the "IFRSs") endorsed by the FSC and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers starting January 1, 2015.

   Except for the following, whenever applied, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of IFRSs would not have any material impact on the Group's accounting policies:

1) IFRS 12 “Disclosure of Interests in Other Entities”

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than in the current standards.

2) IFRS 13 “Fair Value Measurement”

IFRS 13 establishes a single source of guidance for fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The disclosure requirements in IFRS 13 are more extensive, for example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only will be extended by IFRS 13 to cover all assets and liabilities within its scope.

The fair value measurements under IFRS 13 will be applied prospectively from January 1, 2015. Refer to Note 30 for related disclosures.

3) Amendments to IAS 1 “Presentation of Items of Other Comprehensive Income”

The amendments to IAS 1 requires items of other comprehensive income to be grouped into those items that (1) will not be reclassified subsequently to profit or loss; and (2) may be reclassified subsequently to profit or loss. Income taxes on related items of other comprehensive income are grouped on the same basis. Under current IAS 1, there were no such requirements.

The Group retrospectively applied the above amendments starting in 2015. Items that will not be reclassified subsequently to profit or loss are remeasurements of the defined benefit plans and share of remeasurements of the defined benefit plans of associates accounted for using the equity method. Items that may be reclassified to profit or loss are the exchange differences on translating foreign operations, unrealized gain (loss) on available-for-sale financial assets, cash flow hedges, and share of the other comprehensive income (except the share of the remeasurements of the defined benefit plans) of associates accounted for using the equity method. However, the application of the above amendments will not have any impact on the net profit, other comprehensive income (net of income tax), and total comprehensive income for the period.

4) Revision to IAS 19 “Employee Benefits”

Revised IAS 19 requires the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminates the “corridor approach” permitted under current IAS 19 and accelerate the recognition of past service costs. The revision requires all remeasurements of the defined benefit plans to be recognized immediately through other comprehensive income in order for the net pension asset or liability to reflect the full value of the plan deficit or surplus. Remeasurement of the defined benefit plans is presented separately as other equity.

Furthermore, the interest cost and expected return on plan assets used in current IAS 19 are replaced with a “net interest” amount, which is calculated by applying the discount rate to the net defined benefit liability or asset. In addition, the revised IAS 19 introduces certain changes in the presentation of the defined benefit cost, and also includes more extensive disclosures.

On initial application of the revised IAS 19, the changes in cumulative employee benefit costs as of January 1, 2014 resulting from the retrospective application are adjusted to net defined benefit liabilities, deferred tax assets, capital surplus, retained earnings, other equity and non-controlling interests; however, the carrying amount of inventory is not adjusted. In addition, in preparing the consolidated financial statements for the year ended December 31, 2015, the Group elects not to present 2014 comparative information about the sensitivity analysis of the defined benefit obligation.

The initial application of the revised IAS 19 has no material impact on the current period. The impact on the prior reporting periods is set out below:

	As Originally Stated	Adjustments Arising from Retrospective Application	Adjusted
Impact on Assets, Liabilities and Equity			
December 31, 2014			
Deferred tax assets	$ 4,493,664	$ 13,307	$ 4,506,971
Net defined benefit liabilities	4,371,136	11,394	4,382,530
Capital surplus	15,995,671	17,387	16,013,058
Retained earnings	52,397,278	(16,040)	52,381,238
Other equity	5,067,931	608	5,068,539
Non-controlling interests	8,219,139	(42)	8,219,097
January 1, 2014			
Deferred tax assets	3,765,482	17,783	3,783,265
Net defined benefit liabilities	4,441,357	104,603	4,545,960
Capital surplus	7,908,870	11,350	7,920,220
Retained earnings	38,993,154	(87,052)	38,906,102
Other equity	(102,554)	(62)	(102,616)
Non-controlling interests	4,144,338	(11,056)	4,133,282
Impact on Total Comprehensive Income			
Year ended December 31, 2014			
Operating cost	$ 203,051,691	$ (48,773)	$ 203,002,918
Operating expense	23,968,499	(25,839)	23,942,660
Income tax expense	4,251,513	15,113	4,266,626
Net profit for the year	24,222,086	59,499	24,281,585
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit obligation	(45,884)	17,739	(28,145)
Income tax relating to items that will not be reclassified subsequently	13,039	9,899	22,938
Impact on comprehensive income for the year, net of income tax	5,475,203	28,307	5,503,510
Total comprehensive income for the year	29,697,289	87,806	29,785,095

(Continued)

	As Originally Stated	Adjustments Arising from Retrospective Application	Adjusted
Net profit attributable to:			
Owners of the Company	$ 23,592,667	$ 43,855	$ 23,636,522
Non-controlling interests	629,419	15,644	645,063
	$ 24,222,086	$ 59,499	$ 24,281,585
Total comprehensive income attributable to:			
Owners of the Company	$ 28,730,614	$ 71,682	$ 28,802,296
Non-controlling interests	966,675	16,124	982,799
	$ 29,697,289	$ 87,806	$ 29,785,095

(Concluded)

5) Annual Improvements to IFRSs: 2009-2011 Cycle

Several standards including IFRS 1 "First-time Adoption of International Financial Reporting Standards", IAS 1 "Presentation of Financial Statements", IAS 16 "Property, Plant and Equipment", IAS 32 "Financial Instruments: Presentation" and IAS 34 "Interim Financial Reporting" were amended in this annual improvement.

The amendments to IAS 1 clarify that an entity is required to present a balance sheet as at the beginning of the preceding period when a) it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassifies items in its financial statements, and b) the retrospective application, restatement or reclassification has a material effect on the information in the balance sheet at the beginning of the preceding period. The amendments also clarify that related notes are not required to accompany the balance sheet at the beginning of the preceding period.

The initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of IFRSs in 2015 has material effect on the consolidated balance sheet as of January 1, 2014. In preparing the consolidated financial statements for the year ended December 31, 2015, the Group would present the consolidated balance sheet as of January 1, 2014 in accordance of the above amendments to IAS 1 and disclose related information in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", but the Group is not required to make disclosures about the line items of the balance sheet as of January 1, 2014.

b. New IFRSs in issue but not yet endorsed by the FSC

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

The Group has not applied the following New IFRSs issued by the IASB but not yet endorsed by the FSC.

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

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

Note 2: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

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

1) IFRS 9 “Financial Instruments”

Recognition and measurement of financial assets

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

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

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

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

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

The impairment of financial assets

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

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

Hedge accounting

The main changes in hedge accounting amended the application requirements for hedge accounting to better reflect the entity's risk management activities. Compared with IAS 39, the main changes include: (1) enhancing types of transactions eligible for hedge accounting, specifically broadening the risk eligible for hedge accounting of non-financial items; (2) changing the way hedging derivative instruments are accounted for to reduce profit or loss volatility; and (3) replacing retrospective effectiveness assessment with the principle of economic relationship between the hedging instrument and the hedged item.

2) Amendment to IAS 36 "Recoverable Amount Disclosures for Non-financial Assets"

In issuing IFRS 13 "Fair Value Measurement", the IASB made consequential amendment to the disclosure requirements in IAS 36 "Impairment of Assets", introducing a requirement to disclose in every reporting period the recoverable amount of an asset or each cash-generating unit. The amendment clarifies that such disclosure of recoverable amounts is required only when an impairment loss has been recognized or reversed during the period. Furthermore, the Group is required to disclose the discount rate used in measurements of the recoverable amount based on fair value less costs of disposal measured using a present value technique.

3) IFRS 15 “Revenue from Contracts with Customers”

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

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

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

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

4) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

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

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

5) IFRS 16 “Leases”

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

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

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

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

6) Amendments to IAS 12 “Recognition of Deferred Tax Assets for Unrealized Losses”

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

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

Except for the above impact, as of the date the consolidated financial statements were approved for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and results of operations, and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed by the FSC.

b. Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Classification of Current and Non-current Assets and Liabilities

Current assets include cash and cash equivalents and those assets held primarily for trading purposes or to be realized within twelve months after the balance sheet date, unless the asset is to be used for an exchange or to settle a liability, or otherwise remains restricted, at more than twelve months after the balance sheet date. Current liabilities are obligations incurred for trading purposes or to be settled within twelve months after the balance sheet date and liabilities that do not have an unconditional right to defer settlement for at least twelve months after the balance sheet date. Assets and liabilities that are not classified as current are classified as non-current.

The Group engages in the construction business which has an operating cycle of over one year. The normal operating cycle applies when considering the classification of the Group's construction-related assets and liabilities.

d. Basis of Consolidation

1) Principles for preparing consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries). Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Specifically, income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

Attribution of total comprehensive income to non-controlling interests

Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. 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 and attributed to the owners of the Company.

When the Group loses control over a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2) Subsidiaries included in consolidated financial statements were as follows:

			Percentage of Ownership (%)	
		Establishment and	December 31	
Name of Investee	**Main Businesses**	**Operating Location**	**2015**	**2014**
A.S.E. Holding Limited	Holding company	Bermuda	100.0	100.0
J & R Holding Limited ("J&R Holding")	Holding company	Bermuda	100.0	100.0
Innosource Limited	Holding company	British Virgin Islands	100.0	100.0
Omniquest Industrial Limited	Holding company	British Virgin Islands	100.0	100.0
ASE Marketing & Service Japan Co., Ltd.	Engaged in marketing and sales services	Japan	100.0	100.0
ASE Test, Inc.	Engaged in the testing of semiconductors	Kaohsiung, ROC	100.0	100.0
Universal Scientific Industrial Co., Ltd. ("USI")	Engaged in the manufacturing, processing and sale of computers, computer peripherals and related accessories	Nantou, ROC	99.0	99.2
USI Inc. ("USIINC")	Engaged in investing activity and established in April 2015	Nantou, ROC	99.2	-
Luchu Development Corporation ("Luchu")	Engaged in the development of real estate properties	Taipei, ROC	86.1	86.1
Alto Enterprises Limited	Holding company	British Virgin Islands	100.0	100.0

(Continued)

Name of Investee	Main Businesses	Establishment and Operating Location	Percentage of Ownership (%) December 31 2015	2014
Super Zone Holdings Limited	Holding company	Hong Kong	100.0	100.0
ASE (Kun Shan) Inc.	Engaged in the packaging and testing of semiconductors	Kun Shan, China	100.0	100.0
ASE Investment (Kun Shan) Limited	Holding company	Kun Shan, China	100.0	100.0
Advanced Semiconductor Engineering (China) Ltd.	Will engage in the packaging and testing of semiconductors	Shanghai, China	100.0	100.0
ASE Investment (Labuan) Inc.	Holding company	Malaysia	100.0	100.0
ASE Test Limited ("ASE Test")	Holding company	Singapore	100.0	100.0
ASE (Korea) Inc.	Engaged in the packaging and testing of semiconductors	Korea	100.0	100.0
J&R Industrial Inc.	Engaged in leasing equipment and investing activity	Kaohsiung, ROC	100.0	100.0
ASE Japan Co., Ltd.	Engaged in the packaging and testing of semiconductors	Japan	100.0	100.0
ASE (U.S.) Inc.	After-sales service and sales support	U.S.A.	100.0	100.0
Global Advanced Packaging Technology Limited, Cayman Islands	Holding company	British Cayman Islands	100.0	100.0
ASE WeiHai Inc.	Engaged in the packaging and testing of semiconductors	Shandong, China	100.0	100.0
Suzhou ASEN Semiconductors Co., Ltd.	Engaged in the packaging and testing of semiconductors	Suzhou, China	60.0	60.0
Anstock Limited	Engaged in financing activity	British Cayman Islands	100.0	100.0
Anstock II Limited	Engaged in financing activity	British Cayman Islands	100.0	100.0
ASE Module (Shanghai) Inc.	Will engage in the production and sale of electronic components and printed circuit boards	Shanghai, China	100.0	100.0
ASE (Shanghai) Inc.	Engaged in the production of substrates	Shanghai, China	100.0	100.0
ASE Corporation	Holding company	British Cayman Islands	100.0	100.0
ASE Mauritius Inc.	Holding company	Mauritius	100.0	100.0
ASE Labuan Inc.	Holding company	Malaysia	100.0	100.0
Shanghai Ding Hui Real Estate Development Co., Ltd.	Engaged in the development, construction and sale of real estate properties	Shanghai, China	100.0	100.0
Shanghai Ding Qi Property Management Co., Ltd.	Engaged in the management of real estate properties and established in January 2015	Shanghai, China	100.0	-

(Continued)

Name of Investee	Main Businesses	Establishment and Operating Location	Percentage of Ownership (%) December 31	
			2015	**2014**
Advanced Semiconductor Engineering (HK) Limited	Engaged in the trading of substrates	Hong Kong	100.0	100.0
Shanghai Ding Wei Real Estate Development Co., Ltd.	Engaged in the development, construction and leasing of real estate properties	Shanghai, China	100.0	100.0
Shanghai Ding Yu Real Estate Development Co., Ltd.	Engaged in the development, construction and leasing of real estate properties	Shanghai, China	100.0	100.0
Kun Shan Ding Yue Real Estate Development Co., Ltd.	Engaged in the development, construction and leasing of real estate properties	Kun Shan, China	100.0	100.0
Kun Shan Ding Hong Real Estate Development Co., Ltd.	Engaged in the development, construction and leasing of real estate properties	Kun Shan, China	100.0	100.0
ASE Electronics Inc.	Engaged in the production of substrates	Kaohsiung, ROC	100.0	100.0
ASE Test Holdings, Ltd.	Holding company	British Cayman Islands	100.0	100.0
ASE Holdings (Singapore) Pte. Ltd.	Holding company	Singapore	100.0	100.0
ASE Test Finance Limited	Liquidated in July 2015	Mauritius	-	100.0
ASE Singapore Pte. Ltd.	Engaged in the packaging and testing of semiconductors	Singapore	100.0	100.0
ISE Labs, Inc.	Engaged in the testing of semiconductors	U.S.A.	100.0	100.0
ASE Electronics (M) Sdn. Bhd.	Engaged in the packaging and testing of semiconductors	Malaysia	100.0	100.0
ASE Assembly & Test (Shanghai) Limited	Engaged in the packaging and testing of semiconductors	Shanghai, China	100.0	100.0
ASE Trading (Shanghai) Ltd.	Engaged in trading activity and was invested by ASE Assembly & Test (Shanghai) Limited in January 2015	Shanghai, China	100.0	-
Wuxi Tongzhi Microelectronics Co., Ltd.	Engaged in the packaging and testing of semiconductors	Wuxi, China	100.0	100.0
Huntington Holdings International Co., Ltd.	Holding company	British Virgin Islands	99.2	99.2
Senetex Investment Co., Ltd.	Liquidated in December 2015	Nantou, ROC	-	99.2
Unitech Holdings International Co., Ltd.	Holding company	British Virgin Islands	99.2	99.2
Real Tech Holdings Limited	Holding company	British Virgin Islands	99.2	99.2
Universal ABIT Holding Co., Ltd.	In the process of liquidation	British Cayman Islands	99.2	99.2
Rising Capital Investment Limited	Holding company	British Virgin Islands	99.2	99.2

(Continued)

Name of Investee	Main Businesses	Establishment and Operating Location	Percentage of Ownership (%) December 31 2015	2014
Rise Accord Limited	Holding company	British Virgin Islands	99.2	99.2
Cubuy Corporation	Liquidated in July 2015	Shanghai, China	-	99.2
Universal Scientific Industrial (Kunshan) Co., Ltd.	Engaged in the manufacturing and sale of computer assistance system and related peripherals	Kun Shan, China	99.2	99.2
USI Enterprise Limited ("USIE")	Engaged in the services of investment advisory and warehousing management	Hong Kong	96.7	98.7
Universal Scientific Industrial (Shanghai) Co., Ltd. ("USISH")	Engaged in the designing, manufacturing and sale of electronic components	Shanghai, China	75.7	82.1
Universal Global Technology Co., Limited	Holding company	Hong Kong	75.7	82.1
Universal Global Technology (Kunshan) Co., Ltd.	Engaged in the designing and manufacturing of electronic components	Kun Shan, China	75.7	82.1
Universal Global Technology (Shanghai) Co., Ltd.	Engaged in the processing and sales of computer and communication peripherals as well as business in import and export of goods and technology	Shanghai, China	75.7	82.1
Universal Global Electronics (Shanghai) Co., Ltd.	Engaged in the sale of electronic components and telecommunications equipment	Shanghai, China	75.7	82.1
Universal Global Industrial Co., Limited	Engaged in manufacturing, trading and investing activity	Hong Kong	75.7	82.1
Universal Global Scientific Industrial Co., Ltd. ("UGTW")	Engaged in the manufacturing of components of telecomm and cars and provision of related R&D services	Nantou, ROC	75.7	82.1
USI America Inc.	Engaged in the manufacturing and processing of motherboards and wireless network communication and provision of related technical service. The name was changed from USI Manufacturing Service Inc. to USI America Inc. in May 2015	U.S.A.	75.7	82.1

(Continued)

Name of Investee	Main Businesses	Establishment and Operating Location	Percentage of Ownership (%) December 31 2015	2014
Universal Scientific Industrial De Mexico S.A. De C.V.	Engaged in the assembling of motherboards and computer components	Mexico	75.7	82.1
USI Japan Co., Ltd.	Engaged in the manufacturing and sale of computer peripherals, integrated chip and other related accessories	Japan	75.7	82.1
USI@Work, Inc.	Merged into USI America Inc. in August 2015	U.S.A.	-	82.1
USI Electronics (Shenzhen) Co., Ltd.	Engaged in the design, manufacturing and sale of motherboards and computer peripherals	Shenzhen, China	75.7	82.1

(Concluded)

a) To enhance operational flexibility via structural adjustments, the board of directors of the Company’s subsidiary, USI, approved to spin-off its investment business as well as capital reduction of NT$16,012,966 thousand by reducing 1,601,297 thousand shares (a reduction ratio of 97.56%), and would transfer its investment business to USIINC, a newly established business entity. The record date of the spin-off was April 1, 2015. USI completed the registration process of capital reduction on April 17, 2015, and USIINC also completed the registration of the incorporation on the same date. Based on the consideration of the business value to be spun-off by USI, USIINC issued 1,000,000 thousand new ordinary shares to the shareholders of USI. Based on the shareholdings on the record date of the spin-off, the shareholders of USI received 609.27 shares of USIINC’s ordinary share in exchange of each 1,000 shares of USI’s ordinary share. After the spin-off, the Group has control over both USI and USIINC, and the spin-off did not have material impact on the financial position and business operation of the Group.

b) To integrate the Group’s EMS upstream and downstream business resources, the board of directors approved in September 2015 the disposal of the Company’s 39,603 thousand shares in USI to the Company’s subsidiary, UGTW, at NT$20 per share. Total consideration is NT$792,064 thousand and the transaction price is based on the net value per share of USI’s audited financial statements as of June 30, 2015. The proposed transaction has been approved by the Investment Commission of the ROC in February 2016.

e. Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are recognized on the same basis as would be required if that interest were directly disposed of by the Group.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Business combination involving entities under common control is not accounted for by acquisition method but accounted for at the carrying amounts of the entities. Prior period comparative information in the financial statements is restated as if a business combination involving entities under common control had already occurred in that period.

f. Foreign Currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Exchange differences arising on the retranslation of non-monetary assets (such as equity instruments) or liabilities measured at fair value are included in profit or loss for the period at the rates prevailing at the balance sheet date except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into New Taiwan dollars using exchange rates prevailing at each balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income and accumulated in equity attributed to the owners of the Company and non-controlling interests as appropriate.

On the disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

g. Inventories and Inventories Related to Real Estate Business

Inventories, including raw materials (materials received from customers for processing, mainly semiconductor wafers, are excluded from inventories as title and risk of loss remain with the customers), supplies, work in process, finished goods, and materials and supplies in transit are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except for those that may be appropriate to group items of similar or related inventories. Net realizable value is the estimated selling prices of inventories less all estimated costs of completion and estimated costs necessary to make the sale. Raw materials and supplies are recorded at moving average cost while work in process and finished goods are recorded at standard cost.

Inventories related to real estate business include land and buildings held for sale, land held for construction and construction in progress. Land held for development is recorded as land held for construction upon obtaining the title of ownership. Prior to the completion, the borrowing costs directly attributable to construction in progress are capitalized as part of the cost of the asset. Construction in progress is transferred to land and buildings held for sale upon completion. Land and buildings held for sale, construction in progress and land held for construction are stated at the lower of cost or net realizable value and related write-downs are made by item. The amounts received in advance for real estate properties are first recorded as advance receipts and then recognized as revenue when the construction is completed and the title and significant risk of the real estate properties are transferred to customers. Cost of sales of land and buildings held for sale are recognized based on the ratio of property sold to the total property developed.

h. Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group uses the equity method to account for its investments in associates and joint ventures.

Under the equity method, investments in an associate and a joint venture are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group's share of equity of associates and joint venture.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate or a joint venture at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized.

Gains and losses resulting from upstream, downstream and sidestream transactions between the Group (including its subsidiaries) and its associates or joint ventures are recognized in the Group's consolidated financial statements only to the extent of interests in the associates or joint ventures that are not related to the Group.

i. Property, Plant and Equipment

Except for land which is stated at cost, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Depreciation on property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. If the lease term is shorter than the useful lives, assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation method are reviewed at each balance sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Goodwill

Goodwill arising from an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

k. Other Intangible Assets

Other intangible assets with finite useful lives acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment. Other intangible assets are amortized based on the pattern in which the economic benefits are consumed or using the straight-line method over their estimated useful lives. The estimated useful lives, residual value and amortization methods are reviewed at each balance sheet date, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

Other intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date which is regarded as their cost. Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset are recognized in profit or loss.

l. Impairment of Tangible and Intangible Assets Other than Goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets, excluding goodwill (see above), to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation. Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

m. Financial Instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized or derecognized on a settlement date basis.

a) Measurement category

The classification of financial assets held by the Group depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

i. Financial assets at fair value through profit or loss ("FVTPL")

Financial assets are classified as at FVTPL when the financial assets are either held for trading or they are designated as at FVTPL.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset.

Fair value is determined in the manner described in Note 30.

ii. Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Available-for-sale financial assets are stated at fair value at each balance sheet date. Changes in the carrying amount of available-for-sale monetary financial assets relating to changes in foreign currency rates, interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognized in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and accumulated under the heading of unrealized gain (loss) on available-for-sale financial assets. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the unrealized gain (loss) on available-for-sale financial assets is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established.

iii. Loans and receivables

Loans and receivables including cash and cash equivalents, trade receivables, other receivables, other financial assets and debt investments with no active market are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

b) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been affected.

For financial assets carried at amortized cost, such as trade receivables and other receivables, assets that are assessed not to be impaired individually are, further, assessed for impairment on a collective basis. The Group assesses the collectability of receivables based on the Group's past experience of collecting payments and observable changes that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the assets' carrying amounts and the present value of estimated future cash flows, discounted at the financial assets' original effective interest rates. If, in a subsequent period, the amount of the impairment loss decreases and the decreases can be objectively related to an event occurring after the impairment loss recognized, the previously recognized impairment loss is reversed either directly or by adjusting an allowance account through profit or loss. The reversal shall not result in carrying amounts of financial assets that exceed what the amortized cost would have been at the date the impairment is reversed.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period. In respect of available-for-sale equity securities, impairment loss previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated under the heading of unrealized gain (loss) on available-for-sale financial assets.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss except for uncollectible trade receivables that are written off against the allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

2) Equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3) Financial liabilities

Financial liabilities are measured either at amortized cost using the effective interest method or at FVTPL. Financial liabilities measured at FVTPL are held for trading.

Financial liabilities at FVTPL are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest or dividend paid on the financial liability. Fair value is determined in the manner described in Note 30.

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Derivative financial instruments

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument , in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as financial liabilities.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at FVTPL.

5) Convertible bonds

a) Convertible bonds contain conversion option classified as an equity

The component parts of compound instruments (convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or the instrument’s maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to capital surplus - share premium. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premium.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

b) Convertible bonds contain conversion option classified as a liability

The conversion options component of the convertible bonds issued by the Group that will be settled other than by the exchange of a fixed amount of cash or other financial asset for a fixed number of the Group’s own equity instruments is classified as derivative financial liabilities.

On initial recognition, the derivative financial liabilities component of the convertible bonds is recognized at fair value, and the initial carrying amount of the component of non-derivative financial liabilities is determined by deducting the amount of derivative financial liabilities from the fair value of the hybrid instrument as a whole. In subsequent periods, the non-derivative financial liabilities component of the convertible bonds is measured at amortized cost using the effective interest method. The derivative financial liabilities component is measured at fair value and the changes in fair value are recognized in profit or loss.

Transaction costs that relate to the issue of the convertible bonds are allocated to the derivative financial liabilities component and the non-derivative financial liabilities component in proportion to their relative fair values. Transaction costs relating to the derivative financial liabilities component are recognized immediately in profit or loss. Transaction costs relating to the non-derivative financial liabilities component are included in the carrying amount of the liability component.

n. Hedge Accounting

The Group designates certain hedging instruments as cash flow hedges. At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedges. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and are included in the initial cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued prospectively when the Group revokes the designated hedging relationship, or when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer meets the criteria for hedge accounting. The cumulative gain or loss on the hedging instruments that has been previously recognized in other comprehensive income from the period when the hedge was effective remains separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

o. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable take into account of estimated customer returns, rebates and other similar allowances.

1) Sale of goods and real estate properties

Revenue from the sale of goods and real estate properties is recognized when the goods and real estate properties are delivered and titles have passed, at the time all the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods and real estate properties;

- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods and real estate properties sold;

- The amount of revenue can be reliably measured;

- It is probable that the economic benefits associated with the transaction will flow to the Group; and

- The costs incurred or to be incurred in respect of the transaction can be reliably measured.

2) Rendering of services

Service income is recognized when services are rendered.

3) Dividend and interest income

Dividend income from investments and interest income from financial assets are recognized when they are probable that the economic benefits will flow to the Group and the amount of income can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

p. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

The Group as lessee

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheets as a finance lease obligation.

Operating lease payments are recognized as expenses on a straight-line basis over the lease term.

q. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

r. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the consolidated financial statements and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

s. Retirement Benefit Costs

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

t. Employee share options

Employee share options granted to employees are measured at the fair value at the grant date. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Group's best estimate of the number of options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options and non-controlling interests. It is recognized as an expense in full at the grant date if vesting immediately.

At each balance sheet date, the Group reviews its estimate of the number of employee share options expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the capital surplus - employee share options and non-controlling interests.

u. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax on unappropriated earnings (excluding earnings from foreign consolidated subsidiaries) at a rate of 10% is expensed in the year the earnings arise and adjusted to the extent that distributions are approved by the shareholders in the following year.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carry-forward and unused tax credits for purchases of machinery and equipment to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amounts of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of deferred tax assets to be utilized. A previously unrecognized deferred tax asset is also reviewed at each balance sheet date and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which assets are realized or the liabilities are settled. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from cash-generating units and suitable discount rates in order to calculate its present value. When the actual future cash flows are less than expected, a material impairment loss may arise.

Impairment of Tangible and Intangible Assets Other than Goodwill

In evaluating the impairment of tangible and intangible assets other than goodwill, the Group is required to make subjective judgments in determining the independent cash flows, useful lives, expected future revenue and expenses related to the specific asset groups with the consideration of its usage patterns and the nature of semiconductor industry. Any changes in these estimates based on changed economic conditions or business strategies could result in significant impairment charges in future periods.

Valuation of Inventory

Inventories are stated at the lower of cost or net realizable value and the net realizable value of inventory at balance sheet date is determined based on Group's judgments and estimates.

Due to the rapid technology changes, the Group estimates the net realizable value of inventory for obsolescent and unmarketable items at balance sheet date and then writes down the cost of inventories to net realizable value. There may be significant changes in the net realizable value of inventories due to assumptions of future demand within a specific time period.

Income Taxes

The reliability of deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal takes place.

Recognition and Measurement of Defined Benefit Plans

Accrued pension liabilities and the resulting pension expenses under defined benefit pension plans are calculated using the Projected Unit Credit Method. Actuarial assumptions comprise discount rates and expected rates of salary increase. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and the liability.

Fair value measurements and valuation processes of Derivatives and Other Financial Instruments

As disclosed in Note 30, the Group's management uses its judgments applying appropriate valuation techniques commonly applied by market practitioners. The assumptions applied are based on observable quoted market prices, foreign exchange rates and interest rates to the extent it is available. The fair value of unquoted equity instruments is estimated based on the assumptions supported by unobservable market prices and interest rates which are disclosed in Note 30. The Group's management believes that the valuation techniques and the assumptions applied are appropriate in determining the fair value of financial instruments.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2015	**2014**
	NT$	**NT$**
Cash on hand	$ 8,806	$ 9,953
Checking accounts and demand deposits	50,291,823	43,059,911
Cash equivalent	4,950,552	8,624,546
	$ 55,251,181	$ 51,694,410

Cash equivalents include time deposits that are of a short maturity of three months or less from the date of acquisitions, and are highly liquid, readily convertible to known amounts in cash and the risk of changes in values is insignificant. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investments or other purposes.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2015	2014
	NT$	NT$
Financial assets designated as at FVTPL		
Structured time deposits	$ 1,646,357	$ 2,376,050
Private-placement convertible bonds	100,500	100,500
	1,746,857	2,476,550
Financial assets held for trading		
Swap contracts	1,452,611	1,907,705
Open-end mutual funds	573,242	533,425
Quoted shares	37,058	43,352
Forward exchange contracts	18,913	27,811
Foreign currency option contracts	5,020	-
	2,086,844	2,512,293
	$ 3,833,701	$ 4,988,843
Financial liabilities held for trading		
Conversion option, redemption option and put option of convertible bonds (Note 18)	$ 2,632,565	$ 2,520,606
Swap contracts	290,176	99,165
Forward exchange contracts	69,207	31,581
Foreign currency option contracts	13,659	-
Interest rate swap contracts	119	-
	$ 3,005,726	$ 2,651,352

The Group invested in structured time deposits and in private-placement convertible bonds, and all included embedded derivative instruments which are not closely related to the host contracts. The Group designated the entire contracts as financial assets at FVTPL on initial recognition.

At each balance sheet date, the outstanding swap contracts not accounted for hedge accounting were as follows:

Currency	Maturity Period	Notional Amount (In Thousands)
December 31, 2015		
Sell NT$/Buy US$	2016.01~2016.12	NT$57,554,138/US$1,802,834
Sell US$/Buy CNY	2016.01~2016.03	US$353,881/CNY 2,255,872
Sell US$/Buy JPY	2016.03	US$67,125/JPY 8,240,000
Sell US$/Buy NT$	2016.01	US$91,750/NT$ 3,005,494

(Continued)

Currency	Maturity Period	Notional Amount (In Thousands)
December 31, 2014		
Sell NT$/Buy US$	2015.01-2015.12	NT$36,199,735/US$1,209,000
Sell US$/Buy NT$	2015.01-2015.02	US$132,100/NT$4,149,958
Sell US$/Buy JPY	2015.01	US$72,248/JPY8,450,000
Sell US$/Buy CNY	2015.01-2015.06	US$80,000/CNY503,452
Sell CNY/Buy US$	2015.03	CNY217,288/US$35,000

(Concluded)

At each balance sheet date, the outstanding forward exchange contracts not accounted for hedge accounting were as follow:

Currency	Maturity Period	Notional Amount (In Thousands)
December 31, 2015		
Sell NT$/Buy US$	2016.02	NT$325,400/US$10,000
Sell US$/Buy CNY	2016.01~2016.03	US$121,000/CNY780,252
Sell US$/Buy JPY	2016.01	US$14,000/JPY1,713,388
Sell US$/Buy KRW	2016.01	US$8,000/KRW9,420,350
Sell US$/Buy MYR	2016.01~2016.02	US$6,000/MYR25,525
Sell US$/Buy NT$	2016.01~2016.03	US$155,000/NT$5,088,230
Sell US$/Buy SGD	2016.01~2016.02	US$11,400/SGD16,079
December 31, 2014		
Sell US$/Buy NT$	2015.01	US$14,000/NT$438,434
Sell US$/Buy CNY	2015.01-2015.03	US$127,000/CNY785,683
Sell US$/Buy MYR	2015.01-2015.02	US$6,000/MYR20,860
Sell US$/Buy SGD	2015.01-2015.02	US$11,700/SGD15,211
Sell US$/Buy JPY	2015.01-2015.04	US$18,385/JPY2,177,800

At each balance sheet date, the outstanding foreign currency option contracts not accounted for hedge accounting were as follows:

Currency	Maturity Period	Notional Amount (In Thousands)
December 31, 2015		
Buy US$ Call/CNY Put	2016.01~2017.08 (Note)	US$2,000/CNY13,800
Buy US$ Put/CNY Call	2016.03 (Note)	US$20,000/CNY131,600
Sell US$ Put/CNY Call	2016.01~2017.08 (Note)	US$1,000/CNY6,900

Note: The contracts will be settled once a month and the counterparty has the right to early terminate the contracts, or the contracts will be early terminated or both parties will have no obligation to settle the contracts when the specific criteria is met.

At each balance sheet date, the outstanding interest rate swap contracts not accounted for hedge accounting were as follows:

Maturity Period	Notional Amounts (In Thousands)	Range of Interest Rates Paid	Range of Interest Rates Received
December 31, 2015			
2016.10	NT$1,000,000	4.6% (Fixed)	0.0%~5.0% (Floating)

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31	
	2015	2014
	NT$	NT$
Limited partnership	$ 476,612	$ 555,361
Unquoted ordinary shares	249,217	211,726
Quoted ordinary shares	197,580	195,070
Open-end mutual funds	16,037	1,500,434
Unquoted preferred shares	15,260	11,779
	954,706	2,474,370
Current	30,344	1,533,265
Non-current	$ 924,362	$ 941,105

9. TRADE RECEIVABLES, NET

	December 31	
	2015	2014
	NT$	NT$
Trade receivables	$ 45,014,393	$ 53,004,955
Less: Allowance for doubtful debts	82,906	84,145
Trade receivables, net	$ 44,931,487	$ 52,920,810

a. Trade receivables

The Group's average credit terms were 30 to 90 days. Allowance for doubtful debts is assessed by reference to the collectability of receivables by evaluating the account aging, historical experience and current financial condition of customers.

As of December 31, 2015 and 2014, except that the Group's five largest customers accounted for 26% and 30% of accounts receivable, respectively, the concentration of credit risk is insignificant for the remaining accounts receivable.

Aging of receivables

	December 31	
	2015	2014
	NT$	NT$
Not past due	$ 40,409,227	$ 47,387,888
1 to 30 days	3,901,300	5,222,943
31 to 90 days	495,664	306,052
More than 91 days	208,202	88,072
Total	$ 45,014,393	$ 53,004,955

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

Age of receivables that are past due but not impaired

	December 31	
	2015	2014
	NT$	NT$
Less than 30 days	$ 3,086,796	$ 5,191,521
31 to 90 days	344,265	131,247
More than 91 days	-	1,407
Total	$ 3,431,061	$ 5,324,175

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

Except for those impaired, the Group had not provided an allowance for doubtful debts on trade receivables at each balance sheet date since there has not been a significant change in credit quality and the amounts were still considered collectible. The Group did not hold any collateral or other credit enhancements over these balances nor did it have a legal right to offset against any amounts owed by the Group to counterparties.

Movement of the allowance for doubtful trade receivables

	Impaired Individually	Impaired Collectively	Total
	NT$	NT$	NT$
Balance at January 1, 2015	$ 28,305	$ 55,840	$ 84,145
Impairment losses recognized (reversed)	18,816	(10,584)	8,232
Amount written off during the period as uncollectible	(7,617)	(209)	(7,826)
Effect of foreign currency exchange	(458)	(1,187)	(1,645)
Balance at December 31, 2015	$ 39,046	$ 43,860	$ 82,906

(Continued)

	Impaired Individually NT$	Impaired Collectively NT$	Total NT$
Balance at January 1, 2014	$ 26,885	$ 41,235	$ 68,120
Impairment losses recognized	2,875	15,156	18,031
Amount written off during the period as uncollectible	(891)	(917)	(1,808)
Effect of foreign currency exchange	(564)	366	(198)
Balance at December 31, 2014	$ 28,305	$ 55,840	$ 84,145

(Concluded)

b. Transfers of financial assets

Factored trade receivables of the Company were as follows:

Counterparties	Receivables Sold (In Thousands)	Amounts Collected (In Thousands)	Advances Received At Year-end (In Thousands)	Interest Rates on Advances Received (%)	Credit Line (In Thousands)
Year ended December 31, 2015					
Citi bank	US$ 78,804	US$ 36,955	US$ 41,849	1.30%	US$ 92,000
Year ended December 31, 2014					
Citi bank	US$103,744	US$103,744	-	-	US$ 92,000

Pursuant to the factoring agreement, losses from commercial disputes (such as sales returns and discounts) should be borne by the Company, while losses from credit risk should be borne by the banks. The Company also issued promissory notes to the banks for commercial disputes which remained undrawn since. The promissory notes both amounted to US$5,000 thousand as of December 31, 2015 and 2014, respectively. As of December 31, 2015, there was no significant losses from commercial disputes in the past and the Company does not expect any significant commercial dispute losses in the foreseeable future.

10. INVENTORIES

	December 31	
	2015 NT$	2014 NT$
Finished goods	$ 10,012,182	$ 6,568,459
Work in process	1,692,346	2,064,377
Raw materials	9,672,894	10,155,006
Supplies	852,251	797,353
Raw materials and supplies in transit	1,028,606	577,898
	$ 23,258,279	$ 20,163,093

The cost of inventories recognized as operating costs for the years ended December 31, 2015 and 2014 were NT$233,165,722 thousand and NT$202,960,428 thousand, respectively, which included write-downs of inventories at NT$352,011 thousand and NT$601,726 thousand, respectively.

11. INVENTORIES RELATED TO REAL ESTATE BUSINESS

	December 31	
	2015	2014
	NT$	NT$
Land and buildings held for sale	$ 5,431	$ 5,558
Construction in progress (Note 16)	23,956,678	22,242,065
Land held for construction	1,751,429	1,738,855
	$ 25,713,538	$ 23,986,478

Land and buildings held for sale located in Shanghai Zhangjiang was completed and subsequently sold. Construction in progress is mainly located on Caobao Road and Hutai Road in Shanghai, China and Lidu Road and Xinhong Road in Kun Shan, China. The capitalized borrowing costs for the years ended December 31, 2015 and 2014 is disclosed in Note 22.

As of December 31, 2015 and 2014, inventories related to real estate business of NT$24,837,046 thousand and NT$23,697,339 thousand, respectively, are expected to be recovered longer than twelve months.

Refer to Note 32 for the carrying amount of inventories related to real estate business that had been pledged by the Group to secure bank borrowings.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2015	2014
	NT$	NT$
Investments in associates	$ 36,809,068	$ 1,492,441
Investments in joint ventures	613,841	-
	$ 37,422,909	$ 1,492,441

a. Investments in associates

1) Investments in associates accounted for using the equity method consisted of the following:

Name of Associate	Main Business	Operating Location	Carrying Amount as of December 31 2015 NT$	Carrying Amount as of December 31 2014 NT$
Material associate				
Siliconware Precision Industries Co., Ltd. ("SPIL")	Engaged in assembly, testing and turnkey services of integrated circuits	ROC	$ 35,423,058	$ -
Associates that are not individually material				
Hung Ching Development & Construction Co. ("HC")	Engaged in the development, construction and leasing of real estate properties	ROC	1,313,499	1,351,400
Hung Ching Kwan Co. ("HCK")	Engaged in the leasing of real estate properties	ROC	332,444	342,138
Advanced Microelectronic Products Inc. ("AMPI")	Engaged in integrated circuit	ROC	40,216	99,052
			37,109,217	1,792,590
	Less: Deferred gain on transfer of land		300,149	300,149
			$ 36,809,068	$ 1,492,441

2) At each balance sheet date, the percentages of ownership held by the Group were as follows:

	December 31	
	2015	2014
SPIL	24.99%	-
HC	26.22%	26.22%
AMPI	18.24%	18.24%
HCK	27.31%	27.31%

3) In September 2015, the Company acquired 725,749 thousand ordinary shares and 10,650 thousand units of ADS (one ADS represents five ordinary shares) of SPIL at NT$45 per ordinary share. The percentage of ownership was 24.99% and, as a result, the Company obtained significant influence over SPIL. As of December 31, 2015, the Company has not completed the calculation of the difference between the cost of the investment and the Company's share of the net fair value of SPIL's identifiable assets and liabilities.

   In December 2015, the Company's board of directors resolved to purchase additional ordinary shares (including ordinary shares represented by ADS) of SPIL up to 770,000 thousand shares, accounting for approximately 24.71% of the outstanding ordinary shares of SPIL, through a tender offer for a consideration of NT$55 per ordinary share and NT$275 per ADS from December 29, 2015 to February 16, 2016. Since the Fair Trade Commission of the ROC is still reviewing the application for the combination between the Company and SPIL, the Company has extended the period of the tender offer from February 16, 2016 to March 17, 2016.

4) In January 2014, the Company acquired additional ordinary shares of AMPI in a private placement and, as a result, obtained significant influence over AMPI. The private-placement ordinary shares were restricted for disposal during a 3-year lock-up period.

5) Fair values (Level 1 inputs in terms of IFRS 13) of investments in associates with available published price quotation are summarized as follows:

	December 31	
	2015	2014
	NT$	NT$
SPIL	$ 40,741,700	$ -
HC	$ 1,149,549	$ 1,427,499
AMPI	$ 104,255	$ 184,862

6) Summarized financial information in respect of the Group's material associate is set out below. The summarized financial information below represents amounts shown in SPIL's consolidated financial statements prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed by the FSC, and adjusted by the Group for equity accounting purposes.

	December 31, 2015
	NT$
Current assets	$ 48,785,212
Non-current assets	74,460,018
Current liabilities	(30,677,239)
Non-current liabilities	(21,967,349)
Equity	$ 70,600,642
Proportion of the Group's ownership interest in SPIL	24.99%
Equity attributable to the Group	$ 17,643,100
The difference between investment cost and net equity	17,779,958
Carrying amount of the Group's ownership interest in SPIL	$ 35,423,058

	For the Year Ended December 31, 2015
	NT$
Operating revenue	$ 82,839,922
Net profit for the year	$ 8,762,257
Other comprehensive loss for the year	(906,053)
Total comprehensive income for the year	$ 7,856,204

The investments accounted for using the equity method and the share of profit or loss and other comprehensive income of the investments in associates for the years ended December 31, 2015 and 2014 was based on the associates' financial statements audited by the auditors for the same years.

7) Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2015	2014
	NT$	NT$
The Group's share of:		
Net profit for the year	$ 115,857	$ 147,085
Other comprehensive income (loss) for the year	(2,916)	234,125
Total comprehensive income for the year	$ 112,941	$ 381,210

b. Investments in joint ventures

1) Investment in joint ventures that are not individually material accounted for using the equity method consisted of the following:

Name of Joint Venture	Main Business	Operating Location	December 31, 2015 Percentages of Ownership	December 31, 2015 Carrying Amount NT$
ASE Embedded Electronics Inc. ("ASEEE")	Engaged in the production of embedded substrate	ROC	51.00%	$613,841

In May 2015, the Group and TDK Corporation ("TDK") entered into an agreement to establish a joint venture to invest in ASEEE. In August 2015, the Croup invested NT$618,097 thousand for 51.00% shareholding in ASEEE. According to the joint arrangement, the Group and TDK must act together to direct the relevant operating activities and, as a result, the Group does not control ASEEE. The investment in ASEEE is accounted for using the equity method.

2) Aggregate information of joint venture that is not individually material

	For the Year Ended December 31, 2015 NT$
The Group's share of:	
Net loss for the year	$ (4,274)
Other comprehensive income for the year	-
Total comprehensive loss for the year	$ (4,274)

The investments accounted for using the equity method and the share of profit or loss and other comprehensive income for the investments in joint ventures for the year ended December 31, 2015 was based on ASEEE's financial statements audited by the auditors for the same year.

13. PROPERTY, PLANT AND EQUIPMENT

The carrying amounts of each class of property, plant and equipment were as follows:

	December 31 2015 NT$	December 31 2014 NT$
Land	$ 3,381,300	$ 3,348,018
Buildings and improvements	59,801,054	56,395,710
Machinery and equipment	78,715,309	84,171,647
Other equipment	1,814,994	1,816,687
Construction in progress and machinery in transit	6,284,418	5,855,053
	$ 149,997,075	$ 151,587,115

For the year ended December 31, 2015

	Land	Buildings and improvements	Machinery and equipment	Other equipment	Construction in progress and machinery in transit	Total
	NT$	NT$	NT$	NT$	NT$	NT$
Cost						
Balance at January 1, 2015	$ 3,348,018	$ 86,725,254	$233,669,627	$ 7,182,574	$ 5,862,217	$336,787,690
Additions	-	132,584	553,496	401,417	27,193,324	28,280,821
Disposals	-	(405,040)	(8,041,933)	(232,555)	(20,711)	(8,700,239)
Reclassification	-	8,579,472	18,054,712	389,783	(26,893,158)	130,809
Effect of foreign currency exchange differences	33,282	(584,338)	(952,295)	(18,811)	256,088	(1,266,074)
Balance at December 31, 2015	$ 3,381,300	$ 94,447,932	$243,283,607	$ 7,722,408	$ 6,397,760	$355,233,007
Accumulated depreciation and impairment						
Balance at January 1, 2015	$ -	$ 30,329,544	$149,497,980	$ 5,365,887	$ 7,164	$185,200,575
Depreciation expense	-	4,790,646	23,372,408	775,716	-	28,938,770
Impairment losses recognized	-	120,424	31,116	-	106,589	258,129
Disposals	-	(308,895)	(7,838,937)	(224,509)	-	(8,372,341)
Reclassification	-	5,704	(11,920)	3,008	-	(3,208)
Effect of foreign currency exchange differences	-	(290,545)	(482,349)	(12,688)	(411)	(785,993)
Balance at December 31, 2015	$ -	$ 34,646,878	$164,568,298	$ 5,907,414	$ 113,342	$205,235,932

For the year ended December 31, 2014

	Land	Buildings and improvements	Machinery and equipment	Other equipment	Construction in progress and machinery in transit	Total
	NT$	NT$	NT$	NT$	NT$	NT$
Cost						
Balance at January 1, 2014	$ 3,295,758	$ 70,593,537	$208,351,905	$ 6,384,589	$ 7,009,702	$295,635,491
Additions	-	1,246,123	1,140,822	572,766	40,488,876	43,448,587
Disposals	-	(299,515)	(8,188,532)	(447,047)	(56,209)	(8,991,303)
Reclassification	-	12,683,476	27,935,525	395,115	(41,044,364)	(30,248)
Effect of foreign currency exchange differences	52,260	2,501,633	4,429,907	277,151	(535,788)	6,725,163
Balance at December 31, 2014	$ 3,348,018	$ 86,725,254	$233,669,627	$ 7,182,574	$ 5,862,217	$336,787,690
Accumulated depreciation and impairment						
Balance at January 1, 2014	$ -	$ 25,826,936	$133,266,723	$ 5,044,501	$ -	$164,138,160
Depreciation expense	-	3,980,337	21,180,214	644,491	-	25,805,042
Impairment losses recognized	-	79,124	211,466	-	7,164	297,754
Disposals	-	(248,477)	(7,786,216)	(433,863)	-	(8,468,556)
Reclassification	-	7,459	(7,122)	(7,907)	-	(7,570)
Effect of foreign currency exchange differences	-	684,165	2,632,915	118,665	-	3,435,745
Balance at December 31, 2014	$ -	$ 30,329,544	$149,497,980	$ 5,365,887	$ 7,164	$185,200,575

Due to the Group's operation plans and production demands, the Group believed that a portion of property, plant and equipment used in packaging segment, testing segment, EMS segment and other segment was not used and recognized an impairment loss of NT$258,129 thousand and NT$297,754 thousand under the line item of other gains, net in the consolidated statements of comprehensive income for the years ended December 31, 2015 and 2014, respectively. The recoverable amount of a portion of the impaired property, plant and equipment is determined by its fair value less costs of disposal, of which the fair value is based on the recent quoted prices of assets with similar age and obsolescence that provided by the vendors in secondary market. The recent quoted prices of assets are a Level 3 input in terms of IFRS 13 because the secondary market is not very active. The recoverable amount of the other portion of the impaired property, plant and equipment is determined on the basis of its value in use which was zero due to the Group's expectation to derive no cash flows from these assets.

Each class of property, plant and equipment was depreciated on a straight-line basis over the following useful lives:

Buildings and improvements	
Main plant buildings	10-40 years
Cleanrooms	10-20 years
Others	3-20 years
Machinery and equipment	2-10 years
Other equipment	2-20 years

The capitalized borrowing costs for the years ended December 31, 2015 and 2014 are disclosed in Note 22.

14. GOODWILL

	Cost	Accumulated impairment	Carrying value
	NT$	NT$	NT$
Balance at January 1, 2015	$ 12,434,411	$ 1,988,996	$ 10,445,415
Effect of foreign currency exchange differences	61,104	-	61,104
Balance at December 31, 2015	$ 12,495,515	$ 1,988,996	$ 10,506,519
Balance at January 1, 2014	$ 12,336,816	$ 1,988,996	$ 10,347,820
Effect of foreign currency exchange differences	97,595	-	97,595
Balance at December 31, 2014	$ 12,434,411	$ 1,988,996	$ 10,445,415

a. Allocating goodwill to cash-generating units

Goodwill had been allocated to the following cash-generating units for impairment testing purposes: packaging segment, testing segment, EMS segment and other segment. The carrying amount of goodwill allocated to cash-generating units was as follows:

	December 31	
	2015	2014
Cash-generating units	NT$	NT$
Testing segment	$ 7,890,525	$ 7,846,460
Others	2,615,994	2,598,955
	$ 10,506,519	$ 10,445,415

b. Impairment assessment

At the end of each year, the Group performs impairment assessment by reviewing the recoverable amounts based on value in use calculation which incorporates cash flow projections covering a five-year period. The cash flows beyond that five-year period have been extrapolated using a steady 2% per annum growth rate. In assessing value in use, the estimated future cash flows are discounted to their present value using annual discount rates. For the years ended December 31, 2015 and 2014, the Group did not recognize impairment loss on goodwill.

The key assumptions used in the value in use calculations are growth rates for operating revenue and discount rates. Growth rates for operating revenue are based on the revenue forecast for the Group and the market as well as our historical experience. The discount rates were 8.67%- 10.71% and 9.70%-11.50% as of December 31, 2015 and 2014, respectively

Management believed that any reasonably possible change in the key assumptions on which recoverable amount was based would not cause the aggregate carrying amount of the cash-generating unit to exceed its aggregate recoverable amount significantly.

15. OTHER INTANGIBLE ASSETS

The carrying amounts of each class of other intangible assets were as follows:

	December 31	
	2015	2014
	NT$	NT$
Customer relationships	$ 274,402	$ 501,501
Computer software	953,322	798,127
Others	154,369	168,243
	$ 1,382,093	$ 1,467,871

For the year ended December 31, 2015

	Customer relationships NT$	Computer software NT$	Others NT$	Total NT$
Cost				
Balance at January 1, 2015	$ 1,579,015	$ 2,882,932	$ 2,323,547	$ 6,785,494
Additions	-	481,412	9,723	491,135
Disposals or derecognization	(663,379)	(8,426)	(1,984,118)	(2,655,923)
Reclassification	-	12,360	-	12,360
Effect of foreign currency exchange differences	-	(29,918)	(1,732)	(31,650)
Balance at December 31, 2015	$ 915,636	$ 3,338,360	$ 347,420	$ 4,601,416
Accumulated amortization				
Balance at January 1, 2015	$ 1,077,514	$ 2,084,804	$ 2,155,305	$ 5,317,623
Amortization expense	227,099	325,856	26,939	579,894
Disposals or derecognization	(663,379)	(7,402)	(1,983,914)	(2,654,695)
Reclassification	-	3,190	-	3,190
Effect of foreign currency exchange differences	-	(21,410)	(5,279)	(26,689)
Balance at December 31, 2015	$ 641,234	$ 2,385,038	$ 193,051	$ 3,219,323

For the year ended December 31, 2014

	Customer relationships NT$	Computer software NT$	Others NT$	Total NT$
Cost				
Balance at January 1, 2014	$ 1,579,015	$ 3,679,835	$ 2,304,655	$ 7,563,505
Additions	-	375,623	20,843	396,466
Disposals or derecognization	-	(1,232,757)	(6,406)	(1,239,163)
Reclassification	-	6,228	-	6,228
Effect of foreign currency exchange differences	-	54,002	4,456	58,458
Balance at December 31, 2014	$ 1,579,015	$ 2,882,931	$ 2,323,548	$ 6,785,494
Accumulated amortization				
Balance at January 1, 2014	$ 924,194	$ 3,002,828	$ 2,030,659	$ 5,957,681
Amortization expense	153,320	269,375	123,039	545,734
Disposals or derecognization	-	(1,227,346)	-	(1,227,346)
Reclassification	-	2,516	-	2,516
Effect of foreign currency exchange differences	-	37,431	1,607	39,038
Balance at December 31, 2014	$ 1,077,514	$ 2,084,804	$ 2,155,305	$ 5,317,623

Each class of other intangible assets, except a portion of customer relationships amortized based on the pattern in which the economic benefits are consumed, were amortized on the straight-line basis over the following useful lives:

Customer relationships	11 years
Computer software	2-5 years
Others	5-32 years

16. LONG-TERM PREPAYMENTS FOR LEASE

Long-term prepayments for lease mainly represent land use right located in China with periods for use from 50 to 70 years. As of December 31, 2015 and 2014, the carrying amount of the land use right which the Group was in the process of obtaining the certificates was nil and NT$17,594 thousand, respectively. During 2014, the land use right located in China which the Group obtained the certificates was reclassified from long-term prepayments for lease to construction in progress under inventories related to real estate business.

17. BORROWINGS

a. Short-term borrowings

Short-term borrowings mainly represented unsecured revolving bank loans with annual interest rates at 0.57%-5.78% and 0.81%-6.00% as of December 31, 2015 and 2014, respectively.

b. Short-term bills payable

Short-term bills payable outstanding as of December 31, 2015 represented commercial papers NT$4,350,000 thousand less unamortized discounts of NT$1,946 thousand with annual interest rate at

0.78%. The commercial papers were secured by China Bills Finance Corporation and Mega Bills Finance Corporation.

c. Long-term borrowings

1) Bank loans

As of December 31, 2015 and 2014, the long-term bank loans with fixed interest rates were NT$1,500,000 thousand and NT$1,192,975 thousand, respectively, with annual interest rates at 1.17% and 1.10%-6.15%, respectively. The long-term bank loans with fixed interest rate will be repayable in December 2018. As of December 31, 2015 and 2014, the current portion of long-term bank loans with fixed interest rates were nil and NT$116,876 thousand, respectively. The others were long-term bank loans with floating interest rate and consisted of the followings:

	December 31	
	2015	**2014**
	NT$	**NT$**
Working capital bank loans		
Syndicated bank loans - repayable through April 2016 to July 2018, annual interest rates were 1.56%-1.92% and 0.90%-1.83% as of December 31, 2015 and 2014, respectively	$ 12,159,037	$ 10,760,548
Others - repayable through June 2016 to August 2019, annual interest rates were 0.90%-3.98% and 1.03%-3.74% as of December 31, 2015 and 2014, respectively	25,660,638	12,479,650
Mortgage loans		
Repayable through July 2016 to June 2023, annual interest rates were 4.95%-5.39% and 6.77% as of December 31, 2015 and 2014, respectively	3,251,139	2,534,483
	41,070,814	25,774,681
Less: unamortized arrangement fee	18,670	32,225
	41,052,144	25,742,456
Less: current portion	2,057,465	2,714,131
	$ 38,994,679	$ 23,028,325

Pursuant to the above syndicated bank loans agreements, the Company and some of its subsidiaries should maintain certain financial covenants including current ratio, leverage ratio, tangible net assets and interest coverage ratio. Such financial ratios are calculated based on the Group’s annual audited consolidated financial statements or semi-annual reviewed consolidated financial statements or subsidiaries’ annual audited financial statements. The Company and its subsidiaries were in compliance with all of the loan covenants as of December 31, 2015 and 2014.

The Group had sufficient long term credit facility obtained before December 31, 2015 to refinance a portion of loans on a long-term basis. Therefore, NT$2,105,883 thousand was not classified as current portion of long-term borrowings as of December 31, 2015.

2) Bills payable

Long-term bills payable represented unsecured commercial paper NT$2,000,000 thousand less unamortized discounts of NT$1,011 thousand with annual interest rate at 1.03% as of December 31, 2015. The commercial paper contract was entered into with Ta Ching Bills Finance Corporation and the duration is 3 years.

18. BONDS PAYABLE

	December 31	
	2015	2014
	NT$	NT$
Secured domestic bonds - secured by banks		
Repayable at maturity in August 2016 and interest due annually with annual interest rate 1.45%	$ 8,000,000	$ 8,000,000
Unsecured convertible overseas bonds		
US$400,000 thousand	13,130,000	12,660,000
US$200,000 thousand (linked to New Taiwan dollar)	6,185,600	-
Secured overseas bonds - secured by the Company		
US$300,000 thousand, repayable at maturity in July 2017; interest due semi-annually with annual interest rate 2.125%	9,847,500	9,495,000
CNY500,000 thousand, repayable at maturity in September 2016 and interest due semi-annually with annual interest rate 4.25%	2,527,489	2,586,207
	39,690,589	32,741,207
Less: discounts on bonds payable	1,264,339	1,471,076
	38,426,250	31,270,131
Less: current portion	14,685,866	-
	$ 23,740,384	$ 31,270,131

The Group had sufficient long term credit facility obtained before December 31, 2015 to refinance a portion of the bonds payable on a long-term basis. Therefore, NT$8,000,000 thousand was not classified as current portion of bonds payable as of December 31, 2015.

a. In September 2013, the Company offered the third unsecured convertible overseas bonds (the “Bonds”) in US$400,000 thousand. The Bonds is zero coupon bonds with the maturity of 5 years, in denominations of US$200 thousand or in any integral multiples thereof. Each holder of the Bonds has the right at any time on or after October 16, 2013 and up to (and including) August 26, 2018, except during legal lock-up period, to convert the Bonds into newly issued listed common shares at the conversion price NT$33.085, determined on the basis of a fixed exchange rate of US$1 to NT$29.956. The conversion price will be adjusted in accordance with the conversion provisions due to anti-dilution clause. As of December 31, 2015 and 2014, the conversion price was NT$30.28 and NT$31.93, respectively.

   The Bonds may be redeemed at the option of the Company, in whole or in part, at any time on or after the third anniversary of the offering date provided that (1) the closing price, translated into U.S. dollars, of the common shares for a period of 20 consecutive trading days is at least 130% of the conversion price, (2) at least 90% in aggregate principal amount of the Bonds originally outstanding has been redeemed, repurchased and canceled or converted, or (3) the Company is required to pay additional taxes on the Bonds as a result of certain changes in tax laws in the ROC.

   Each holder shall have the right to request the Company repurchase all or any portion of the principal amount thereof of a holder’s Bonds (1) on the third anniversary of the offering date, (2) in the event of a change of control, or (3) in the event of delisting.

   The Bonds contained a debt host contract, recognized as bonds payable, and the conversion option, redemption option and put option (collectively the “Bonds Options”) aggregately recognized as financial liabilities at FVTPL. The effective interest rate of the debt host contract was 3.16% and the aggregate fair value of the Bonds Options was NT$1,667,950 thousand on initial recognition.

b. In July 2015, the Company offered the forth unsecured convertible overseas bonds (the "Currency Linked Bonds") in US$200,000 thousand. The Currency Linked Bonds is zero coupon bonds with the maturity of 2.75 years, in denominations of US$200 thousand or in any integral multiples thereof. Repayment, redemption and put amount denominated in U.S. dollar will be converted into New Taiwan dollar amount using a fixed exchange rate of US$1 to NT$30.928 (the "Fixed Exchange Rate") and then converted back to U.S. dollar amount using the applicable prevailing rate at the time of repayment, redemption or put. Each holder of the Currency Linked Bonds has the right at any time on or after August 11, 2015 and up to (and including) March 17, 2018, except during legal lock-up period, to convert the Currency Linked Bonds into common shares at the conversion price NT$54.55, determined on the basis of the Fixed Exchange Rate. The Company's treasury shares will be available for delivery upon conversion of the Currency Linked Bonds. The conversion price will be adjusted in accordance with the conversion provisions due to anti-dilution clause. As of December 31, 2015, the conversion price was NT$51.73.

   The Currency Linked Bonds may be redeemed at the option of the Company, in whole or in part, at any time on or after March 19, 2018 provided that (1) the closing price, translated into U.S. dollars, of the common shares for a period of 20 out of 30 consecutive trading days is at least 130% of the conversion price, (2) at least 90% in aggregate principal amount of the Currency Linked Bonds originally outstanding has been redeemed, repurchased and canceled or converted, or (3) the Company is required to pay additional taxes on the Currency Linked Bonds as a result of certain changes in tax laws in the ROC.

   Each holder shall have the right to request the Company repurchase all or any portion of the principal amount thereof of a holder's Currency Linked Bonds (1) in the event of a change of control, or (2) in the event of delisting.

   The Currency Linked Bonds contained a debt host contract, recognized as bonds payable, and the conversion option, recognized as capital surplus. The effective interest rate of the debt host contract was 1.58% and the fair value of the conversion option was NT$214,022 thousand on initial recognition.

c. To focus on corporate sustainability and to carry out the commitment to environmental protection and energy conservation, Anstock II Limited, a subsidiary the Company 100% owned, offered overseas bonds in US$300,000 thousand with the maturity of 3 years and annual interest rate of 2.125% (the "Green Bonds") in July 2014. The Green Bonds are unconditionally and irrevocably guaranteed by the Company and the proceeds will be used to fund certain eligible projects to promote the Group's transition to low-carbon and climate resilient growth.

19. OTHER PAYABLES

	December 31	
	2015	2014
	NT$	NT$
Payables for property, plant and equipment	$ 4,782,357	$ 7,097,129
Accrued salary and bonus	5,826,982	5,550,040
Accrued bonus to employees or employees' compensation and remuneration to directors and supervisors	2,270,608	2,602,796
Accrued employee insurance	599,218	572,259
Accrued utilities	466,956	495,404
Accrued legal settlement fee	-	814,185
Others	5,248,697	5,232,703
	$ 19,194,818	$ 22,364,516

The Company and its subsidiary, ASE US, reached the final settlement agreement with Tessera Inc. (“Tessera”) in October 2014 to resolve the patent infringement lawsuit, and Tessera has dismissed all claims against the Company and ASE US. The final settlement amount was NT$814,185 thousand (US$27,000 thousand as resolved in the final settlement agreement in October 2014) and paid in January 2015.

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

1) The pension plan under the ROC Labor Pension Act (“LPA”) for the Group’s ROC resident employees is a government-managed defined contribution plan. Based on the LPA, the Company and its subsidiaries in Taiwan makes monthly contributions to employees’ individual pension accounts at 6% of their monthly salaries.

2) The subsidiaries located in China, U.S.A., Malaysia, Singapore and Mexico also make contributions at various ranges according to relevant local regulations.

b. Defined benefit plans

1) The Company and its subsidiaries in Taiwan joined the defined benefit pension plan under the ROC Labor Standards Law (“LS Law”) operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the last six months before retirement. The Company and its subsidiaries in Taiwan make contributions based on a certain percentage of their domestic employees monthly salaries to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name and are managed by the Bureau of Labor Funds, Ministry of Labor (“the Bureau”); the Group has no right to influence the investment policy and strategy. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year.

2) ASE Japan has a pension plan under which eligible employees with more than ten years of service are entitled to receive pension benefits based on their length of service and salaries at the time of termination of employment. ASE Japan makes contributions based on a certain amount of pension cost to employees.

   ASE Korea also has a pension plan under which eligible employees and directors with more than one year of service are entitled to receive a lump-sum payment upon termination of their service with ASE Korea, based on their length of service and salaries at the time of termination. ASE Korea makes contributions based on a certain percentage of pension cost to an external financial institution administered by the management and in the names of employees.

3) ASE Inc., ASE Test, Inc. and ASE Electronics Inc. maintain pension plans for executive managers. Pension costs under the plans were NT$2,302 thousand and NT$16,645 thousand for the years ended December 31, 2015 and 2014, respectively. Pension payments were NT$2,549 thousand and NT$25,315 thousand for the years ended December 31, 2015 and 2014, respectively. As of December 31, 2015 and 2014, accrued pension liabilities for executive managers were NT$199,595 thousand and NT$199,842 thousand, respectively.

4) The present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

   Except the pension plans for executive managers, the key assumptions used for the actuarial valuations were as follow:

	December 31	
	2015	2014
Discount rates	0.15%-3.48%	0.12%-4.03%
Expected rates of salary increase	2.00%-4.57%	2.00%-4.70%

5) An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans excluding those for executive managers was as follows:

	For the Years Ended December 31	
	2015	2014 (Adjusted)
	NT$	NT$
Operating cost	$ 319,151	$ 345,309
Selling and marketing expenses	10,160	11,448
General and administrative expenses	43,753	35,867
Research and development expenses	38,124	36,526
	$ 411,188	$ 429,150

6) For the years ended December 31, 2015 and 2014, the Group recognized actuarial loss of NT$51,909 thousand and NT$5,207 thousand (adjusted) in other comprehensive loss, respectively. As of December 31, 2015 and 2014, the accumulated actuarial loss of NT$420,111 thousand and NT$333,894 thousand (adjusted) were recognized in other comprehensive loss, and NT$7,931 thousand and NT$4,491 thousand (adjusted) were recognized in non-controlling interests, respectively.

7) The amounts included in the consolidated balance sheets arising from the Group's obligation in respect of its defined benefit plans excluding those for executive managers were as follows:

	December 31	
	2015	2014 (Adjusted)
	NT$	NT$
Present value of funded defined benefit obligation	$ 7,973,676	$ 7,674,293
Fair value of plan assets	(3,973,729)	(3,502,487)
Present value of unfunded defined benefit obligation	3,999,947	4,171,806
Recorded under others payables	(138,959)	(1,028)
Recorded under prepaid pension cost	11,910	11,910
Net defined benefit liability	$ 3,872,898	$ 4,182,688

Movements in net defined benefit liability (asset) were as follows:

	Present value of the defined benefit obligation	Fair value of the plan assets	Net defined benefit liability (asset)
	NT$	NT$	NT$
Balance at January 1, 2015	$ 7,674,293	$ (3,502,487)	$ 4,171,806
Service cost			
Current service cost	335,655	-	335,655
Net interest expense (income)	183,889	(108,356)	75,533
Recognized in profit or loss	519,544	(108,356)	411,188
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	12,426	12,426
Actuarial loss arising from changes in financial assumptions	309,695	-	309,695
Actuarial gain arising from experience adjustments	(243,363)	-	(243,363)
Actuarial gain arising from changes in demographic assumptions	(15,847)	-	(15,847)
Recognized in other comprehensive income	50,485	12,426	62,911
Contributions from the employer	-	(611,581)	(611,581)
Benefits paid from the pension fund	(192,928)	192,928	-
Benefits paid from the Group	(43,088)	-	(43,088)
Exchange differences on foreign plans	(34,630)	43,341	8,711
Balance at December 31, 2015	$ 7,973,676	$ (3,973,729)	$ 3,999,947
Balance at January 1, 2014	$ 7,472,145	$ (3,118,804)	$ 4,353,341
Service cost			
Current service cost	327,707	-	327,707
Past service cost	22,036	-	22,036
Net interest expense (income)	189,043	(109,636)	79,407
Recognized in profit or loss	538,786	(109,636)	429,150
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	29,338	29,338
Actuarial gain arising from changes in financial assumptions	(46,913)	-	(46,913)
Actuarial loss arising from experience adjustments	38,516	-	38,516

(Continued)

	Present value of the defined benefit obligation	Fair value of the plan assets	Net defined benefit liability (asset)
	NT$	NT$	NT$
Actuarial loss arising from changes in demographic assumptions	7,204	-	7,204
Recognized in other comprehensive income	(1,193)	29,338	28,145
Contributions from the employer	-	(556,555)	(556,555)
Benefits paid from the pension fund	(292,996)	292,996	-
Benefits paid from the Group	(16,237)	-	(16,237)
Exchange differences on foreign plans	(26,212)	(39,826)	(66,038)
Balance at December 31, 2014	$ 7,674,293	$ (3,502,487)	$ 4,171,806

(Concluded)

8) The fair value of the plan assets by major categories at each balance sheet date was as follows:

	December 31	
	2015	2014
	NT$	NT$
Cash and cash equivalents	$ 2,090,399	$ 1,854,926
Debt instruments	1,020,532	691,720
Equity instruments	823,496	869,752
Others	39,302	86,089
Total	$ 3,973,729	$ 3,502,487

9) Through the defined benefit plans under the Labor Standards Law, the Company and its subsidiaries are exposed to the following risks:

a) Investment risk

The plan assets are invested in equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

b) Interest risk

A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

c) Salary risk

The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

10) The management of ASE Korea is responsible for the administration of the fund and determination of the investment strategies according to related local regulations. ASE Korea is responsible for the shortfall between the fund and the defined benefit obligation. All of the plan assets are invested in the certificates of deposits.

11) Significant actuarial assumptions for the determination of the defined obligation are discount rates and expected rates of salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at each balance sheet date, while holding all other assumptions constant.

	December 31, 2015
	NT$
Discount Rate	
0.5% higher	$ (444,132)
0.5% lower	$ 497,046
Expected rates of salary increase	
0.5% higher	$ 476,378
0.5% lower	$ (426,130)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

12) Maturity analysis of undiscounted pension benefit

	December 31	
	2015	2014
	NT$	NT$
No later than 1 year	$ 247,030	$ 249,000
Later than 1 year and not later than 5 years	1,616,804	1,462,070
Later than 5 years	17,674,518	14,468,022
	$ 19,538,352	$ 16,179,092

The Group expects to make contributions of NT$705,384 thousand to the defined benefit plans in the next year starting from January 1, 2016.

As of December 31, 2015 and 2014, the average duration of the defined benefit obligation excluding those for executive managers of the Group was 8 to 16 years and 9 to 18 years, respectively.

21. EQUITY

a. Share capital

Ordinary shares

	December 31, 2015	December 31, 2014
Numbers of shares authorized (in thousands)	10,000,000	10,000,000

(Continued)

	December 31, 2015	December 31, 2014
Numbers of shares reserved (in thousands)		
Employee share options	800,000	800,000
Shares authorized	$ 100,000,000	$ 100,000,000
Shares reserved		
Employee share options	$ 8,000,000	$ 8,000,000
Numbers of shares registered (in thousands)	7,902,929	7,852,538
Numbers of shares subscribed in advance (in thousands)	7,499	9,187
Number of shares issued and fully paid (in thousands)	7,910,428	7,861,725

(Concluded)

The holders of issued ordinary shares with a par value at $10 per share are entitled the right to vote and receive dividends, except the shares held by the Group's subsidiaries which are not entitled the right to vote. As of December 31, 2015 and 2014, there were 500,000 thousand ordinary shares included in the authorized shares that were not yet required to complete the share registration process.

American Depositary Receipts

The Company issued ADSs and each ADS represents five ordinary shares. As of December 31, 2015 and 2014, 115,240 thousand and 125,731 thousand ADSs were outstanding and represented approximately 576,198 thousand and 628,657 thousand ordinary shares of the Company, respectively.

b. Capital surplus

	December 31	
	2015	2014 (Adjusted)
	NT$	NT$
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Arising from issuance of ordinary shares	$ 5,479,616	$ 4,946,308
Arising from the difference between consideration received and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	7,197,510	-
May be used to offset a deficit only		
Arising from changes in percentage of ownership interest in subsidiaries (2)	8,489,984	9,054,328
Arising from treasury share transactions	717,355	425,004
Arising from exercised employee share options	544,112	375,448
Arising from expired employee share options	3,626	3,626

(Continued)

	December 31	
	2015	2014 (Adjusted)
	NT$	NT$
May not be used for any purpose		
Arising from employee share options	$ 1,080,590	$ 1,178,210
Arising from equity component of convertible bonds	214,022	-
Arising from share of changes in capital surplus of associates	30,284	30,134
	$ 23,757,099	$ 16,013,058

(Concluded)

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

2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary resulted from equity transactions other than actual disposal or acquisition, or from changes in capital surplus of subsidiaries accounted for by using equity method.

c. Retained earnings and dividend policy

The Articles of Incorporation of ASE Inc. (the "Articles") provides that annual net income shall be distributed in the following order:

1) Replenishment of deficits;

2) 10.0% as legal reserve;

3) Special reserve appropriated or reversed in accordance with laws or regulations set forth by the authorities concerned;

4) An amount equal to the excess of the income from investments accounted for using the equity method over cash dividends as special reserve;

5) Addition or deduction of realized gains or losses on equity instruments at fair value through other comprehensive income;

6) Not more than 1.0% of the remainder, from 1) to 5), as remuneration to directors;

7) Between 7.0% to 11.0% of the remainder, from 1) to 5), as bonus to employees, of which 7.0% shall be distributed in accordance with the employee bonus plan and the excess shall be distributed to specified employees at the board of directors' discretion; and

8) Any remainder from above as dividends to shareholders.

Employees to whom referred in 7) above include employees of subsidiaries that meet certain conditions, which are to be determined by the board of directors.

The Company is currently in the mature growth stage. To meet the capital needs for business development now and in the future and satisfy the shareholders' demand for cash inflows, the Company shall use residual dividend policy to distribute dividends, of which the cash dividend is not lower than 30% of the total dividend distribution, with the remainder to be distributed in stock. A distribution plan is also to be made by the board of directors and passed for resolution in the shareholders' meeting.

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. Accordingly, the Company expects to make amendments to the Company's Articles of Incorporation to be approved during the 2016 annual shareholders' meeting. For information about the accrual basis of the employee compensation and remuneration to directors and supervisors and the actual appropriations, please refer to employee benefits expense under profit before income tax in Note 22 (e).

Under Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", the Company should appropriate or reverse to a special reserve. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

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

The appropriations of earnings for 2014 and 2013 resolved at the Company's annual shareholders' meetings in June 2015 and June 2014, respectively, were as follows:

	Appropriation of Earnings		**Dividends Per Share**	
	For Year 2014	**For Year 2013**	**For Year 2014**	**For Year 2013**
	NT$	**NT$**	**NT$ (in dollars)**	**NT$ (in dollars)**
Legal reserve	$ 2,359,267	$ 1,568,907		
Special reserve	-	(309,992)		
Cash dividends	15,589,825	10,156,005	$ 2.00	$ 1.30
	$ 17,949,092	$ 11,414,920		

d. Special reserve appropriated in accordance with the local regulations

On January 1, 2013, the Company appropriated to the special reserve of NT$3,353,938 thousand relating to the exchange differences on translating foreign operations transferred to retained earnings in accordance with the local regulations.

e. Accumulated other comprehensive income

1) Exchange differences on translating foreign operations

	For the Years Ended December 31	
	2015	**2014 (Adjusted)**
	NT$	**NT$**
Balance at January 1	$ 4,541,761	$ (525,583)
Exchange differences arising on translating foreign operations	11,459	5,065,577
Share of exchange difference of associates accounted for using the equity method	(59,650)	1,767
Balance at December 31	$ 4,493,570	$ 4,541,761

2) Unrealized gain on available-for-sale financial assets

	For the Years Ended December 31	
	2015	2014
	NT$	NT$
Balance at January 1	$ 526,778	$ 426,246
Unrealized loss arising on revaluation of available-for-sale financial assets	(4,304)	(142,418)
Cumulative loss reclassified to profit or loss on disposal of available-for-sale financial assets	10,827	9,561
Share of unrealized gain on available-for-sale financial assets of associates accounted for using the equity method	54,818	233,389
Balance at December 31	$ 588,119	$ 526,778

3) Cash flow hedges – for the year ended December 31, 2014

	For the Years Ended December 31, 2014
	NT$
Balance at January 1	$ (3,279)
Gain arising on changes in the fair value of hedging instruments - Interest rate swap contracts	795
Cumulative loss arising on changes in fair value of hedging instruments reclassified to profit or loss - Interest rate swap contracts	2,484
Balance at December 31	$ -

f. Treasury shares (in thousand shares)

	Balance at January 1	Addition	Decrease	Balance at December 31
2015				
Shares held by subsidiaries	145,883	-	-	145,883
Shares reserved for bonds conversion	-	120,000	-	120,000
	145,883	120,000	-	265,883
2014				
Shares held by subsidiaries	145,883	-	-	145,883

In February 2015, the board of directors approved to repurchase up to 120,000 thousand of the Company’s ordinary shares which will be used for equity conversion of convertible overseas bonds to be issued in the future. The Company has completed the repurchase during March 2015 and the shares repurchased accounted for 1.53% of the Company’s total issued shares. The average repurchase price was NT$44.45 per share.

The Company’s shares held by its subsidiaries at each balance sheet date were as follows:

	Shares Held By Subsidiaries (in thousand shares)	Carrying amount NT$	Fair Value NT$
December 31, 2015			
ASE Test	88,200	$ 1,380,721	$ 3,351,618
J&R Holding	46,704	381,709	1,774,743
ASE Test, Inc.	10,979	196,677	417,193
	145,883	$ 1,959,107	$ 5,543,554
December 31, 2014			
ASE Test	88,200	$ 1,380,721	$ 3,360,438
J&R Holding	46,704	381,709	1,779,413
ASE Test, Inc.	10,979	196,677	418,291
	145,883	$ 1,959,107	$ 5,558,142

Fair values of the Company's shares held by subsidiaries are based on the closing price from an available published price quotation, which is a Level 1 input in terms of IFRS 13, at the balance sheet dates.

The Company issued ordinary shares in connection with its merger with its subsidiaries. The shares held by its subsidiaries were reclassified from investments accounted for using the equity method to treasury shares on the proportion owned by the Company.

Under the Securities and Exchange Act in the ROC, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as rights to dividends and voting. The subsidiaries holding treasury shares, however, retain shareholders' rights except the rights to participate in any share issuance for cash and voting.

f. Non-controlling interests

	For the Years Ended December 31	
	2015 NT$	2014 (Adjusted) NT$
Balance at January 1	$ 8,219,097	$ 4,133,282
Attributable to non-controlling interests:		
Share of profit for the year	970,134	645,063
Exchange difference on translating foreign operations	(74,968)	339,450
Unrealized gain (loss) on available-for-sale financial assets	3,928	(857)
Defined benefit plan actuarial losses	(3,440)	(857)
Cash capital increase of subsidiary (Note 26)	-	3,068,406
Additional non-controlling interests arising from partial disposal of subsidiaries (Note 26)	1,712,836	-
Spin-off of subsidiaries	3,535	-

(Continued)

	For the Years Ended December 31	
	2015	2014 (Adjusted)
	NT$	NT$
Non-controlling interest relating to outstanding vested share options held by the employees of subsidiaries	$ 904,904	$ 120,376
Cash dividends to non-controlling interests	(232,148)	(85,766)
Balance at December 31	$ 11,503,878	$ 8,219,097

(Concluded)

22. PROFIT BEFORE INCOME TAX

a. Other income

	For the Years Ended December 31	
	2015	2014
	NT$	NT$
Dividends income	$ 396,973	$ 101,252
Interest income	242,084	243,474
Government subsidy	176,721	184,525
Rental income	60,230	59,624
	$ 876,008	$ 588,875

b. Other gains, net

	For the Years Ended December 31	
	2015	2014
	NT$	NT$
Net gain arising on financial instruments held for trading	$ 1,657,093	$ 1,266,653
Net gain on financial assets designated as at FVTPL	815,742	572,187
Foreign exchange loss, net	(713,213)	(1,221,979)
Impairment loss	(258,129)	(308,144)
Others	(64,457)	467,573
	$1,437,036	$ 776,290

c. Finance costs

	For the Years Ended December 31	
	2015	2014
	NT$	NT$
Total interest expense for financial liabilities measured at amortized cost	$ 2,514,208	$ 2,548,850
Less: Amounts included in the cost of qualifying assets		
Inventories related to real estate business	(197,287)	(100,705)
Property, plant and equipment	(48,135)	(126,203)
	2,268,786	2,321,942

(Continued)

	For the Years Ended December 31	
	2015	2014
	NT$	NT$
Loss arising on derivatives as designated hedging instruments in cash flow hedge accounting relationship reclassified from equity to profit or loss	$ -	$ 2,484
Other finance costs	43,357	29,671
	$ 2,312,143	$ 2,354,097

(Concluded)

Information relating to the capitalized borrowing costs was as follows:

	For the Years Ended December 31	
	2015	2014
Annual interest capitalization rates		
Inventories related to real estate business	4.35%-6.77%	6.00%-7.21%
Property, plant and equipment	0.75%-6.15%	0.88%-6.15%

d. Depreciation and amortization

	For the Years Ended December 31	
	2015	2014
	NT$	NT$
Property, plant and equipment	$28,938,770	$25,805,042
Intangible assets	579,894	545,734
Total	$29,518,664	$26,350,776
Summary of depreciation by function		
Operating costs	$27,023,957	$24,050,546
Operating expenses	1,914,813	1,754,496
	$28,938,770	$25,805,042
Summary of amortization by function		
Operating costs	$ 124,235	$ 180,719
Operating expenses	455,659	365,015
	$ 579,894	$ 545,734

e. Employee benefits expense

	For the Years Ended December 31	
	2015	2014 (Adjusted)
	NT$	NT$
Post-employment benefits (Note 20)		
Defined contribution plans	$ 1,693,060	$ 1,589,505
Defined benefit plans	413,490	445,795
	2,106,550	2,035,300
Equity-settled share-based payments	133,496	110,157
Salary, incentives and bonus	41,985,329	40,475,594
Other employee benefits	6,529,812	5,984,074
	$50,755,187	$48,605,125
Summary of employee benefits expense by function		
Operating costs	$34,720,359	$33,243,224
Operating expenses	16,034,828	15,361,901
	$50,755,187	$48,605,125

The existing Articles of Incorporation of the Company stipulate to distribute bonus to employees and remuneration to directors and supervisors at the rates in 7%-11% and no higher than 1% from net income (net of the bonus and remuneration) , respectively (retained earnings and dividend policy in Note 21c). For the year ended December 31, 2014, the bonus to employees and the remuneration to directors and supervisors were NT$2,335,786 thousand and NT$212,344 thousand, respectively, representing 11% and 1%, respectively, of the net income (net of the bonus and remuneration).

To be in compliance with the Company Act as amended in May 2015, the amended Articles of Incorporation of the Company, as proposed by the board of directors in January 2016, stipulate to distribute employees' compensation and remuneration to directors at the rates in 5.25%-8.25% and no higher than 0.75%, respectively, of net profit before income tax, employees' compensation and remuneration to directors. For the year ended December 31, 2015, the employees' compensation and the remuneration to directors were NT$2,033,500 thousand and NT$184,500 thousand, respectively, which were accrued based on 8.25% and 0.75% of net profit before income tax, employees' compensation and remuneration to directors, respectively. The employees' compensation and remuneration to directors for the year ended December 31, 2015 are subject to the resolution of the Company's board of directors and the resolution of the amendments to the Company's Articles of Incorporation for adoption by the shareholders in their meeting to be held in June 2016, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Material differences between such estimated amounts and the amounts proposed by the board of directors on or before the annual consolidated financial statements approved for issue are adjusted in the year the compensation and remuneration were recognized. If there is a change in the proposed amounts after the consolidated financial statements authorized for issue, the differences are recorded as a change in accounting estimate.

The bonus to employees and the remuneration to directors and supervisors for 2014 and 2013 distributed in cash resolved at the Company's annual shareholders' meetings in June 2015 and June 2014, respectively, were as follows:

	For Year 2014	For Year 2013
	NT$	NT$
Bonus to employees	$ 2,335,600	$ 1,587,300
Remuneration to directors and supervisors	211,200	144,000

The differences between the resolved amounts of the bonus to employees and remuneration to directors and supervisors and the accrued amounts reflected in the consolidated financial statements for the years ended December 31, 2014 and 2013 was deemed changes in estimates. The difference was NT$1,330 thousand and NT$385 thousand and had been adjusted in earnings for the years ended December 31, 2015 and 2014, respectively.

Information regarding the bonus to employees and the remuneration to directors and supervisors resolved by the Company's board of directors and the shareholders' meeting is available on the Market Observation Post System website of the TSE.

23. INCOME TAX

a. Income tax recognized in profit or loss

The major components of income tax expense were as follows:

	For the Years Ended December 31	
	2015	2014 (Adjusted)
	NT$	NT$
Current income tax		
In respect of the current year	$ 4,029,076	$ 3,524,456
Income tax on unappropriated earnings	474,076	25,737
Adjustments for prior years	(20,719)	72,380
	4,482,433	3,622,573
Deferred income tax		
In respect of the current year	436,374	571,662
Effect of foreign currency exchange differences	(58,671)	75,305
Others	(20,890)	(2,914)
	356,813	644,053
Income tax expense recognized in profit or loss	$ 4,839,246	$ 4,266,626

A reconciliation of income tax expense calculated at the statutory rate and income tax expense recognized in profit or loss was as follows:

	For the Years Ended December 31	
	2015	2014 (Adjusted)
	NT$	NT$
Profit before income tax	$ 25,288,253	$ 28,548,211
Income tax expense calculated at the statutory rate	$ 6,306,316	$ 5,104,220
Nontaxable expense in determining taxable income	161,362	126,407
Tax-exempt income	(537,987)	(623,652)
Additional income tax on unappropriated earnings	624,564	488,517
Loss carry-forward and income tax credits currently used	(1,044,954)	(1,186,565)
Remeasurement of deferred income tax assets, net	(649,336)	291,956
Adjustments for prior years' tax	(20,719)	72,380
Land value increment tax	-	(6,637)
Income tax expense recognized in profit or loss	$ 4, 839,246	$ 4,266,626

For the years ended December 31, 2015 and 2014, the Group applied a tax rate of 17% for resident entities subject to the Income Tax Law of the ROC; for the subsidiaries located in China, the applied tax rate was 25%; and for other jurisdictions, the Group measures taxes by using the applicable tax rate for each individual jurisdiction.

As the status of 2016 appropriations of earnings is uncertain, the potential income tax consequences of 2015 unappropriated earnings are not reliably determinable.

b. Income tax recognized directly in equity

	For the Years Ended December 31	
	2015	2014
	NT$	NT$
Deferred income tax		
Employee share options	$ (33)	$ 4,481

c. Income tax recognized in other comprehensive income

	For the Years Ended December 31	
	2015	2014 (Adjusted)
	NT$	NT$
Deferred income tax		
Actuarial loss on defined benefit plan	$ 11,002	$ 22,938

d. Current tax assets and liabilities

	December 31	
	2015	2014
	NT$	NT$
Current tax assets		
Tax refund receivable	$ 10,984	$ 23,616
Prepaid income tax	157,733	41,696
	$ 168,717	$ 65,312
Current tax liabilities		
Income tax payable	$ 4,551,785	$ 4,150,036

e. Deferred tax assets and liabilities

The Group offset certain deferred tax assets and deferred tax liabilities which met the offset criteria.

The movements of deferred tax assets and deferred tax liabilities were as follows:

	Balance at January 1 (Adjusted)	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Recognized in Equity	Exchange Differences	Balance at December 31
	NT$	NT$	NT$	NT$	NT$	NT$
Year ended December 31, 2015						
Temporary differences						
Property, plant and equipment	$ (2,431,855)	$ (1,083,273)	$ -	$ -	$ 10,670	$ (3,504,458)
Defined benefit obligation	796,642	20,398	11,002	-	17,897	845,939
FVTPL financial instruments	(170,059)	(62,152)	-	-	13	(232,198)
Others	1,166,297	229,799	-	(33)	(11,076)	1,384,987
	(638,975)	(895,228)	11,002	(33)	17,504	(1,505,730)
Loss carry-forward	519,898	812,217	-	-	(8,538)	1,323,577
Investment credits	694,082	(274,655)	-	-	(68,308)	351,119
Others	(853)	853	-	-	-	-
	$ 574,152	$ (356,813)	$ 11,002	$ (33)	$ (59,342)	$ 168,966

	Balance at January 1 (Adjusted)	Recognized in Profit or Loss (Adjusted)	Recognized in Other Comprehensive Income (Adjusted)	Recognized in Equity (Adjusted)	Exchange Differences (Adjusted)	Balance at December 31 (Adjusted)
	NT$	NT$	NT$	NT$	NT$	NT$
Year ended December 31, 2014						
Temporary differences						
Property, plant and equipment	$ (1,684,616)	$(804,082)	$ -	$ -	$ 56,843	$ (2,431,855)
Defined benefit obligation	854,540	(59,807)	22,938	-	(21,029)	796,642
FVTPL financial instruments	(12,329)	(170,722)	-	-	12,992	(170,059)
Others	767,744	372,563	-	4,481	21,509	1,166,297
	(74,661)	(662,048)	22,938	4,481	70,315	(638,975)
Loss carry-forward	270,031	246,334	-	-	3,533	519,898
Investment credits	924,128	(227,486)	-	-	(2,560)	694,082
Others	-	(853)	-	-	-	(853)
	$ 1,119,498	$ (644,053)	$ 22,938	$ 4,481	$ 71,288	$ 574,152

f. Items for which no deferred tax assets have been recognized

Unrecognized deferred tax assets related to loss carry-forward, investment credits and deductible temporary differences were summarized as follows:

	December 31	
	2015	2014
	NT$	NT$
Loss carry-forward	$ 666,373	$ 694,960
Investment credits	387,480	629,231
Deductible temporary differences	1,007,105	957,183
	$ 2,060,958	$ 2,281,374

The unrecognized loss carry-forward will expire through 2030 and the unrecognized investment credits will expire through 2018.

g. Information about unused loss carry-forward, unused investment credits, tax-exemption and other tax relief

As of December 31, 2015, the unused loss carry-forward comprised of:

Year of Expiry	NT$
2016	$ 124,478
2017	318,985
2018	268,332
2019	333,284
2020 and thereafter	944,871
	$1,989,950

As of December 31, 2015, unused investment credits comprised of:

Laws and Statutes	Tax Credit Source	Remaining Creditable Amount NT$	Expiry Year
Statute for Upgrading Industries	Purchase of machinery and equipment	$ 710,863	2018
	Others	27,736	2017
		$ 738,599	

As of December 31, 2015, profits attributable to the following expansion projects were exempted from income tax for a 3-year or 5-year period:

	Tax-exemption Period
Construction and expansion of 2004 by the Company	2012.01-2016.12
Construction and expansion of 2005 by the Company	2012.01-2016.12

(Continued)

	Tax-exemption Period
Construction and expansion of 2007 by the Company	2013.01-2015.12
Construction and expansion of 2008 by the Company	2014.01-2018.12
Construction and expansion of 2007 by the Company	2016.01-2020.12
Construction and expansion of 2005 by ASE Test Inc.	2011.01-2015.12
Construction and expansion of 2008 by ASE Test Inc.	2014.01-2018.12
Construction and expansion of 2009 by ASE Test Inc.	2018.01-2022.12
Construction of 2005 by ASE Electronics Inc.	2012.01-2016.12
Expansion of 2008 by ASE Electronics Inc.	2016.01-2020.12

(Concluded)

Some China subsidiaries qualify as high technology enterprises which entitle them to a reduced income tax rate of 15% and also make them eligible to deduct certain times of research and development expenses from their taxable income.

h. Unrecognized deferred tax liabilities associated with investments

As of December 31, 2015 and 2014, the taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized were NT$12,676,347 thousand and NT$11,400,826 thousand, respectively.

i. Integrated income tax

As of December 31, 2015 and 2014, unappropriated earnings were all generated on and after January 1, 1998. As of December 31, 2015 and 2014, the balance of the Imputation Credit Account ("ICA") was NT$1,913,243 thousand and NT$934,038 thousand, respectively.

The creditable ratio for the distribution of earnings of 2015 and 2014 was 8.66% (estimated) and 6.88% (actual), respectively.

j. Income tax assessments

Income tax returns of ASE Inc. and its ROC subsidiaries have been examined by authorities through 2012 and through 2010, 2011, 2012 or 2013, respectively. ASE Inc. and some of its ROC subsidiaries disagreed with the result of examinations relating to its income tax returns for 2004 through 2008 and 2010 through 2012 and appealed to the tax authorities. A settlement was reached in June 2015. The related income tax expenses in the years resulting from the examinations have been accrued in respective tax years or in the year of the settlement.

24. EARNINGS PER SHARE

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

Net profit for the year

	For the Years Ended December 31	
	2015	2014 (Adjusted)
	NT$	NT$
Profit for the year attributable to owners of the Company	$ 19,478,873	$ 23,636,522

(Continued)

	For the Years Ended December 31	
	2015	2014 (Adjusted)
	NT$	NT$
Effect of potentially dilutive ordinary shares:		
Employee share options issued by subsidiaries	$ (210,126)	$ (260,925)
Convertible bonds	901,187	931,344
Earnings used in the computation of diluted earnings per share	$ 20,169,934	$ 24,306,941

(Concluded)

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

	For the Years Ended December 31	
	2015	2014
Weighted average number of ordinary shares in computation of basic earnings per share	7,652,773	7,687,930
Effect of potentially dilutive ordinary shares:		
Convertible bonds	455,671	375,271
Employee share options	86,994	101,850
Bonus to employees or employees' compensation	54,626	55,643
Weighted average number of ordinary shares in computation of diluted earnings per share	8,250,064	8,220,694

The Group is able to settle the compensation or bonuses paid to employees in cash or shares. The Group assumed that the entire amount of the compensation or bonus would be settled in shares and the resulting potential shares were included in the weighted average number of ordinary shares outstanding used in the computation of diluted earnings per share if the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the shareholders approve the number of shares to be distributed to employees at their meeting in the following year.

25. SHARE-BASED PAYMENT ARRANGEMENTS

Employee share option plans of the Company and its subsidiaries

In order to attract, retain and reward employees, ASE Inc. has five employee share option plans for full-time employees of the Group, including 100,000 thousand share options approved to be granted in April 2015. Each share option represents the right to purchase one ordinary share of ASE Inc. when exercised. Under the terms of the plans, share options are granted at an exercise price equal to or not less than the closing price of the ordinary shares listed on the TSE at the grant date. The option rights of these plans are valid for 10 years, non-transferable and exercisable at certain percentages subsequent to the second anniversary of the grant date. For any subsequent changes in the Company's capital structure, the exercise price is accordingly adjusted.

a. ASE Inc. Option Plans

Information about share options was as follows:

	For the Years Ended December 31			
	2015		2014	
	Number of Options (In Thousands)	Weighted Average Exercise Price Per Share (NT$)	Number of Options (In Thousands)	Weighted Average Exercise Price Per Share (NT$)
Balance at January 1	209,745	$20.7	285,480	$20.5
Options granted	94,270	36.5	-	-
Options forfeited	(1,975)	30.3	(1,515)	20.5
Options expired	(730)	11.1	(322)	13.5
Options exercised	(48,703)	20.6	(73,898)	19.7
Balance at December 31	252,607	26.6	209,745	20.7
Options exercisable, end of year	158,103	20.8	189,240	20.7
Weighted-average fair value of options granted (NT$)	$7.18~7.39		$ -	

The weighted average share price at exercise dates of share options for the years ended December 31, 2015 and 2014 was NT$38.8 and NT$35.1, respectively.

Information about the Company’s outstanding share options at each balance sheet date was as follows:

	Range of Exercise Price Per Share (NT$)	Weighted Average Remaining Contractual Life (Years)
December 31, 2015	$20.4-22.6	3.5
	36.5	9.7
December 31, 2014	11.1-13.5	0.4
	20.4-22.6	4.4

b. ASE Mauritius Inc. Option Plan

ASE Mauritius Inc. has an employee share option plan for full-time employees of the Group which granted 30,000 thousand units in December 2007. Under the terms of the plan, each unit represents the right to purchase one ordinary share of ASE Mauritius Inc. when exercised. The option rights of the plan are valid for 10 years, non-transferable and exercisable at certain percentages subsequent to the second anniversary of the grant date.

Information about share options was as follows:

	For the Years Ended December 31			
	2015		2014	
	Number of Options (In Thousands)	Exercise Price Per Share (US$)	Number of Options (In Thousands)	Exercise Price Per Share (US$)
Balance at January 1	28,545	$1.7	28,545	$1.7
Options forfeited	(75)	1.7	-	-
Balance at December 31	28,470	1.7	28,545	1.7
Options exercisable, end of year	28,470	1.7	28,545	1.7

As of December 31, 2015 and 2014, the share options were all vested and the remaining contractual life was 2 years and 3 years, respectively.

c. USIE Option Plans

The terms of the plans issued by USIE were the same with those of the Company's option plans.

Information about share options was as follows:

	For the Years Ended December 31			
	2015		2014	
	Number of Options (In Thousands)	Weighted Average Exercise Price Per Share (US$)	Number of Options (In Thousands)	Weighted Average Exercise Price Per Share (US$)
Balance at January 1	34,159	$2.1	34,939	$2.1
Options forfeited	(84)	2.8	-	-
Options exercised	(4,380)	1.9	(780)	1.5
Balance at December 31	29,695	2.1	34,159	2.1
Options exercisable, end of year	28,106	2.1	30,874	2.0

Information about USIE's outstanding share options at each balance sheet date was as follows:

	Range of Exercise Price Per Share (US$)	Weighted Average Remaining Contractual Life (Years)
December 31, 2015	$ 1.5	5.0
	2.4-2.9	4.9
December 31, 2014	1.5	5.0
	2.4-2.9	5.8

d. USISH Option Plans

In November 2015, the shareholders of USISH approved a share option plan for the employees of USISH. Each unit represents the right to purchase one ordinary share of USISH when exercised. The options are valid for 10 years, non-transferable and exercisable at certain percentages subsequent to the second anniversary of the grant date incorporated with certain performance conditions. For any subsequent changes in USISH's capital structure, the exercise price is accordingly adjusted.

Information about share options was as follows:

	For the Year Ended December 31, 2015	
	Number of Options (In Thousands)	**Exercise Price Per Share (CNY)**
Balance at January 1	-	$ -
Options granted	26,640	15.5
Options forfeited	(13)	15.5
Balance at December 31	26,627	15.5
Options exercisable, end of year	-	-
Weighted-average fair value of options granted (CNY)	$5.95~7.14	

As of December 31, 2015, the remaining contractual life of the share options was 9.9 years.

Fair value of share options

Share options granted by the Company and USISH in 2015 were measured using the Hull & White Model (2004) incorporated with Ritchken's Trinomial Tree Model (1995) and the Black-Scholes Option Pricing Model, respectively, and the inputs to the models were as follows:

	ASE Inc.	**USISH**
Share price at the grant date	NT$36.5	CNY15.2
Exercise prices	NT$36.5	CNY15.5
Expected volatility	27.02%	40.33%-45.00%
Expected lives	10 years	10 years
Expected dividend yield	4.00%	0.87%
Risk free interest rates	1.34%	3.06%-3.13%

Expected volatility was based on the historical share price volatility over the past 10 years of ASE Inc. and the comparable companies of USISH, respectively. Under the Hull & White Model (2004) incorporated with Ritchken's Trinomial Tree Model (1995), the Company assumed that employees would exercise the options after vesting date when the share price was 1.88 times the exercise price to allow for the effects of early exercise.

In December 2015 and 2014, USIE had modified the terms of its option plan granted in 2007 to extend the valid period from 12 years to 13 years and from 11 years to 12 years, respectively. The incremental fair value of NT$13,721 thousand and NT$10,378 thousand were all recognized as employee benefits expense in 2015 and 2014, respectively, since the options were all vested.

Employee benefits expense recognized on employee share options was NT$133,496 thousand and NT$110,157 thousand for the years ended December 31, 2015 and 2014, respectively.

26. EQUITY TRANSACTION WITH NON-CONTROLLING INTERESTS

In November 2014, USISH completed its cash capital increase of CNY2,017,690 thousand and the Group's shareholdings of USISH decreased from 88.6% to 82.1% since the Group did not subscribe for additional new shares. The transaction was accounted for as an equity transaction since the Group did not cease to have control over USISH and, as a result, in the fourth quarter of 2014, capital surplus was increased by NT$6,877,099 thousand (after adjusted).

In April 2015, USIE sold its shareholdings of 54,000 thousand ordinary shares of USISH amounting to CNY1,992,060 thousand and, as a result, the Group's shareholdings of USISH decreased from 82.1% to 77.2%. The transaction was accounted for as an equity transaction since the Group did not cease to have control over USISH. and, as a result, capital surplus was increased by NT$7,197,510 thousand in the second quarter of 2015.

Furthermore, the shareholders of USIE approved in December 2015 to repurchase 4,500,820 shares of USIE's outstanding ordinary shares at US$18.82 per share. The board of directors of USIE resolved in February 2016 to cancel the repurchased shares on February 17, 2016, the record date for the capital reduction.

27. NON-CASH TRANSACTIONS

For the years ended December 31, 2015 and 2014, the Group entered into the following non-cash investing activities which were not reflected in the consolidated statements of cash flows:

	For the Years Ended December 31	
	2015	2014
	NT$	NT$
Payments for property, plant and equipment		
Purchase of property, plant and equipment	$ 28,280,821	$ 43,448,587
Decrease in prepayments for property, plant and equipment (recorded under the line item of other non-current assets)	(267,334)	(34,894)
Decrease (increase) in payables for property, plant and equipment	2,314,772	(3,688,526)
Capitalized borrowing costs	(48,135)	(126,203)
	$ 30,280,124	$ 39,598,964
Proceeds from disposal of property, plant and equipment		
Consideration from disposal of property, plant and equipment	$ 201,766	$ 462,438
Decrease (increase) in other receivables	41,265	(41,231)
	$ 243,031	$ 421,207

28. OPERATING LEASE ARRANGEMENTS

Except those discussed in Note 16, the Company and its subsidiary, ASE Test, Inc., lease the land on which their buildings are located under various operating lease agreements with the ROC government expiring through June 2035. The agreements grant these entities the option to renew the leases and reserve the right for the lessor to adjust the lease payments upon an increase in the assessed value of the land and to terminate the leases under certain conditions. In addition, the Group leases buildings, machinery and equipment under operating leases.

The subsidiaries' offices located in U.S.A. and Japan, etc. are leased from other parties and the lease term will expire through 2016 to 2023 with the option to renew the leases upon expiration.

The Group recognized rental expense of NT$1,390,821 thousand and NT$1,459,835 thousand for the years ended December 31, 2015 and 2014, respectively.

29. CAPITAL MANAGEMENT

The capital structure of the Group consists of debt and equity. The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance. Key management personnel of the Group periodically reviews the cost of capital and the risks associated with each class of capital. In order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and the amount of new debt issued or existing debt redeemed.

The Group is not subject to any externally imposed capital requirements except those discussed in Note 17.

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

1) Fair value of financial instruments not measured at fair value but for which fair value is disclosed

Except bonds payable measured at amortized cost, the management considers that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values.

The carrying amounts and fair value of bonds payable as of December 31, 2015 and 2014, respectively, were as follows:

	Carrying Amount	Fair Value
	NT$	NT$
December 31, 2015	$ 38,426,250	$ 38,465,355
December 31, 2014	31,270,131	31,702,988

2) Fair value hierarchy

The aforementioned fair value hierarchy of bonds payable was Level 3 which was determined based on discounted cash flow analysis with the applicable yield curve for the duration or the last trading prices.

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

1) Fair value hierarchy

	Level 1 NT$	Level 2 NT$	Level 3 NT$	Total NT$
December 31, 2015				
Financial assets at FVTPL				
Financial assets designated as at FVTPL				
Structured time deposits	$ -	$ 1,646,357	$ -	$ 1,646,357
Private-placement convertible bonds	-	100,500	-	100,500
Derivative financial assets				
Swap contracts	-	1,452,611	-	1,452,611
Forward exchange contracts	-	18,913	-	18,913
Forward currency options	-	5,020	-	5,020
Non-derivative financial assets held for trading				
Open-end mutual funds	573,242	-	-	573,242
Quoted shares	37,058	-	-	37,058
	$ 610,300	$ 3,223,401	$ -	$ 3,833,701
Available-for-sale financial assets				
Limited Partnership	$ -	$ -	$ 476,612	$ 476,612
Unquoted shares	-	-	264,477	264,477
Quoted shares	197,580	-	-	197,580
Open-end mutual funds	16,037	-	-	16,037
	$ 213,617	$ -	$ 741,089	$ 954,706
Financial liabilities at FVTPL				
Derivative financial liabilities				
Conversion option, redemption option and put option of convertible bonds	$ -	$ 2,632,565	$ -	$ 2,632,565
Swap contracts	-	290,176	-	290,176
Forward exchange contracts	-	69,207	-	69,207
Foreign currency option contracts	-	13,659	-	13,659
Interest rate swap contracts	-	119	-	119
	$ -	$ 3,005,726	$ -	$ 3,005,726

	Level 1	Level 2	Level 3	Total
	NT$	NT$	NT$	NT$
December 31, 2014				
Financial assets at FVTPL				
Financial assets designated as at FVTPL				
Structured time deposits	$ -	$ 2,376,050	$ -	$ 2,376,050
Private-placement convertible bonds	-	100,500	-	100,500
Derivative financial assets				
Swap contracts	-	1,907,705	-	1,907,705
Forward exchange contracts	-	27,811	-	27,811
Non-derivative financial assets held for trading				
Open-end mutual funds	533,425	-	-	533,425
Quoted shares	43,352	-	-	43,352
	$ 576,777	$ 4,412,066	$ -	$ 4,988,843
Available-for-sale financial assets				
Open-end mutual funds	$ 1,500,434	$ -	$ -	$ 1,500,434
Limited Partnership	-	-	555,361	555,361
Unquoted shares	-	-	223,505	223,505
Quoted shares	195,070	-	-	195,070
	$ 1,695,504	$ -	$ 778,866	$ 2,474,370
Financial liabilities at FVTPL				
Derivative financial liabilities				
Conversion option, redemption option and put option of convertible bonds	$ -	$ 2,520,606	$ -	$ 2,520,606
Swap contracts	-	99,165	-	99,165
Forward exchange contracts	-	31,581	-	31,581
	$ -	$ 2,651,352	$ -	$ 2,651,352

For assets and liabilities held as of December 31, 2015 and 2014 that were measured at fair value on a recurring basis, there were no transfers between Level 1 and Level 2 of the fair value hierarchy.

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

The financial assets measured at Level 3 fair value were equity investments with no quoted prices classified as available-for-sale financial assets - non-current. Reconciliations for the years ended December 31, 2015 and 2014 were as follows:

	For the Years Ended December 31	
	2015	2014
	NT$	NT$
Balance at January 1	$ 778,866	$ 797,162
Purchases	2,010	38,793
Disposals	(45,091)	(21,012)
Total gains or losses recognized		
In profit or loss	(15,891)	(10,390)
In other comprehensive income	21,195	(25,687)
Balance at December 31	$ 741,089	$ 778,866

As of December 31, 2015 and 2014, unrealized loss of NT$8,611 thousand and NT$21,519 thousand, recorded in other comprehensive income under the heading of unrealized gain (loss) on available-for-sale financial assets, were included in the carrying amount of the financial assets at fair value on Level 3 fair value measurement.

3) Valuation techniques and assumptions applied for the purpose of measuring fair value

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

Financial Instruments	Valuation Techniques and Inputs
Derivatives - swap contracts, forward exchange contracts, foreign currency option contracts and interest rate swap contracts	Discounted cash flows - Future cash flows are estimated based on observable forward exchange rates or interest rates at balance sheet dates and contract forward exchange rates and interest rates or interest rates, discounted at rates that reflected the credit risk of various counterparties.
Derivatives - conversion option, redemption option and put option of convertible bonds	Option pricing model - Incorporation of present value techniques and reflect both the time value and the intrinsic value of options
Structured time deposits and private-placement convertible bonds	Discounted cash flows - Future cash flows are estimated based on observable forward exchange rates or stock prices at balance sheet dates and contract interest rate ranges or conversion prices, discounted at rates that reflected the credit risk of various counterparties.

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

The fair value of the Group’s investments in unquoted shares on Level 3 fair value measurement were measured using market approach based on investees’ recent financing activities, technical development, valuation of investees comparable companies, market conditions and other economic indicators.

The fair values of investments in limited partnership are measured using discounted cash flow technique and a comparable multiple technique. The significant unobservable inputs used in the discounted cash flow technique were discount rates of 12.34% and the terminal growth rates of 2.50%. Any significant increase in discount rates or any significant decrease in terminal growth rates would result in a decrease in the fair value of the investments in limited partnership. The significant unobservable input used in the comparable multiple technique was EBITDA multiples of 9.73. Any significant decrease in multiples would result in a decrease in the fair value of the investments in limited partnership.

c. Categories of financial instruments

	December 31	
	2015	2014
	NT$	NT$
Financial assets		
FVTPL		
Designated as at FVTPL	$ 1,746,857	$ 2,476,550
Held for trading	2,086,844	2,512,293
Available-for-sale financial assets	954,706	2,474,370
Loans and receivables (Note 1)	101,259,880	106,158,279
Financial liabilities		
FVTPL		
Held for trading	3,005,726	2,651,352
Measured at amortized cost (Note 2)	173,294,140	157,157,392

Note 1: The balances included loans and receivables measured at amortized cost which comprise cash and cash equivalents, trade and other receivables and other financial assets.

Note 2: The balances included financial liabilities measured at amortized cost which comprise short-term borrowings, short-term bills payable, trade and other payables, bonds payable and long-term borrowings.

d. Financial risk management objectives and policies

The derivative instruments used by the Group are to mitigate risks arising from ordinary business operations. All derivative transactions entered into by the Group are designated as either hedging or trading. Derivative transactions entered into for hedging purposes must hedge risk against fluctuations in foreign exchange rates and interest rates arising from operating activities. The currencies and the amount of derivative instruments held by the Group must match its hedged assets and liabilities denominated in foreign currencies.

The Group's risk management department monitors risks to mitigate risk exposures, reports unsettled position, transaction balances and related gains or losses to the Group's chief financial officer on monthly basis.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Gains or losses arising from fluctuations in foreign currency exchange rates of a variety of derivative financial instruments were approximately offset by those of hedged items. Interest rate risk was not significant due to the cost of capital was expected to be fixed.

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

a) Foreign currency exchange rate risk

The Group had sales and purchases as well as financing activities denominated in foreign currency which exposed the Group to foreign currency exchange rate risk. The Group entered into a variety of derivative financial instruments to hedge foreign currency exchange rate risk to minimize the fluctuations of assets and liabilities denominated in foreign currencies.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities (including those eliminated upon consolidation) as well as derivative instruments which exposed the Group to foreign currency exchange rate risk at each balance sheet date are presented in Note 35.

The Group was principally subject to the impact to exchange rate fluctuation in U.S. dollars and Japanese yen against NT$ or Chinese Yuan Renminbi ("CNY"). 1% is the sensitivity rate used when reporting foreign currency exchange rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign currency exchange rates. The sensitivity analysis included financial assets and liabilities and inter-company receivables and payables within the Group. The changes in profit before income tax due to a 1% change in U.S. dollars and Japanese yen both against NT$ and CNY would be NT$18,000 thousand and NT$41,000 thousand for the years ended December 31, 2015 and 2014, respectively. Hedging contracts and hedged items have been taken into account while measuring the changes in profit before income tax. The abovementioned sensitivity analysis mainly focused on the foreign currency monetary items at the end of the year. As the year-end exposure did not reflect the exposure for the years ended December 31, 2015 and 2014, the abovementioned sensitivity analysis was unrepresentative of those years.

b) Interest rate risk

Except a portion of long-term borrowings and bonds payable at fixed interest rates, the Group was exposed to interest rate risk because group entities borrowed funds at floating interest rates. Changes in market interest rates will lead to variances in effective interest rates of borrowings from which the future cash flow fluctuations arise.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at each balance sheet date were as follows:

	December 31	
	2015	**2014**
	NT$	**NT$**
Fair value interest rate risk		
Financial liabilities	$ 18,030,482	$ 34,003,038
Cash flow interest rate risk		
Financial assets	53,475,994	51,603,455
Financial liabilities	65,213,083	65,149,698

For assets and liabilities with floating interest rates, a 100 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel. If interest rates had been 100 basis points (1%) higher or lower and all other variables held constant, the Group's profit before income tax for the years ended December 31, 2015 and 2014 would have decreased or increased approximately by NT$117,000 thousand and NT$135,000 thousand, respectively.

c) Other price risk

The Group was exposed to equity or debt price risk through its investments in financial assets at

FVTPL, including private-placement convertible bonds, quoted shares, and open-end mutual funds, and available-for-sale financial assets. If equity or debt prices were 1% higher or lower, profit before income tax for the years ended December 31, 2015 and 2014 would have increased or decreased approximately by NT$7,100 thousand and NT$6,800 thousand, respectively, and other comprehensive income before income tax for the years ended December 31, 2015 and 2014 would have increased or decreased approximately by NT$10,000 thousand and NT$25,000 thousand, respectively.

In addition, the Group was also exposed to the Company's ordinary share price risk through Bonds Options recognized as financial liabilities held for trading. 7% is the sensitivity rate used when reporting price risk internally to key management personnel. If the Company's ordinary share price increased or decreased by 7%, profit before income tax for the years ended December 31, 2015 and 2014 would have decreased approximately by NT$605,000 thousand and NT$651,000 thousand, respectively, or increased approximately by NT$638,000 thousand and NT$608,000 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's credit risk arises from cash and cash equivalents, receivables and other financial assets. The Group's maximum exposure to credit risk was the carrying amounts of financial assets in the consolidated balance sheets.

The Group dealt with counterparties creditworthy and has a credit policy and trade receivable management procedures to ensure recovery and evaluation of trade receivables. The Group's counterparties consisted of a large number of customers and banks and there was no significant concentration of credit risk exposure.

3) Liquidity risk

The Group manages liquidity risk by maintaining adequate working capital and banking facilities to fulfill the demand for cash flow used in the Group's operation and capital expenditure. The Group also monitors its compliance with all the loan covenants. Liquidity risk is not considered to be significant.

In the table below, financial liabilities with a repayment on demand clause were included in the earliest time band regardless of the probability of counter-parties choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are floating rate, the undiscounted amounts were derived from the interest rates at each balance sheet date.

	On Demand or Less than 1 Month	**1 to 3 Months**	**3 Months to 1 Year**	**1 to 5 Years**	**More than 5 Years**
	NT$	**NT$**	**NT$**	**NT$**	**NT$**
December 31, 2015					
Non-derivative financial liabilities					
Non-interest bearing	$ 19,393,406	$ 19,626,026	$ 6,493,504	$ 1,926	$ 194,346
Floating interest rate liabilities	6,617,050	5,677,129	10,582,324	39,202,454	775,273
Fixed interest rate liabilities	16,168,484	2,463,617	24,787,238	18,078,920	-
	$ 42,178,940	$ 27,766,772	$ 41,863,066	$ 57,283,300	$ 969,619

(Continued)

December 31, 2014	On Demand or Less than 1 Month NT$	1 to 3 Months NT$	3 Months to 1 Year NT$	1 to 5 Years NT$	More than 5 Years NT$
Non-derivative financial liabilities					
Non-interest bearing	$ 23,660,711	$ 21,370,876	$ 4,606,064	$ 155,599	$ 29,139
Floating interest rate liabilities	21,534,220	9,003,403	12,364,453	23,870,629	175,302
Fixed interest rate liabilities	684,039	838,234	846,899	34,458,859	-
	$ 45,878,970	$ 31,212,513	$ 17,817,416	$ 58,485,087	$ 204,441

(Concluded)

The amounts included above for floating interest rate instruments for non-derivative financial liabilities was subject to change if changes in floating interest rates differ from those estimates of interest rates determined at each balance sheet date.

The following table detailed the Group's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross cash inflows and outflows on those derivatives that require gross settlement. When the amounts payable or receivable are not fixed, the amounts disclosed have been determined by reference to the projected interest rates as illustrated by the yield curves at each balance sheet date.

December 31, 2015	On Demand or Less than 1 Month NT$	1 to 3 Months NT$	3 Months to 1 Year NT$
Net settled			
Forward exchange contracts	$ (230)	$ 3,435	$ -
Foreign currency options	$ 2,054	$ 8,735	$ -
Gross settled			
Forward exchange contracts			
Inflows	$ 2,822,265	$ 2,421,602	$ -
Outflows	(2,836,080)	(2,429,050)	-
	(13,815)	(7,448)	-
Swap contracts			
Inflows	16,561,521	22,476,799	36,796,825
Outflows	(16,564,549)	(22,007,274)	(35,813,527)
	(3,028)	469,525	983,298
Interest rate swap			
Inflows	12,603	12,466	25,069
Outflows	(11,595)	(11,469)	(23,063)
	1,008	997	2,006
	$ (15,835)	$ 463,074	$ 985,304

(Continued)

	On Demand or Less than 1 Month	1 to 3 Months	3 Months to 1 Year
	NT$	NT$	NT$
December 31, 2014			
Gross settled			
Forward exchange contracts			
Inflows	$ 3,662,813	$ 1,959,573	$ 9,241
Outflows	(3,655,279)	(1,940,145)	(9,331)
	7,534	19,428	(90)
Swap contracts			
Inflows	10,342,259	4,621,200	33,399,031
Outflows	(10,215,834)	(4,461,118)	(31,646,310)
	126,425	160,082	1,752,721
	$ 133,959	$ 179,510	$ 1,752,631

(Concluded)

31. RELATED PARTY TRANSACTIONS

Balances and transactions within the Group had been eliminated upon consolidation. Details of transactions between the Group and other related parties were disclosed as follows:

a. The Company contributed each NT$100,000 thousand to ASE Cultural and Educational Foundation (the "ASE Foundation") in 2015 and in 2014, respectively, for environmental charity in promoting the related domestic environmental protection and public service activities (Note 33).

b. In 2015 and 2014, the Company acquired real estate from an associate at NT$2,466,000 thousand and NT$4,540,086 thousand, respectively, which were primarily based on independent professional appraisal reports and fully paid.

c. The Company contracted with an associate to construct a foreign labor dormitory on current lease property and NT$504,600 thousand had been paid in 2015. In addition, for the years ended December 31, 2014, the construction of buildings with green design concept and other projects on current leased property for which the Company contracted with an associate has been completed with a total consideration of NT$349,646 thousand, which was primarily based on independent professional appraisal reports as well as request for quotation and price negotiation, and the payment schedule was based on the agreed acceptance progress.

d. In 2014, the Company donated NT$15,000 thousand to Social Affairs Bureau of the Kaohsiung City Government through ASE Foundation to help the Kaohsiung City Government rebuild the damaged area and settle the residents who suffered or needed to be evacuated from home due to the gas explosion accident in the Qianzhen District of the Kaohsiung City.

e. Compensation to key management personnel

	For the Years Ended December 31	
	2015	2014
	NT$	NT$
Short-term employee benefits	$ 812,002	$ 989,720
Post-employment benefits	3,944	4,049

(Continued)

	For the Years Ended December 31	
	2015	2014
	NT$	NT$
Share-based payments	$ 17,937	$ 50,327
	$ 833,883	$ 1,044,096

(Concluded)

The compensation to the Company's key management personnel is according to personal performance and market trends.

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

In addition to Note 9, the following assets were provided as collateral for bank borrowings and the tariff guarantees of imported raw materials:

	December 31	
	2015	2014
	NT$	NT$
Inventories related to real estate business	$ 16,312,519	$ 15,164,858
Other financial assets (including current and non-current)	229,613	268,562
	$ 16,542,132	$ 15,433,420

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

a. Significant commitments

1) As of December 31, 2015 and 2014, unused letters of credit of the Group were approximately NT$93,000 thousand and NT$137,000 thousand, respectively.

2) As of December 31, 2015 and 2014, the amounts that the Group has committed to purchase property, plant and equipment were approximately NT$8,089,200 thousand and NT$17,498,000 thousand, respectively, of which NT$1,756,990 thousand and NT$1,516,396 thousand had been prepaid, respectively.

3) As of December 31, 2015 and 2014, the unpaid amounts that the Group has contracted for the construction related to our real estate business were approximately NT$2,745,400 thousand and NT$3,156,100 thousand, respectively.

4) In consideration of corporate social responsibility for environmental protection, the Company's board of directors, in December 2013, approved contributions to be made in the next 30 years, at a total amount of NT$3,000,000 thousand, at the minimum, to environmental protection efforts in Taiwan. In January 2016, the Company's board of directors approved to contribute NT$100,000 thousand to ASE Foundation for continuously implementing environmental effort in promoting the related domestic environmental protection and public service activities.

b. Non-cancellable operating lease commitments

	December 31, 2015
	NT$
Less than 1 year	$ 211,225
1-5 years	353,470
More than 5 years	462,733
	$ 1,027,428

34. SIGNIFICANT SUBSEQUENT EVENTS

In January 2016, the Company issued unsecured domestic bonds in NT$7,000,000 thousand with a maturity of 5 years and due annually with annual interest rate 1.30%, and in NT$2,000,000 thousand with a maturity of 7 years and interest due annually with annual interest rate 1.50%.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the group entities and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

	Foreign Currencies (In Thousand)	Exchange Rate	Carrying Amount (In Thousand)
December 31, 2015			
Monetary financial assets			
US$	$ 2,926,597	US$1=NT$32.825	$ 96,065,552
US$	1,008,097	US$1=CNY6.4936	33,090,795
JPY	3,380,683	JPY1=NT$0.2727	921,912
JPY	8,467,689	JPY1=US$0.0083	2,309,139
Monetary financial liabilities			
US$	2,988,953	US$1=NT$32.825	98,112,393
US$	995,195	US$1=CNY6.4936	32,667,265
JPY	3,747,333	JPY1=NT$0.2727	1,021,898
JPY	8,775,382	JPY1=US$0.0083	2,393,047
December 31, 2014			
Monetary financial assets			
US$	3,086,749	US$1=NT$31.65	97,695,606
US$	649,271	US$1=CNY6.119	20,549,427
JPY	3,354,008	JPY1=NT$0.2646	887,471
JPY	8,787,236	JPY1=US$0.0084	2,325,103
Monetary financial liabilities			
US$	2,896,001	US$1=NT$31.65	91,658,432
US$	976,913	US$1=CNY6.119	30,919,296
JPY	3,159,712	JPY1=NT$0.2646	836,060
JPY	8,903,753	JPY1=US$0.0084	2,355,933

The significant realized and unrealized foreign exchange gain (loss) were as follows:

	For the Years Ended December 31			
	2015		2014	
Functional Currencies	Exchange Rate	Net Foreign Exchange Gain (Loss) NT$	Exchange Rate	Net Foreign Exchange Gain (Loss) NT$
US$	US$1=NT$32.825	$ 136,795	US$1=NT$31.65	$ 298,225
NT$		(695,510)		(1,591,124)
CNY	CNY1=NT$5.0550	(271,358)	CNY1=NT$5.1724	42,049
		$ (830,073)		$ (1,250,850)

36. OTHERS

a. In November 2015, the Company received a legal brief made by SPIL in connection with a lawsuit brought by SPIL against the Company which was filed with Kaohsiung District Court. SPIL filed a civil lawsuit against the Company seeking to confirm that Company does not have the right to request SPIL to register it as a shareholder in SPIL's shareholder register. The Company has engaged attorney to defend this case and will submit defense brief to the court to protect the Company's interest. The Kaohsiung District Court has not scheduled a hearing on this case. The Company does not expect the lawsuit to have material impact on the financial position and business operation of the Company.

b. On December 20, 2013, the Kaohsiung Environmental Protection Bureau (“KEPB”) issued an official letter No. Kao-Shih-Huan-Chu-Tu-Tzu 10243758100 and an administrative sanction letter No. Kao-Shih-Huan-Chu-Shui-Chu-Tzu 30-102-120022 (“the Administrative Decision”). The Administrative Decision was to impose a fine of NT$110,065 thousand which has been recorded under the line item of other losses for the year ended December 31, 2013. On April 7, 2014, the amount of the fine was amended to NT$109,359 thousand by the KEPB. On September 4, 2015, the amount of the fine was further amended to NT$102,014 thousand (US$3,093 thousand) by the KEPB. On January 17, 2014, the Company retained lawyers to file an administrative appeal to nullify the Administrative Decision with the Kaohsiung City Government, but the administrative appeal was dismissed. The Company next retained lawyers to file an administrative complaint to revoke the part of the Administrative Decision pertaining to the fine, and the case is being heard by the Kaohsiung High Administrative Court. Meanwhile, owing to the event above, on January 3, 2014, the Kaohsiung District Prosecutors Office charged the Company with violation of the Waste Disposal Act. The Kaohsiung District Court handed down the judgment on October 20, 2014 and the Company was fined NT$3,000 thousand for violation of Article 47 of the Waste Disposal Act and has been recorded under the line item of other gains and losses for the year ended December 31, 2014. Then the Company appealed against the judgment to the Kaohsiung Branch of Taiwan High Court. On September 29, 2015, the Kaohsiung Branch of Taiwan High Court rendered a final judgment of finding the Company not guilty of the criminal charge.

37. ADDITIONAL DISCLOSURES

Following are the additional disclosures required by the Securities and Futures Bureau for ASE Inc.:

a. Financial provided: Please see Table 1 attached;

b. Endorsement/guarantee provided: Please see Table 2 attached;

c. Marketable securities held (excluding investments in subsidiaries, associates and joint venture): Please see Table 3 attached;

d. Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: Please see Table 4 attached;

e. Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: Please see Table 5 attached;

f. Disposal of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None;

g. Total purchase from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: Please see Table 6 attached;

h. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Please see Table 7 attached;

i. Information about the derivative financial instruments transaction: Please see Note 7;

j. Others: The business relationship between the parent and the subsidiaries and significant transactions between them: Please see Table 10 attached;

k. Names, locations, and related information of investees over which ASE Inc. exercises sinificant influence (excludung information on investment in Mainland China): Please see Table 8 attached;

l. Information on investment in Mainland China

1) The name of the investee in Mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee: Please see Table 9 attached;

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

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Please see Table 6 attached;

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: None;

c) The amount of property transactions and the amount of the resultant gains or losses: No sinificant transactions;

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Please see Table 2 attached;

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None;

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: None.

38. OPERATING SEGMENTS INFORMATION

The Group has the following reportable segments: Packaging, Testing and EMS. The Group packages bare semiconductors into finished semiconductors with enhanced electrical and thermal characteristics; provides testing services, including front-end engineering testing, wafer probing and final testing services;

provides electronics manufacturing services. Information about other business activities and operating segments that are not reportable are combined and disclosed in “Others.” The Group engages in other activities such as substrate production and real estate business.

The accounting policies for segments are the same as those described in Note 4. The measurement basis for resources allocation and performance evaluation is based on profit before income tax.

Segment information for the years ended December 31, 2015 and 2014 was as follows:

a. Segment revenues and results

	Packaging	Testing	EMS	Others	Total
	NT$	NT$	NT$	NT$	NT$
For the year ended December 31, 2015					
Revenue from external customers	116,607,314	25,191,916	138,242,100	3,261,206	283,302,536
Inter-segment revenues (Note)	9,454,671	191,608	58,451,996	7,659,282	75,757,557
Segment revenues	126,061,985	25,383,524	196,694,096	10,920,488	359,060,093
Interest income	53,235	12,536	149,385	26,928	242,084
Interest expense	(1,520,118)	(5,821)	(147,792)	(595,055)	(2,268,786)
Depreciation and amortization	(18,946,460)	(6,516,912)	(2,738,722)	(1,316,570)	(29,518,664)
Share of the profit of associates and joint ventures	402,730	-	-	-	402,730
Impairment loss	(139,397)	-	(102,389)	(16,343)	(258,129)
Segment profit before income tax	15,756,333	6,354,140	2,874,944	302,836	25,288,253
Expenditures for segment assets	19,691,068	4,754,481	2,917,939	917,333	28,280,821
December 31, 2015					
Investments accounted for using the equity method	37,422,909	-	-	-	37,422,909
Segment assets	193,623,969	42,652,569	79,997,341	49,013,678	365,287,557
For the year ended December 31, 2014					
Revenue from external customers	121,336,453	25,874,694	105,784,427	3,595,873	256,591,447
Inter-segment revenues (Note)	9,418,359	177,793	48,596,814	8,437,439	66,630,405
Segment revenues	130,754,812	26,052,487	154,381,241	12,033,312	323,221,852
Interest income	96,737	10,245	116,451	20,041	243,474
Interest expense	(1,566,595)	(15,663)	(155,702)	(586,466)	(2,324,426)
Depreciation and amortization	(17,533,267)	(6,160,378)	(1,435,509)	(1,221,622)	(26,350,776)
Share of the profit of associates	(108,726)	-	-	-	(108,726)
Impairment loss	(231,936)	(4,701)	(10,390)	(61,117)	(308,144)
Segment profit before income tax	17,292,396	6,800,893	3,818,393	636,529	28,548,211
Expenditures for segment assets	29,863,337	6,157,154	6,562,513	865,583	43,448,587
December 31, 2014					
Investments accounted for using the equity method	1,492,441	-	-	-	1,492,441
Segment assets	166,625,901	44,147,813	78,865,897	44,345,157	333,984,768

Note: Inter-segment revenues were eliminated upon consolidation.

b. Revenue from major products and services

	For the Years Ended December 31	
	2015	2014
	NT$	NT$
Advanced packaging and IC wirebonding service	$ 103,735,586	$ 108,384,405
Wafer probing and final testing service	24,136,399	25,116,026
Electronic components manufacturing service	137,347,359	104,904,455
Others	18,083,192	18,186,561
	$ 283,302,536	$ 256,591,447

c. Geographical information

Geographical information about revenue from external customers and noncurrent assets are reported based on the country where the external customers are headquartered and noncurrent assets are located.

1) Net revenues from external customers

	For the Years Ended December 31	
	2015	2014
	NT$	NT$
United States	$ 205,730,670	$ 173,912,974
Taiwan	32,631,149	36,747,699
Asia	22,885,128	24,042,586
Europe	20,577,069	20,826,125
Others	1,478,520	1,062,063
	$ 283,302,536	$ 256,591,447

2) Noncurrent assets, excluding financial instruments, post-employment benefit assets and deferred tax assets

	December 31	
	2015	2014
	NT$	NT$
Taiwan	$ 98,849,362	$ 97,159,564
China	40,385,484	43,384,186
Others	25,458,503	26,177,965
	$ 164,693,349	$ 166,721,715

d. Major customers

Except one customer from which the operating revenues generated from packaging and EMS segments was NT$88,311,697 thousand and NT$54,431,222 thousand in 2015 and 2014, respectively, the Group did not have other single customer to which the operating revenues exceeded 10% of operating revenues for the years ended December 31, 2015 and 2014.

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1	A.S.E. Holding Limited	The Company	Other receivables form related parties	Yes	$ 2,859,690	$ 2,757,300	$ 2,757,300	0.57～0.64	The need for short-term financing	$ -	Operating capital	$ -	-	$ -	$ 3,103,833	$ 6,207,666
		J & R Holding Limited	Long-term receivables form related parties	Yes	189,000	-	-	0.57	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
		ASE Trading (Shanghai)	Long-term receivables form related parties	Yes	821,750	820,625	-	-	The need for short-term financing	-	Operating capital Payments for equipment	-	-	-	15,691,600	23,537,401
2	J & R Holding Limited	The Company	Other receivables form related parties	Yes	9,367,950	9,256,650	9,256,650	0.57～0.64	The need for short-term financing	-	Operating capital	-	-	-	9,992,655	19,985,309
		Global Advanced Packaging Technology Limited, Cayman Islands	Other receivables form related parties	Yes	2,465,250	2,461,875	2,461,875	0.57～0.64	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
		ASE WeiHai Inc.	Other receivables form related parties	Yes	3,782,175	1,378,650	1,378,650	0.63～0.76	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
		Omniquest Industrial Limited	Long-term receivables form related parties	Yes	1,482,437	1,480,408	3,283	0.57～0.64	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
		ASE Assembly & Test (Shanghai) Limited	Long-term receivables form related parties	Yes	1,579,000	558,025	558,025	0.63～0.84	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
		ASE (Kun Shan) Inc.	Other receivables form related parties	Yes	1,334,528	-	-	3.81～5.77	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
		Anstock Limited	Long-term receivables form related parties	Yes	775,080	758,250	758,250	3.64～5.13	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
		ASE Trading (Shanghai) Ltd.	Long-term receivables form related parties	Yes	6,947,600	4,923,750	-	-	The need for short-term financing	-	Operating capital Payments for equipment	-	-	-	15,691,600	23,537,401
		Innosource Limited	Long-term receivables form related parties	Yes	723,140	722,150	722,150	0.59～0.64	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
		ASE Labuan Inc.	Long-term receivables form related parties	Yes	723,140	-	-	0.59～0.61	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
		ASE Investment (Labuan) Inc.	Other receivables form related parties	Yes	2,662,470	-	-	0.59～0.61	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
		Real Tech Holdings Limited	Other receivables form related parties	Yes	2,136,550	2,133,625	2,133,625	0.59～0.64	The need for short-term financing	-	Operating capital	-	-	-	9,992,655	19,985,309
3	ASE Test Limited	The Company	Other receivables form related parties	Yes	5,842,850	5,842,850	4,037,475	0.57～0.64	The need for short-term financing	-	Operating capital	-	-	-	6,059,525	12,119,051
		J & R Holding Limited	Long-term receivables form related parties	Yes	1,386,000	-	-	0.57～0.60	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
		ASE Singapore Pte. Ltd.	Long-term receivables form related parties	Yes	443,100	-	-	0.57～0.58	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
		A.S.E. Holding Limited	Other receivables form related parties	Yes	1,643,500	1,641,250	1,641,250	0.57～0.64	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
		Omniquest Industrial Limited	Long-term receivables form related parties	Yes	1,643,500	1,641,250	1,641,250	0.59～0.64	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
4	ASE Test, Inc.	The Company	Other receivables form related parties	Yes	5,600,000	5,600,000	5,600,000	0.87～1.03	The need for short-term financing	-	Operating capital	-	-	-	5,981,659	11,963,319
		ASE Trading (Shanghai) Ltd.	Other receivables form related parties	Yes	2,629,600	656,500	-	-	The need for short-term financing	-	Operating capital	-	-	-	5,981,659	11,963,319
		ASE Corporation	Other receivables form related parties	Yes	2,793,950	1,879,444	900,000	0.87～0.93	The need for short-term financing	-	Operating capital	-	-	-	5,981,659	11,963,319
		ASE Investment (Labuan) Inc.	Other receivables form related parties	Yes	2,626,000	2,626,000	-	-	The need for short-term financing		Operating capital				5,981,659	11,963,319
5	ASE Module (Shanghai) Inc.	ASE (Shanghai) Inc.	Other receivables form related parties	Yes	516,720	-	-	4.59～5.40	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401

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6	J&R Industrial Inc.	The Company	Other receivables form related parties	Yes	190,000	190,000	190,000	0.87～1.03	The need for short-term financing	-	Operating capital	-	-	-	199,539	399,079
		ASE Electronics Inc.	Other receivables form related parties	Yes	190,000	190,000	190,000	0.87～1.03	The need for short-term financing	-	Operating capital	-	-	-	199,539	399,079
7	ISE Labs, Inc.	J & R Holding Limited	Other receivables form related parties Long-term receivables form related parties	Yes	$ 1,512,020	$ 1,509,950	$ 1,509,950	0.65～0.99	The need for short-term financing	-	Operating capital	$ -	-	$ -	$ 15,691,600	$ 23,537,401
8	ASE (Korea) Inc.	The Company	Other receivables form related parties	Yes	2,958,300	2,954,250	2,626,000	3.17～3.42	The need for short-term financing	-	Operating capital	-	-	-	3,187,595	6,375,190
		ASE WeiHai Inc.	Other receivables form related parties	Yes	1,641,250	1,641,250	1,641,250	3.21～3.24	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
9	ASE Japan Co., Ltd.	J & R Holding Limited	Other receivables form related parties	Yes	2,431,520	2,263,410	2,263,410	0.53	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
10	USI Enterprise Limited	The Company	Other receivables form related parties	Yes	5,916,600	2,626,000	2,626,000	0.57～0.64	The need for short-term financing	-	Operating capital	-	-	-	8,435,979	16,871,957
		Universal Scientific Industrial Co., Ltd.	Other receivables form related parties	Yes	283,500	-	-	0.57～0.58	The need for short-term financing	-	Operating capital	-	-	-	8,435,979	16,871,957
		USI Inc.	Other receivables form related parties	Yes	2,235,160	2,232,100	2,232,100	0.59～0.64	The need for short-term financing	-	Operating capital				8,435,979	16,871,957
		J&R Holding Limited	Other receivables form related parties	Yes	6,443,317	6,390,340	6,390,340	0.59～3.29	The need for short-term financing	-	Operating capital	-	-	-	8,435,979	16,871,957
11	Huntington Holdings International Co.Ltd.	The Company	Other receivables form related parties	Yes	1,807,850	1,805,375	1,805,375	0.57～0.64	The need for short-term financing	-	Operating capital	- -	- -	- -	9,161,282	18,322,564
12	Anstock Limited	ASE Assembly & Test (Shanghai) Limited	Other receivables form related parties	Yes	3,322,510	3,250,365	3,250,365	4.45	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
13	ASE (Kun Shan) Inc.	ASE Investment (Kun Shan) Limited	Other receivables form related parties	Yes	4,130	2,022	2,022	4.85～6.00	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
14	Real Tech Holdings Limited	The Company	Other receivables form related parties	Yes	3,944,400	3,939,000	3,939,000	0.57～0.64	The need for short-term financing	-	Operating capital	-	-	-	8,704,050	17,408,100
		J & R Holding Limited	Other receivables form related parties	Yes	1,260,000	-	-	0.57～0.58	The need for short-term financing	-	Operating capital	-	-	-	8,704,050	17,408,100
15	Shanghai Ding Hui Real Estate Development Co., Ltd.	Shanghai Ding Wei Real Estate Development Co., Ltd.	Other receivables form related parties	Yes	205,312	-	-	6.00	The need for short-term financing	-	Operating capital				15,691,600	23,537,401
		Kun Shan Ding Hong Real Estate Development Co., Ltd.	Other receivables form related parties	Yes	682,425	682,425	556,050	4.35～6.00	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
16	Universal Scientific Industrial (Shanghai) Co., Ltd.	Universal Global Technology (Kunshan) Co., Ltd.	Other receivables form related parties	Yes	1,550,160	1,516,500	-	-	The need for short-term financing	-	Operating capital	-	-	-	6,906,269	13,812,538
		Universal Global Technology (Shanghai) Co., Ltd.	Other receivables form related parties	Yes	3,875,400	3,791,250	1,982,623	0.80～2.25	The need for short-term financing	-	Operating capital	-	-	-	6,906,269	13,812,538
		Universal Global Technology Co., Limited	Other receivables form related parties	Yes	6,200,640	6,066,000	-	2.25	The need for short-term financing	-	Operating capital	-	-	-	6,906,269	13,812,538
		Universal Global Electronics (Shanghai) Co., Ltd.	Other receivables form related parties	Yes	516,720	505,500	-	-	The need for short-term financing	-	Operating capital	-	-	-	6,906,269	13,812,538
		Universal Global Scientific Industrial Co., Ltd.	Other receivables form related parties	Yes	1,283,200	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	6,906,269	13,812,538

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17	Omniquest Industrial Limited	The Company	Other receivables form related parties	Yes	3,122,650	3,118,375	1,641,250	0.57～0.64	The need for short-term financing	-	Operating capital	-	-	-	3,236,524	6,473,048
18	Anstock II Limited	J & R Holding Limited	Long-term receivables form related parties	Yes	9,762,390	9,749,025	9,749,025	2.45	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
19	USI Electronics (Shenzhen) Co., Ltd.	Universal Scientific Industrial (Shanghai) Co., Ltd.	Other receivables form related parties	Yes	1,283,200	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,667,679	3,335,357
		Universal Global Technology (Shanghai) Co., Ltd.	Other receivables form related parties	Yes	1,756,848	1,313,006	1,313,006	0.8～5.04	The need for short-term financing	-	Operating capital	-	-	-	1,667,679	3,335,357
		Universal Global Technology Co., Limited	Other receivables form related parties	Yes	1,756,848	1,465,950	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,667,679	3,335,357
20	ASE Assembly & Test (Shanghai) Limited	Shanghai Ding Wei Real Estate Development Co., Ltd.	Other receivables form related parties	Yes	774,375	-	-	5.35	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
		ASE Trading (Shanghai) Ltd.	Long-term receivables form related parties	Yes	986,100	984,750	-	0.94	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
21	ASE Trading (Shanghai) Ltd.	J & R Holding Limited	Long-term receivables form related parties	Yes	6,574,000	6,565,000	-	0.94	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
		A.S.E. Holding Limited	Long-term receivables form related parties	Yes	3,287,000	3,282,500	-	-	The need for short-term financing	-	Operating capital				15,691,600	23,537,401
19	USI Electronics (Shenzhen) Co., Ltd.	Universal Scientific Industrial (Shanghai) Co., Ltd.	Other receivables form related parties	Yes	$ 1,283,200	$ -	$ -	-	The need for short-term financing	-	Operating capital	$ -	-	$ -	$ 1,667,679	$ 3,335,357
		Universal Global Technology (Shanghai) Co., Ltd.	Other receivables form related parties	Yes	1,756,848	1,313,006	1,313,006	0.8～5.04	The need for short-term financing	-	Operating capital	-	-	-	1,667,679	3,335,357
		Universal Global Technology Co., Limited	Other receivables form related parties	Yes	1,756,848	1,465,950	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,667,679	3,335,357
20	ASE Assembly & Test (Shanghai) Limited	Shanghai Ding Wei Real Estate Development Co., Ltd.	Other receivables form related parties	Yes	774,375	-	-	5.35	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
		ASE Trading (Shanghai) Ltd.	Long-term receivables form related parties	Yes	986,100	984,750	-	0.94	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
21	ASE Trading (Shanghai) Ltd.	J & R Holding Limited	Long-term receivables form related parties	Yes	6,574,000	6,565,000	-	0.94	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
		A.S.E. Holding Limited	Long-term receivables form related parties	Yes	3,287,000	3,282,500	-	-	The need for short-term financing	-	Operating capital				15,691,600	23,537,401
22	ASE (Shanghai) Inc.	ASE WeiHai Inc.	Other receivables form related parties	Yes	427,310	164,125	164,125	0.73～1.12	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
23	Innosource Limited	The Company	Other receivables form related parties	Yes	723,140	722,150	722,150	0.59～0.64	The need for short-term financing	-	Operating capital	-	-	-	798,494	1,596,988
24	ASE Investment (Labuan) Inc.	The Company	Other receivables form related parties	Yes	3,118,375	3,118,375	-	0.59～0.61	The need for short-term financing	-	Operating capital	-	-	-	3,221,829	6,443,658
25	ASE Labuan Inc.	The Company	Other receivables form related parties	Yes	723,140	-	-	0.59～0.61	The need for short-term financing	-	Operating capital	-	-	-	769,385	1,538,770
26	Global Advanced Packaging Technology Limited, Cayman Islands	The Company	Other receivables form related parties	Yes	1,939,330	1,936,675	1,936,675	0.59～0.64	The need for short-term financing	-	Operating capital	-	-	-	2,073,390	4,146,780

(Continued)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

FINANCINGS PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2015
(Amounts In Thousands of New Taiwan Dollars)

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the year	Ending Balance	Amount Actual Drawn	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 1)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
27	ASE Corporation	The Company	Other receivables form related parties	Yes	2,793,950	1,879,444	900,000	0.87～0.93	The need for short-term financing	-	Operating capital	-	-	-	3,237,259	6,474,518
28	ASE Electronics Inc.	The Company	Other receivables form related parties	Yes	350,000	200,000	200,000	0.87～0.93	The need for short-term financing	-	Operating capital	-	-	-	765,609	1,531,218
29	ASE Electronics (M) SDN. BHD.	A.S.E. Holding Limited	Other receivables form related parties	Yes	131,480	-	-	0.60	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
30	ASE Singapore Pte. Ltd.	A.S.E. Holding Limited	Other receivables form related parties	Yes	394,440	393,900	393,900	0.59～0.64	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401
31	Advanced Semiconductor Engineering (HK) Limited	J&R Holding Limited	Other receivables form related parties	Yes	230,090	-	-	0.61	The need for short-term financing	-	Operating capital	-	-	-	15,691,600	23,537,401

(Concluded)

Note 1:Limit amount of lending to a company shall not exceed 20% of the net worth of the company. However, when the foreign subsidiaries whose voting shares are 100% owned directly or indirectly, by ASE as a lender, the amount lending to a company shall not exceed 10% of the net worth of ASE.

Note 2: Where an inter-company or inter-firm short-term financing facility is necessary provided that the total amount of such financing facility shall not exceed 40% of the amount of the net worth of the lending company. However, the foreign subsidiaries whose voting shares are 100% owned directly or indirectly, by ASE as a lender, the total amount lending to a company shall not exceed 15% of the net worth of ASE.

Note3: Amount was eliminated based on the audited financial statements.

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2015
(Amounts In Thousands of New Taiwan Dollars)

No.	Endorsement/ Guarantee Provider Name	Guaranteed Party Name	Guaranteed Party Nature of Relationship	Limits on Endorsement /Guarantee Amount Provided to Each Guaranteed Party (Note 1)	Maximum Balance for the Year	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/Guarantee to Net Equity per Latest Financial Statement	Maximum Endorsement /Guarantee Amount Allowable (Note 2)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland CHINA
0	The Company	Anstock Limited	100% voting shares indirectly owned by the Company	$ 47,074,801	$ 2,783,448 (Note3)	$ 2,634,135 (Note3)	$ 2,557,224 (Note3)	$ -	1.7	$ 62,766,402	Yes	No	No
		Anstock II Limited	100% voting shares indirectly owned by the Company	47,074,801	10,280,093 (Note3)	10,266,019 (Note3)	9,941,667 (Note3)	-	6.5	62,766,402	Yes	No	No
1	Shanghai Ding Hui Real Estate Development Co., Ltd.	Shanghai Ding Wei Real Estate Development Co., Ltd.	100% voting shares directly owned by the Company	13,765,242	5,693,228 (Note3)	-	-	-	-	19,664,631	Yes	No	Yes

Note 1: The ceilings on the amounts for any single entity is permitted to make in endorsements/guarantees shall not exceed 30% and 70% of total equity of shareholders, respectively, according to "The Process of make in endorsements/guarantees" of ASE and DH.

Note 2: The ceilings on the aggregate amounts are permitted to make in endorsements/guarantees shall not exceed 40% and 100% of total equity of shareholders, respectively, according to "The Process of make in endorsements/guarantees" of ASE and DH.

Note 3: Amount was included principal and interest.

TABLE 3

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2015
(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2015				Note
				Shares/ Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
The Company	Stock							
	H&HH Venture Investment Corporation	-	Available-for-sale financial assets - non-current	2,528,090	$ 10,771	15	$ 10,771	
	H&D Venture Capital Investment Corporation	-	Available-for-sale financial assets - non-current	2,482,758	33,798	13	33,798	
	MiTAC Information Technology Corp	-	Available-for-sale financial assets - non-current	4,203	27	-	27	
	Asia Pacifical Emerging Industry Venture Capital Co, Ltd.	-	Available-for-sale financial assets - non-current	6,000,000	37,524	7	37,524	
	StarChips Technology Inc.	-	Available-for-sale financial assets - non-current	333,334	-	6	-	
	Bond							
	AMPI Second Private of Domestic Unsecured Convertible Bonds	-	Financial assets at fair value through profit or loss - current	1,000	100,500	-	100,500	
	Limited Liability Partnership							
	Ripley Cable Holdings I, L.P.	-	Available-for-sale financial assets - non-current	-	390,987	4	390,987	
ASE Test, Inc.	Stock							
	The Company	Parent Company	Available-for-sale financial assets - non-current	10,978,776	417,193	-	417,193	
	MiTAC Information Technology Corp	-	Available-for-sale financial assets - non-current	1,133,363	7,314	1	7,314	
	Fund							
	CTBC ASIA PACIFIC MULTIPLE INCOME FUND-A	-	Available-for-sale financial assets - current	1,600,192	16,036	-	16,036	
J&R Industrial Inc.	Fund							
	Taishin Ta Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	33,664,705	472,164	-	472,164	
	Jih Sun Money Market Fund		Financial assets at fair value through profit or loss - current	1,575,019	23,029	-	23,029	
	Hua Nan Kirin Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,616,592	30,962	-	30,962	
	Hua Nan Phoenix Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,833,825	45,555	-	45,555	
Luchu Development Corporation	Stock							
	Powerchip Technology Corporation	-	Available-for-sale financial assets - non-current	1,677,166	27,530	-	27,530	
A.S.E. Holding Limited	Stock							
	Global Strategic Investment Inc.	-	Available-for-sale financial assets - non-current	490,000	US$ 414 thousand	3	US$ 414 thousand	
	SiPhoton, Inc.	-	Available-for-sale financial assets - non-current	544,800	-	4	-	
	Global Strategic Investment, Inc. (Samoa)	-	Available-for-sale financial assets - non-current	869,891	US$ 1,253 thousand	2	US$ 1,253 thousand	
J & R Holding Limited	Stock							
	The Company	Parent Company	Available-for-sale financial assets - non-current	46,703,763	US$ 54,067 thousand	1	US$ 54,067 thousand	

(Continued)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2015
(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2015				Note
				Shares/ Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
	Limited Liability Partnership							
	Crimson Velocity Fund, L.P.	-	Available-for-sale financial assets - non-current	-	US$ 1,597 thousand	-	US$ 1,597 thousand	
	H&QAP Greater China Growth Fund, L.P.	-	Available-for-sale financial assets - non-current	-	US$ 1,011 thousand	8	US$ 1,011 thousand	
ASE Test Limited	Stock							
	The Company	Parent Company	Available-for-sale financial assets - non-current	88,200,472 (Note)	US$ 102,106 thousand	1	US$ 102,106 thousand	
Shanghai Ding Hui Real Estate Development Co., Ltd.	Fund							
	180ETF	-	Financial assets at fair value through profit or loss - current	47,825	CNY 153 thousand	-	CNY 153 thousand	
	300ETF	-	Financial assets at fair value through profit or loss - current	39,700	CNY 150 thousand	-	CNY 150 thousand	
	Stock							
	Gree Electric Appliances, Inc. Of Zhuhai	-	Financial assets at fair value through profit or loss - current	28,000	CNY 626 thousand	-	CNY 626 thousand	
	Saic Motor Corporation Limited	-	Financial assets at fair value through profit or loss - current	19,250	CNY 408 thousand	-	CNY 408 thousand	
	Shenyang Toly Bread Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,000	CNY 39 thousand	-	CNY 39 thousand	
USIINC	Stock							
	Allied Circuit Co., Ltd	-	Available-for-sale financial assets - current	827,009	14,307	2	14,307	
	Universal Venture Capital Investment Corporation	-	Available-for-sale financial assets - non-current	6,200,000	35,789	5	35,789	
	Plasmag Technology Inc.	-	Available-for-sale financial assets - non-current	733,000	-	2	-	
Huntington Holdings International Co., Ltd.	Stock							
	United Pacific Industrial Ltd.	-	Financial assets at fair value through profit or loss - current	5,548,800	US$ 379 thousand	-	US$ 379 thousand	
	Cadence Design SYS Inc.	-	Financial assets at fair value through profit or loss - current	9,633	US$ 200 thousand	-	US$ 200 thousand	
	Solid Gain Invenstments Ltd.	-	Available-for-sale financial assets - non-current	1,439,500	US$ 818 thousand	20	US$ 818 thousand	
	Preferred stock							
	Techgains I Corporation	-	Available-for-sale financial assets - non-current	526,732	US$ 268 thousand	10	US$ 268 thousand	
	Techgains II Corporation	-	Available-for-sale financial assets - non-current	669,705	US$ 197 thousand	4	US$ 197 thousand	
Unitech Holdings International Co., Ltd.	Stock							
	United Pacific Industrial Ltd.	-	Financial assets at fair value through profit or loss - current	5,613,600	US$ 384 thousand	-	US$ 384 thousand	
	WacomCo., Ltd.	-	Available-for-sale financial assets - non-current	1,200,000	US$ 4,805 thousand	1	US$ 4,805 thousand	
	Sequans Communications SA	-	Available-for-sale financial assets - non-current	370,554	US$ 778 thousand	1	US$ 778 thousand	
	Asia Global Venture Co., Ltd.	-	Available-for-sale financial assets - non-current	1,000,000	US$ 454 thousand	10	US$ 454 thousand	

(Concluded)

Note: ASE, Inc.'s stocks held by ASE Test Limited, 88,200,472 shares, are all trusted without power to decide the allocation of the trust assets.

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2015
(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount (Note 1)	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain/Loss on Disposal	Shares/Units	Amount (Note 1)
The Company	Fund													
	Mega Diamond Money Market Fund	Available-for-sale financial assets - current	-	-	32,504,205	$ 400,007	-	$ -	32,504,205	$ 400,085	$ 400,000	$ 85	-	$ -
	Stock													
	USI	Investments accounted for using the equity method	(Note 2)	Subsidary	1,625,015,916	36,706,080	-	-	1,585,412,694	36,214,968	36,218,502	(3,534)	39,603,222	1,187,548
	USIINC	Investments accounted for using the equity method	(Note 2)	Subsidary	-	-	990,080,566	36,214,968	-	-	-	-	990,080,566	44,733,359
	ASEEE	Investments accounted for using the equity method	(Note 3)	Joint Venture	-	-	61,809,660	618,097	-	-	-	-	61,809,660	613,841
	SPIL	Investments accounted for using the equity method	(Note 4)	Associate	-	-	779,000,000	35,055,000	-	-	-	-	779,000,000	35,423,058
ASE Test, Inc.	Fund													
	UPAMC James Bond Money Market Fund	Available-for-sale financial assets - current	-	-	18,289,114	300,338	18,187,991	300,000	36,477,105	601,787	600,000	1,787	-	-
	CTBC Hua-win Money Market Fund	Available-for-sale financial assets - current	-	-	27,717,723	300,033	-	-	27,717,723	301,242	300,000	1,242	-	-
	FUBON CHI-HSIANG Money Market Fund	Available-for-sale financial assets - current	-	-	-	-	25,850,193	400,000	25,850,193	400,257	400,000	257	-	-
	Stock													
	Alto Enterprises Limited	Investments accounted for using the equity method	(Note 5)	Subsidary	140,000,000	3,351,112	48,000,000	1,507,200	-	-	-	-	188,000,000	4,490,553
J&R Industrial Inc.	Fund													
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	34,302,310	455,720	14,256,665	190,000	48,558,975	646,223	644,000	2,223	-	-
	Taishin Ta Chong Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	33,664,705	470,066	-	-	-	-	33,664,705	472,164
Alto Enterprises Limited	Capital													
	ASE Investment (Kun Shan) Limited	Investments accounted for using the equity method	(Note 5)	Subsidary	-	US$ 55,957 thousand	-	US$ 48,000 thousand	-	-	-	-	-	US$ 88,752 thousand
ASE Investment (Kun Shan) Limited	Capital													
	ASE (Kun Shan) Inc.	Investments accounted for using the equity method	(Note 5)	Subsidary	-	US$ 55,981 thousand	-	US$ 48,000 thousand	-	-	-	-	-	US$ 88,805 thousand
USISH	Capital													
	Universal Global Technology (Shanghai) Co., Ltd.	Investments accounted for using the equity method	(Note 5)	Subsidary	-	CNY 341,706 thousand	-	CNY 800,000 thousand	-	-	-	-	-	CNY 727,596 thousand
USIE	Stock													
	USISH	Investments accounted for using the equity method	-	Subsidary	895,874,563	US$ 854,449 thousand	-	-	-	US$ 319,785 thousand	US$ 52,456 thousand	US$ 232,972 thousand	1,683,749,126	US$ 814,021 thousand

Note 1: The ending balance of Long-Term Stock Investment-Equity Method includes share of profits/losses of investees and other related adjustment to equity. The ending balance of other financial assets includes the adjustment to fair value.
Note 2: USI, Inc divided from Universal Scientific Industrial Co., Ltd.
Note 3: Joint venture with TDK Corporation
Note 4: Public Tender Offer
Note 5: Capital Increase by Cash

TABLE 5

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE PROPERTIES AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2015
(Amounts In Thousands of New Taiwan Dollars)

Company Name	Types of Property	Transaction Date	Transaction Date (Tax excluded)	Payment Term	Counter-party	Nature of Relationships	Prior Transaction of Related Counter-party				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
The Company	No.1, Chuangyi N. Rd. in Nantze 2nd Export Processing Zone, Kaohsiung City	June 04, 2015	$ 1,718,000	Paid	HC	Associate	-	-	-	$ -	Based on independent professional appraisal reports	To facilitate the future production expansion plan	None
	No.66, Yenfa Rd. in Nantze 2nd Export Processing Zone, Kaohsiung City	June 04, 2015	748,000	Paid	HC	Associate	-	-	-	-	Based on independent professional appraisal reports	To facilitate the future production expansion plan	None
	The building construction of foreign worker dormitory of ASE's Kaohsiung factory	January 01, 2015~ December 31, 2015	504,600	There is 37,800 thousand will be paid after acceptance check	Hu Hwa Construction Co., Ltd.	Associate	-	-	-	-	Based on independent professional appraisal reports	To manage the demand for accommodation resulted from the recruitment accommodation safety and quality for foreign workers	None
	Facilities and equipment of ASE's Kaohsiung factory	January 01, 2015~ December 31, 2015	355,282	There is 121,521 thousand will be paid after acceptance check	Kun Lin Engineering Co., Ltd.	-	-	-	-	-	Request for quotation, price comparison and price negotiation	Facilities and equipment expansion	None
	Facilities and equipment of ASE's Kaohsiung factory	January 01, 2015~ December 31, 2015	337,374	There is 55,130 thousand will be paid after acceptance check	Hyun Chang Enterprise Co., Ltd.	-	-	-	-	-	Request for quotation, price comparison and price negotiation	Facilities and equipment expansion	None
	Facilities and equipment of ASE's Kaohsiung factory	January 01, 2015~ December 31, 2015	310,414	There is 62,600 thousand will be paid after acceptance check	Aircare Engineering Corp.	-	-	-	-	-	Request for quotation, price comparison and price negotiation	Facilities and equipment expansion	None
	Facilities and equipment of ASE's Kaohsiung factory	January 01, 2015~ December 31, 2015	307,000	There is 184,200 thousand will be paid after acceptance check	Aqualab Inc.	-	-	-	-	-	Request for quotation, price comparison and price negotiation	Facilities and equipment expansion	None
ASE Assembly & Test (Shanghai) Limited	New plants of ASE Group Zhangjiang 2nd phase project	May 05, 2015~ December 24, 2015	548,465	There is 90,747 thousand will be paid after acceptance check	China MCC20 Group Corp. Ltd	-	-	-	-	-	Bidding, price comparison and price negotiation	To facilitate the future production expansion plan	None

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2015
(Amounts In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Company	ASE (Shanghai) Inc.	Subsidiary	Purchases	$ 1,713,266	6	Net 60 days from the end of the month of when invoice is issued	$ -	-	$ (433,581)	(6)	Note
	ASE Electronics Inc.	Subsidiary	Purchases	1,990,597	6	Net 60 days from the end of the month of when invoice is issued	-	-	(475,673)	(6)	Note
	ISE Labs, Inc.	Subsidiary	Sales	(121,374)	-	Net 45 days from invoice date	-	-	30,216	-	Note
	Universal Scientific Industrial Co., Ltd.	Subsidiary	Sales	(9,083,160)	(10)	Net 60 days from the end of the month of when invoice is issued	-	-	2,220,182	14	Note
	ASE Japan Co.,Ltd	Subsidiary	Sales	(116,993)	-	Net 60 days from the end of the month of when invoice is issued	-	-	18,075	-	Note
ASE Assembly & Test (Shanghai) Limited	ASE (Shanghai) Inc.	Associate	Purchases	399,553	13	Net 60 days from the end of the month of when invoice is issued	-	-	(68,869)	(11)	Note
	ASE Electronics Inc.	Associate	Purchases	212,770	7	Net 60 days from the end of the month of when invoice is issued	-	-	(47,235)	(8)	Note
Advanced Semiconductor Engineering (HK) Limited	ASE (Shanghai) Inc.	Parent company	Purchases	1,059,036	100	Net 60 days from the end of the month of when invoice is issued	-	-	(306,358)	(100)	Note
ASE Electronics (M) Sdn. Bhd.	ASE Electronics Inc.	Associate	Purchases	380,496	26	Net 60 days from invoice date	-	-	(61,229)	(24)	Note
ISE Labs, Inc.	The Company	The Ultimate Parent of the Company	Purchases	121,374	47	Net 45 days from invoice date	-	-	(30,295)	(38)	Note
Universal Scientific Industrial Co., Ltd.	The Company	The Ultimate Parent of the Company	Purchases	9,083,160	30	Net 60 days from the end of the month of when invoice is issued	-	-	(2,214,594)	(62)	Note
ASE Japan Co.,Ltd	The Company	The Ultimate Parent of the Company	Purchases	116,993	50	Net 60 days from the end of the month of when invoice is issued	-	-	(18,101)	(22)	Note
ASE (Shanghai) Inc.	The Company	The Ultimate Parent of the Company	Sales	(1,713,266)	(39)	Net 60 days from the end of the month of when invoice is issued	-	-	435,484	48	Note
	ASE Assembly & Test (Shanghai) Limited	Associate	Sales	(399,553)	(9)	Net 60 days from invoice date	-	-	68,869	8	Note
	Advanced Semiconductor Engineering (HK) Limited	Subsidiary	Sales	(1,059,036)	(24)	Net 90 days from the end of the month of when invoice is issued	-	-	306,358	34	Note
ASE Electronics Inc.	The Company	The Ultimate Parent of the Company	Sales	(1,990,597)	(50)	Net 60 days from the end of the month of when invoice is issued	-	-	494,337	51	Note
	ASE Electronics (M) Sdn. Bhd.	Associate	Sales	(380,496)	(10)	Net 60 days from invoice date	-	-	61,337	6	Note
	ASE Assembly & Test (Shanghai) Limited	Associate	Sales	(212,770)	(5)	Net 60 days from the end of the month of when invoice is issued	-	-	47,876	5	Note
	Universal Global Technology Co., Limited	Associate	Sales	(305,682)	(8)	Net 60 days from the end of the month of when	-	-	115,072	12	Note

(Continued)

TABLE 6

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2015
(Amounts In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Suzhou ASEN Semiconductors Co., Ltd.	NXP Semiconductors Taiwan Ltd.	Subsidiary of the company has significant influence over Suzhou ASEN Semiconductors Co., Ltd. – Subsidiary of NXP B.V	Sales	$ (1,924,007)	(39)	Net 60 days from the end of the month of when invoice is issued	-	-	$ 668,998	51	Note
USI Electronics (Shenzhen) Co., Ltd.	Universal Global Industrial Co., Limited	Associate	Sales	CNY 738,134 thousand	20	T/T 75 days	-	-	(CNY 149,480 thousand)	(13)	Note
			Sales	(CNY 2,596,129 thousand)	(54)	T/T 75 days	-	-	CNY 649,947 thousand	54	Note
Universal Scientific Industrial (Shanghai) Co., Ltd.	Universal Global Technology Co., Limited	Subsidiary	Sales	CNY 1,809,909 thousand	22	T/T 75 days	-	-	(CNY 903,017 thousand)	(48)	Note
	Universal Global Industrial Co., Limited	Subsidiary	Sales	(CNY 35,722 thousand)	-	T/T 75 days	-	-	CNY 12,184 thousand	1	Note
	USI Electronics (Shenzhen) Co., Ltd.	Subsidiary	Sales	(CNY 34,959 thousand)	-	T/T 75 days	-	-	CNY 329 thousand	-	Note
Universal Global Technology Co., Limited	Universal Scientific Industrial (Shanghai) Co., Ltd.	Parent company	Sales	(US$ 288,558 thousand)	(68)	T/T 75 days	$ -	-	US$ 139,083 thousand	93	Note
	Universal Global Technology (Kunshan) Co., Ltd.	Associate	Sales	(US$ 137,121 thousand)	(32)	T/T 75 days	-	-	US$ 10,721 thousand	7	Note
	ASE Electronics Inc.	Associate	Purchases	305,682	2	Net 60 days from the end of the month of when invoice is issued	-	-	(115,072)	(1)	Note
Universal Global Industrial Co., Limited	USI Electronics (Shenzhen) Co., Ltd.	Associate	Purchases	US$ 417,234 thousand	54	T/T 75 days	-	-	(US$ 100,090 thousand)	(58)	Note
			Sales	(US$ 107,966 thousand)	(14)	T/T 75 days	-	-	US$ 21,927 thousand	12	Note
	Universal Scientific Industrial (Shanghai) Co., Ltd.	Parent company	Purchases	US$ 5,707 thousand	1	T/T 75 days	-	-	(US$ 1,876 thousand)	(1)	Note
	Universal Global Scientific Industrial Co., Ltd.	Associate	Purchases	US$ 9,520 thousand	1	T/T 75 days	-	-	(US$ 1,143 thousand)	(1)	Note
			Sales	(US$ 544,423 thousand)	(70)	T/T 75 days	-	-	US$ 121,600 thousand	68	Note
	Universal Global Technology (Kunshan) Co., Ltd.	Associate	Purchases	US$ 241,229 thousand	31	T/T 75 days	-	-	(US$ 31,576 thousand)	(18)	Note
			Sales	(US$ 11,791 thousand)	(2)	T/T 75 days	-	-	US$ 2,144 thousand	1	Note
Universal Global Scientific Industrial Co., Ltd.	Universal Global Industrial Co., Limited	Associate	Purchases	17,349,315	89	T/T 75 days	-	-	(3,989,045)	(88)	Note
			Sales	(273,913)	(1)	T/T 75 days	-	-	76,102	1	Note
	USI Electronics (Shenzhen) Co., Ltd.	Parent company	Sales	(220,300)	(1)	T/T 75 days	-	-	-	-	Note
	USI Electronics (Shenzhen) Co., Ltd.	Associate	Sales	(149,600)	(1)	T/T 75 days	-	-	-	-	Note
	Universal Scientific Industrial Co., Ltd.	Associate	Sales	(1,496,637)	(7)	T/T 75 days	-	-	329,214	6	Note
Universal Global Technology (Kunshan) Co., Ltd.	Universal Global Technology Co., Limited	Associate	Purchases	CNY 853,882 thousand	46	T/T 75 days	-	-	(CNY 69,615 thousand)	(22)	Note
	Universal Global Industrial Co., Limited	Associate	Purchases	CNY 73,828 thousand	4	T/T 75 days	-	-	(CNY 13,922 thousand)	(4)	Note
			Sales	(CNY 1,497,895 thousand)	(66)	T/T 75 days	-	-	CNY 206,744 thousand	45	Note

Note 3: Amount was included principal and interest.

(Concluded)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2015
(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Related Party	Relationships	Ending Balance (Note 1)	Turnover Rate (Note 2)	Overdue (Note 1) Amount	Overdue (Note 1) Actions Taken	Amounts Received in Subsequent Period	Allowance for Bad Debts
The Company	Universal Scientific Industrial Co., Ltd.	Subsidiary	$ 2,220,182 (Note5)	3	$ 6,173	Continued collection	$ 1,766,202	$ -
ASE Electronics Inc.	The Company	The Ultimate Parent of the Company	700,436 (Note5)	4	-	-	406,076	-
	Universal Global Technology Co., Limited	Associate	115,072 (Note5)	5	-	-	94,861	-
Omniquest Industrial Limited	The Company	Parent company	1,641,250 (Notes 3,5)	-	-	-	-	-
ISE Labs, Inc.	J & R Holding Limited	Parent company	1,510,312 (Notes 3,5)	-	-	-	-	-
Anstock II Limited.	J & R Holding Limited	Parent company	9,810,065 (Notes 3,5)	-	-	-	61,040	-
Anstock Limited	ASE Assembly & Test (Shanghai) Limited	Associate	3,293,743 (Notes 3,5)	-	-	-	-	-
A.S.E. Holding Limited	The Company	Parent company	2,757,300 (Notes 3,5)	-	-	-	-	-
ASE Test, Inc.	The Company	Parent company	7,320,710 (Notes 3,4,5)	-	-	-	590,421	-
	ASE Corporation	Associate	900,000 (Notes 3,5)	-	-	-	-	-
ASE Test Limited	The Company	The Ultimate Parent of the Company	4,037,475 (Notes 3,5)	-	-	-	-	-
	A.S.E. Holding Limited	Associate	1,663,540 (Notes 3,5)	-	-	-	-	-
				-	-	-	-	-
	Omniquest Industrial Limited	Associate	1,644,277 (Notes 3,5)	-	-	-	-	-
ASE Singapore Pte. Ltd.	A.S.E. Holding Limited	Associate	394,118 (Notes 3,5)	-	-	-	-	-
ASE (Korea) Inc.	The Company	The Ultimate Parent of the Company	2,627,294 (Notes 3,5)	-	-	-	241	-
	ASE WeiHai Inc.	Subsidiary	1,643,994 (Notes 3,5)	-	-	-	-	-
J & R Holding Limited	The Company	Parent company	9,256,650 (Notes 3,5)	-	-	-	-	-
	Global Advanced Packaging Technology Limited, Cayman Islands.	Subsidiary	2,471,186 (Notes 3,5)	-	-	-	-	-
	Anstock Limited	Subsidiary	801,897 (Notes 3,5)	-	-	-	-	-
	ASE WeiHai Inc.	Associate	1,380,065 (Notes 3,5)	-	-	-	-	-
	ASE Assembly & Test (Shanghai) Limited	Associate	560,401 (Notes 3,5)	-	-	-	-	-
	Innosource Limited	Associate	723,447 (Notes 3,5)	-	-	-	-	-
	Real Tech Holdings Limited	Associate	2,134,808 (Notes 3,5)	-	-	-	-	-
Innosource Limited	The Company	Parent company	722,150 (Notes 3,5)	-	-	-	-	-
J&R Industrial Inc.	The Company	The Ultimate Parent of the Company	190,000 (Notes 3,5)	-	-	-	-	-
	ASE Electronics Inc.	Associate	190,000 (Notes 3,5)	-	-	-	-	-

(Continued)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2015
(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Related Party	Relationships	Ending Balance（Note 1）			Turnover Rate （Note 2）	Overdue（Note 1） Amount	Overdue（Note 1） Actions Taken	Amounts Received in Subsequent Period		Allowance for Bad Debts
Global Advanced Packaging Technology Limited, Cayman Islands.	The Company	The Ultimate Parent of the Company	$	1,936,675	(Notes 3,5)	-	$ -	-	$	-	$ -
ASE Japan Co., Ltd.	J & R Holding Limited	Parent company		2,264,163	(Notes 3,5)	-	-	-		-	-
ASE Corporation	The Company	The Ultimate Parent of the Company		900,000	(Notes 3,5)	-	-	-		-	-
ASE (Shanghai) Inc.	The Company	The Ultimate Parent of the Company		435,484	(Note 5)	3	40,311	Continued collection		105,042	-
	Advanced Semiconductor Engineering (HK) Limited	Subsidiary		306,358	(Note 5)	3	1,772	Continued collection		100,053	-
	ASE WeiHai Inc.	Associate		164,556	(Notes 3,5)	-	-	-		-	-
Shanghai Ding Hui Real Estate Development Co., Ltd.	Kun Shan Ding Hong Real Estate Development Co., Ltd.	Subsidiary		570,852	(Notes 3,5)	-	-	-		750	-
USI Enterprise Limited	The Company	The Ultimate Parent of the Company		2,626,000	(Notes 3,5)	-	-	-		-	-
	J & R Holding Limited	Associate		6,402,296	(Notes 3,5)	-	-	-		6,663	-
	USI Inc.	Parent company		2,233,090	(Notes 3,5)	-	-	-		-	-
Huntington Holdings International Co. Ltd.	The Company	The Ultimate Parent of the Company		1,805,375	(Notes 3,5)	-	-	-		-	-
Real Tech Holdings Limited	The Company	The Ultimate Parent of the Company		3,939,000	(Notes 3,5)	-	-	-		-	-
Suzhou ASEN Semiconductors Co., Ltd.	NXP Semiconductors Taiwan Ltd.	Subsidiary of the company has significant influence over Suzhou ASEN Semiconductors Co., Ltd.		683,680		3	-	-		154,965	-
USI Electronics (Shenzhen) Co., Ltd.	Universal Scientific Industrial (Shanghai) Co., Ltd.	Associate	CNY	650,086 thousand	(Note 5)	4	-	-	CNY	249,196 thousand	-
	Universal Global Technology (Shanghai) Co., Ltd.	Associate	CNY	261,002 thousand	(Note 5)	-	-	-		-	-
Universal Scientific Industrial (Shanghai) Co., Ltd.	Universal Global Technology (Shanghai) Co., Ltd.	Subsidiary	CNY	393,196 thousand	(Note 5)	-	-	-		-	-
	USI Electronics (Shenzhen) Co., Ltd.	Subsidiary	CNY	289,096 thousand	(Note 5)	-	-	-		-	-
Universal Global Technology Co., Limited	Universal Scientific Industrial (Shanghai) Co., Ltd.	Parent company	US$	139,153 thousand	(Note 5)	4	-	-	US$	49,939 thousand	-
	Universal Global Technology (Kunshan) Co., Ltd.	Associate	US$	10,721 thousand	(Note 5)	5	-	-		-	-
	USI Electronics (Shenzhen) Co., Ltd.	Subsidiary	US$	43,119 thousand	(Note 5)	-	-	-	US$	43,119 thousand	-
Universal Global Industrial Co., Limited	USI Electronics (Shenzhen) Co., Ltd.	Associate	US$	23,084 thousand	(Note 5)	4	-	-	US$	6,589 thousand	-
	Universal Global Scientific Industrial Co., Ltd.	Associate	US$	121,863 thousand	(Note 5)	5	-	-	US$	46,803 thousand	-
Universal Global Scientific Industrial Co., Ltd.	Universal Scientific Industrial Co., Ltd.	Associate		348,070	(Note 5)	4	2,563	Continued collection		273,537	-
Universal Global Technology (Kunshan) Co., Ltd.	Universal Global Industrial Co., Limited	Associate	CNY	206,744 thousand	(Note 5)	6	-	-	CNY	63,666 thousand	-

(Continued)

Note 1: Include Accounts receivables and Other receivables
Note 2: Exclude other receivables
Note 3: Intercompany Loan, please refer to Table 1.
Note 4: Turnkey transaction.
Note 5: All the transactions had been eliminated when preparing consolidated financial statements.

TABLE 8

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2015
(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount: December 31, 2015	Original Investment Amount: December 31, 2014	Balance as of December 31, 2015: Shares	Balance as of December 31, 2015: Percentage of Ownership	Balance as of December 31, 2015: Carrying Value	Net Income (Losses) of the Investee	Share of Profits/Losses of Investee (Note 1)	Note
The Company	A.S.E. Holding Limited	Bermuda	Investment activities	US$ 283,966 thousand	US$ 283,966 thousand	243,966	100	$ 15,251,124	$ 498,485	$ 480,474	Subsidiary
	J & R Holding Limited	Bermuda	Investment activities	US$ 479,693 thousand	US$ 479,693 thousand	435,128	100	47,271,666	2,304,578	2,049,623	Subsidiary
	ASE Marketing & Service Japan Co., Ltd.	Japan	Engaged in marketing and sales services	JPY 60,000 thousand	JPY 60,000 thousand	1,200	100	27,986	2,082	2,082	Subsidiary
	Omniquest Industrial Limited	British Virgin Islands	Investment activities	US$ 250,504 thousand	US$ 250,504 thousand	250,504,067	71	11,140,252	233,728	198,948	Subsidiary
	Innosource Limited	British Virgin Islands	Investment activities	US$ 86,000 thousand	US$ 86,000 thousand	86,000,000	100	3,998,959	67,639	77,641	Subsidiary
	HCK	Taiwan	Engaged in the leasing of real estate properties	$ 390,470	$ 390,470	35,497,273	27	332,444	(35,497)	(9,694)	Associate
	HC	Taiwan	Engaged in the development, construction and leasing of real estate properties	2,845,913	2,845,913	68,629,782	26	1,313,499	701,531	64,151	Associate
	USI	Taiwan	Engaged in the manufacturing, processing and sale of computers, computer peripherals and related accessories	520,490	21,356,967	39,603,222	99	1,187,548	776,524	1,200,793	Subsidiary
	ASE Test, Inc.	Taiwan	Engaged in the testing of semiconductors	20,698,867	20,698,867	851,997,366	100	29,586,903	2,905,510	2,883,511	Subsidiary
	USIINC	Taiwan	Investment activities	20,836,477	-	990,080,566	99	44,733,359	1,427,299	1,239,134	Subsidiary
	Luchu Development Corporation	Taiwan	Engaged in the development of real estate properties	1,366,238	1,366,238	131,961,457	67	1,332,571	(2,276)	(1,527)	Subsidiary
	ASEEE	Taiwan	Engaged in the production of embedded substrate	618,097	-	61,809,660	51	613,841	(8,375)	(4,274)	Associate
	SPIL	Taiwan	Engaged in assembly, testing and turnkey services of integrated circuits	35,055,000	-	779,000,000	24	35,423,058	8,762,257	410,937	Associate
	AMPI	Taiwan	Engaged in integrated circuit	178,861	178,861	33,308,452	18	40,216	(217,534)	(58,390)	Associate
ASE Test, Inc.	Alto Enterprises Limited	British Virgin Islands	Investment activities	US$ 188,000 thousand	US$ 140,000 thousand	188,000,000	100	4,490,553	(163,043)	(Note 2)	Subsidiary
	Super Zone Holdings Limited	Hong Kong	Investment activities	US$ 100,000 thousand	US$ 100,000 thousand	100,000,000	100	3,332,370	83,754	(Note 2)	Subsidiary
	Luchu Development Corporation	Taiwan	Engaged in the development of real estate properties	372,504	372,504	37,250,448	19	376,082	(2,276)	(Note 2)	Subsidiary
A.S.E. Holding Limited	ASE Test Limited	Singapore	Investment activities	US$ 84,889 thousand	US$ 84,889 thousand	11,148,000	10	US$ 102,620	US$ 57,830 thousand	(Note 2)	Subsidiary
	ASE Investment (Labuan) Inc.	Malaysia	Investment activities	US$ 168,643 thousand	US$ 168,643 thousand	168,642,842	70	US$ 343,531 thousand	US$ 14,196 thousand	(Note 2)	Subsidiary
J & R Holding Limited	ASE Test Limited	Singapore	Investment activities	US$ 964,524 thousand	US$ 964,524 thousand	98,276,087	90	US$ 1,028,767 thousand	US$ 57,830 thousand	(Note 2)	Subsidiary
	Omniquest Industrial Limited	British Virgin Islands	Investment activities	US$ 30,200 thousand	US$ 30,200 thousand	30,200,000	8	US$ 41,954 thousand	US$ 7,478 thousand	(Note 2)	Subsidiary
	J&R Industrial Inc.	Taiwan	Engaged in leasing equipment and investing activity	US$ 51,344 thousand	US$ 51,344 thousand	170,000,006	100	US$ 30,394 thousand	US$ 146 thousand	(Note 2)	Subsidiary
	ASE Japan Co., Ltd.	Japan	Engaged in the packaging and testing of semiconductors	US$ 25,606 thousand	US$ 25,606 thousand	7,200	100	US$ 70,861 thousand	US$ 788 thousand	(Note 2)	Subsidiary
	ASE (U.S.) Inc.	U.S.A	After-sales service and sales support	US$ 4,600 thousand	US$ 4,600 thousand	1,000	100	US$ 12,014 thousand	US$ 1,086 thousand	(Note 2)	Subsidiary
	Global Advanced Packaging Technology Limited, Cayman Islands	British Cayman Islands	Investment activities	US$ 190,000 thousand	US$ 190,000 thousand	190,000,000	100	US$ 328,528 thousand	US$ 13,060 thousand	(Note 2)	Subsidiary
	Anstock Limited	British Cayman Islands	Investment activities	US$ 10 thousand	US$ 10 thousand	10,000	100	US$ 602 thousand	(US$ 18 thousand)	(Note 2)	Subsidiary
	Anstock II Limited	British Cayman Islands	Investment activities	US$ 10 thousand	US$ 10 thousand	10,000	100	US$ 34 thousand	US$ 90 thousand	(Note 2)	Subsidiary
ASE Investment (Labuan) Inc.	ASE (Korea) Inc.	Korea	Engaged in the packaging and testing of semiconductors	US$ 160,000 thousand	US$ 160,000 thousand	20,741,363	100	US$ 490,753 thousand	US$ 13,955 thousand	(Note 2)	Subsidiary
ASE Test Limited	ASE Holdings (Singapore) Pte Ltd	Singapore	Investment activities	US$ 65,520 thousand	US$ 65,520 thousand	71,428,902	100	US$ 129,372 thousand	US$ 22,127 thousand	(Note 2)	Subsidiary
	ASE Test Holdings, Ltd.	British Cayman Islands	Investment activities	US$ 222,399 thousand	US$ 222,399 thousand	5	100	US$ 99,491 thousand	US$ 558 thousand	(Note 2)	Subsidiary
	ASE Test Finance Limited	Mauritius	Investment activities	-	US$ 0.002 thousand	-	-	-	(US$ 1 thousand)	(Note 2)	Subsidiary
	ASE Investment (Labuan) Inc.	Malaysia	Investment activities	US$ 72,304 thousand	US$ 72,304 thousand	72,304,040	30	US$ 147,228 thousand	US$ 14,196 thousand	(Note 2)	Subsidiary
	ASE Singapore Pte. Ltd.	Singapore	Engaged in the packaging and testing of semiconductors	US$ 55,815 thousand	US$ 55,815 thousand	30,100,000	100	US$ 171,580 thousand	US$ 25,319 thousand	(Note 2)	Subsidiary
ASE Test Holdings, Ltd.	ISE Labs, Inc.	U.S.A	Engaged in the testing of semiconductors	US$ 221,145 thousand	US$ 221,145 thousand	26,250,000	100	US$ 99,490 thousand	US$ 558 thousand	(Note 2)	Subsidiary
ASE Holdings (Singapore) Pte Ltd	ASE Electronics (M) Sdn. Bhd.	Malaysia	Engaged in the packaging and testing of semiconductors	US$ 60,000 thousand	US$ 60,000 thousand	159,715,000	100	US$ 129,372 thousand	US$ 22,127 thousand	(Note 2)	Subsidiary
Omniquest Industrial Limited	ASE Corporation	British Cayman Islands	Investment activities	US$ 352,784 thousand	US$ 352,784 thousand	352,784,067	100	US$ 493,109 thousand	US$ 7,542 thousand	(Note 2)	Subsidiary

(Continued)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2015
(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2015			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee (Note 1)	Note
				December 31, 2015	December 31, 2014	Shares	Percentage of Ownership	Carrying Value			
ASE Corporation	ASE Mauritius Inc.	Mauritius	Investment activities	US$ 217,800 thousand	US$ 217,800 thousand	217,800,000	100	US$ 375,804 thousand	US$ 4,246 thousand	(Note 2)	Subsidiary
	ASE Labuan Inc.	Malaysia	Investment activities	US$ 126,184 thousand	US$ 126,184 thousand	126,184,067	100	US$ 117,195 thousand	US$ 3,324 thousand	(Note 2)	Subsidiary
ASE Labuan Inc.	ASE Electronics Inc.	Taiwan	Engaged in the production of substrates	US$ 125,813 thousand	US$ 125,813 thousand	398,981,900	100	US$ 116,620 thousand	US$ 3,329 thousand	(Note 2)	Subsidiary
Innosource Limited	Omniquest Industrial Limited	British Virgin Islands	Investment activities	US$ 74,000 thousand	US$ 74,000 thousand	74,000,000	21	US$ 102,839 thousand	US$ 7,478 thousand	(Note 2)	Subsidiary
ASE (Shanghai) Inc.	Advanced Semiconductor Engineering (HK) Limited	Hong Kong	Engaged in the trading of substrates	US$ 1,000 thousand	US$ 1,000 thousand	-	100	US$ 9,191 thousand	US$ 82 thousand	(Note 2)	Subsidiary
USI	Huntington Holdings International Co. Ltd.	British Virgin Islands	Holding company	$ -	$ 8,370,606	-	-	$ -	$ 586,787	(Note 2)	Subsidiary
	Senetex Investment Co., Ltd.	Taiwan	Engaged in investment activities	-	298	-	-	-	(2)	(Note 2)	Subsidiary
USIINC	Huntington Holdings International Co. Ltd.	British Virgin Islands	Holding company	8,370,606	-	255,856,840	100	45,805,518	1,552,527	(Note 2)	Subsidiary
	Senetex Investment Co., Ltd.	Taiwan	Engaged in investment activities	-	-	-	-	-	1,046	(Note 2)	Subsidiary
Huntington Holdings International Co. Ltd.	Unitech Holdings International Co. Ltd.	British Virgin Islands	Holding company	US$ 3,000 thousand	US$ 3,000 thousand	3,000,000	100	US$ 9,133 thousand	(US$ 46 thousand)	(Note 2)	Subsidiary
	Real Tech Holdings Limited	British Virgin Islands	Holding company	US$ 149,151 thousand	US$ 149,151 thousand	149,151,000	100	US$ 1,325,826 thousand	US$ 71,385 thousand	(Note 2)	Subsidiary
	Universal ABIT Holding Co., Ltd.	British Cayman Islands	Holding company	US$ 28,125 thousand	US$ 28,125 thousand	90,000,000	100	US$ 13 thousand	(US$ 1 thousand)	(Note 2)	Subsidiary
	Rising Capital Investment Limited	British Virgin Islands	Holding company	US$ 6,000 thousand	US$ 6,000 thousand	6,000,000	100	US$ 1,136 thousand	US$ 4 thousand	(Note 2)	Subsidiary
	Rise Accord Limited	British Virgin Islands	Holding company	US$ 2,000 thousand	US$ 2,000 thousand	20,000	100	US$ 151 thousand	US$ 22 thousand	(Note 2)	Subsidiary
Real Tech Holdings Limited	USI Enterprise Limited	Hong Kong	Engaged in the services of investment advisory and warehousing management	US$ 210,900 thousand	US$ 210,900 thousand	210,900,000	98	US$ 1,253,125 thousand	US$ 75,710 thousand	(Note 2)	Subsidiary
USISH	Universal Global Technology Co., Limited	Hong Kong	Holding company	CNY 324,185 thousand	CNY 324,185 thousand	390,000,000	100	CNY 1,421,145 thousand	CNY 375,551 thousand	(Note 2)	Subsidiary
Universal Global Technology Co., Limited	Universal Global Industrial Co., Limited	Hong Kong	Engaged in manufacturing, trading and investing activity	US$ 11,000 thousand	US$ 11,000 thousand	85,800,000	100	US$ 18,632 thousand	US$ 1,036 thousand	(Note 2)	Subsidiary
	Universal Global Scientific Industrial Co., Ltd.	Taiwan	Engaged in the manufacturing of components of telecomm and cars and provision of related R&D services	US$ 30,400 thousand	US$ 30,400 thousand	98,000,000	100	US$ 83,745 thousand	US$ 22,578 thousand	(Note 2)	Subsidiary
	USI Japan Co., Ltd	Japan	Engaged in the manufacturing and sale of computer peripherals, integrated chip and other related accessories	US$ 885 thousand	US$ 885 thousand	6,400	100	US$ 751 thousand	US$ 25 thousand	(Note 2)	Subsidiary
	USI @ Work, Inc.	U.S.A	Merged into USI America Inc. in August 2015	-	US$ 250 thousand	-	-	-	US$ 32 thousand	(Note 2)	Subsidiary
	Universal Scientific Industrial De Mexico S.A. De C.V.	Mexico	Engaged in the assembling of motherboards and computer components	US$ 23,963 thousand	US$ 23,963 thousand	281,085,325	100	US$ 41,731 thousand	US$ 4,414 thousand	(Note 2)	Subsidiary
	USI America Inc.	U.S.A	Engaged in the manufacturing and processing of motherboards and wireless network communication and provision of related technical service	US$ 9,500 thousand	US$ 9,500 thousand	250,000	100	US$ 5,365 thousand	US$ 153 thousand	(Note 2)	Subsidiary
Universal Global Industrial Co., Limited	Universal Scientific Industrial De Mexico S.A. De C.V.	Mexico	Engaged in the assembling of motherboards and computer components	-	-	1	-	-	US$ 4,414 thousand	(Note 2)	Subsidiary

(Concluded)

Note 1: The share of profits/losses of investee includes the effect of unrealized gross profit on intercompany transaction.
Note 2: The share of profits/losses of investee company is not reflected herein as such amount is already included in the share of profits/losses of the investor company.

TABLE 9

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2015
(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee Company	Main Business Activities	Paid-in Capital	Investment Method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2015	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31,2015		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2015	Net income of investee as of December 31, 2015	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the yaer ended December 31, 2015	Book value of investments in Mainland China as of December 31, 2015	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2015
					Remitted to Mainland China	Remitted back to Taiwan						
ASE (Shanghai) Inc.	Engaged in the production of substrates	$ 4,236,563 (US$ 133,812 thousand)	Note 1 (1)	$ 4,398,576 (US$ 137,800 thousand)	$ -	$ -	$ 4,398,576 (US$ 137,800 thousand)	$ 201,665 (US$ 6,425 thousand) (Note 5)	100	$ 201,665 (US$ 6,425 thousand) (Note 5)	$ 10,375,148 (US$ 316,075 thousand)	None
ASE (Kun Shan) Inc.	Engaged in the packaging and testing of semiconductors	8,350,204 (US$ 268,000 thousand)	Note 1 (2)	6,843,004 (US$ 220,000 thousand)	1,507,200 (US$ 48,000 thousand) (Note 10)	-	8,350,204 (US$ 268,000 thousand)	(230,901) (US$ -7,194 thousand) (Note 4)	100	(230,901) (US$ -7,194 thousand) (Note 4)	6, 403,859 (US$ 195,091 thousand)	None
ASE Module (Shanghai) Inc. 公司	Engage in the production and sale of electronic components and printed circuit boards	383,640 (US$ 12,000 thousand)	Note 1 (3)	383,640 (US$ 12,000 thousand)	-	-	383,640 (US$ 12,000 thousand)	19,139 (US$ 605 thousand) (Note 5)	100	19,139 (US$ 605 thousand) (Note 5)	616,357 (US$ 18,777 thousand)	None
ASE Assembly & Test (Shanghai) Limited	Engaged in the packaging and testing of semiconductors	6,501,336 (US$ 203,580 thousand)	Note 1 (4)	5,792,530 (US$ 180,000 thousand)	-	-	5,792,530 (US$ 180,000 thousand)	417,581 (US$ 13,177 thousand) (Note 4)	100	417,581 (US$ 13,177 thousand) (Note 4)	10,892,636 (US$ 331,840 thousand)	None
Suzhou ASEN Semiconductors Co., Ltd.	Engaged in the packaging and testing of semiconductors	1,568,467 (US$ 48,672 thousand)	Note 1 (5)	711,180 (US$ 21,600 thousand)	-	-	711,180 (US$ 21,600 thousand)	479,965 (US$ 15,144 thousand) (Note 5)	60	287,979 (US$ 9,086 thousand) (Note 5)	2,257,860 (US$ 68,785 thousand)	None
ASE WeiHai Inc.	Engaged in the packaging and testing of semiconductors	4,507,081 (US$ 152,200 thousand)	Note 1 (6)	1,295,307 (US$ 40,000 thousand)	-	-	1,295,307 (US$ 40,000 thousand)	(245,190) (US$ -7,645 thousand) (Note 5)	100	(245,190) (US$ -7,645 thousand) (Note 5)	1,724,663 (US$ 52,541 thousand)	None
Shanghai Ding Hui Real Estate Development Co., Ltd.	Engaged in the development, construction and sale of real estate properties	16,345,070 (CNY 3,600,000 thousand)	Note 2	- (Note 2)	-	-	- (註2)	(145,116) (CNY -28,561 thousand) (Note 5)	100	(145,116) (CNY -28,561 thousand) (Note 5)	19,869,203 (CNY 3,930,622 thousand)	None
Shanghai Ding Wei Real Estate Development Co., Ltd.	Engaged in the development, construction and sale of real estate properties	6,908,089 (CNY 1,548,000 thousand)	Note 2	- (Note 2)	-	-	- (註2)	(28,429) (CNY -5,599 thousand) (Note 5)	100	(28,429) (CNY -5,599 thousand) (Note 5)	7,749,787 (CNY 1,533,100 thousand)	None
Shanghai Ding Yu Real Estate Development Co., Ltd.	Engaged in the development, construction and sale of real estate properties	4,936,538 (CNY 1,100,000 thousand)	Note 2	- (Note 2)	-	-	- (註2)	(5,468) (CNY -1,074 thousand) (Note 5)	100	(5,468) (CNY -1,074 thousand) (Note 5)	5,568,751 (CNY 1,101,637 thousand)	None
Kun Shan Ding Hong Real Estate Development Co., Ltd.	Engaged in the development, construction and sale of real estate properties	3,139,662 (CNY 670,000 thousand)	Note 2	- (Note 2)	-	-	- (註2)	(1,432) (CNY -282 thousand) (Note 5)	100	(1,432) (CNY -282 thousand) (Note 5)	3,380,883 (CNY 668,823 thousand)	None
Kun Shan Ding Yue Real Estate Development Co., Ltd.	Engaged in the development, construction and sale of real estate properties	1,546,415 (CNY 330,000 thousand)	Note 2	- (Note 2)	-	-	- (註2)	487 (CNY 96 thousand) (Note 5)	100	487 (CNY 96 thousand) (Note 5)	1,666,793 (CNY 329,733 thousand)	None
Advanced Semiconductor Engineering (China) Ltd.	Engage in the packaging and testing of semiconductors	3,149,000 (US$ 100,000 thousand)	Note 1 (7)	3,149,000 (US$ 100,000 thousand)	-	-	3,149,000 (US$ 100,000 thousand)	83,753 (US$ 2,616 thousand) (Note 4)	100	83,753 (US$ 2,616 thousand) (Note 4)	3,332,245 (US$ 101,515 thousand)	None
ASE Investment (Kun Shan) Limited	Holding company	3,717,318 (US$ 122,000 thousand)	Note 1 (8)	2,210,118 (US$ 74,000 thousand)	1,507,200 (US$ 48,000 thousand) (Note 10)	-	3,717,318 (US$ 122,000 thousand)	(106,242) (US$ -3,312 thousand) (Note 4)	100	(106,242) (US$ -3,312 thousand) (Note 4)	2,913,283 (US$ 88,752 thousand)	None

(Continued)

TABLE 9

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2015
(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee Company	Main Business Activities	Paid-in Capital	Investment Method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2015	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31,2015 — Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2015	Net income of investee as of December 31, 2015	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the yaer ended December 31, 2015	Book value of investments in Mainland China as of December 31, 2015	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2015
Wuxi Tongzhi Microelectronics Co., Ltd.	Engage in the packaging and testing of semiconductors	$ 356,682 (CNY 73,461 thousand)	(Note 2)	$ - (Note 2)	$ -	$ -	$ - (Note 2)	$ 25,990 (CNY 5,113 thousand) (Note 4)	100	$ 25,990 (CNY 5,113 thousand) (Note 4)	$ 454,969 (CNY 90,004 thousand)	None
ASE Trading (Shanghai) Ltd.	Engaged in trading activity	2,566 (CNY 500 thousand)	(Note 2)	- (Note 2)	-	-	- (Note 2)	(255) (CNY -49 thousand) (Note 4)	100	(255) (CNY -49 thousand) (Note 4)	2,279 (CNY 451 thousand)	None
Shanghai Ding Qi Property Management Co., Ltd.	Engaged in the management of real estate properties	5,078 (CNY 1,000 thousand)	(Note 2)	- (Note 2)	-	-	- (Note 2)	(3,438) (CNY -679 thousand) (Note 5)	100	(3,438) (CNY -679 thousand) (Note 5)	1,623 (CNY 321 thousand)	None
USI Electronics (Shenzhen) Co., Ltd	Engaged in the processing and sales of computer and communication peripherals as well as business in import and export of goods and technology	2,270,625 (US$ 75,000 thousand)	Note 1 (9)	1,180,746	-	-	1,180,746	2,523,541 (CNY 496,516 thousand) (Note 6)	76	1,965,027 (US$ 62,086 thousand) (Note 6)	6,299,091 (US$ 191,899 thousand)	$ 1,196,256 (US$ 41,243 thousand)
Universal Scientific Industrial (Shanghai) Co., Ltd.	Engaged in the designing, manufacturing and sale of electronic components	10,649,110 (CNY 2,175,924 thousand)	Note 1 (9)	1,668,233	-	-	1,668,233	3,468,871 (US$ 109,602 thousand) (Note 6)	76	2,658,906 (US$ 84,010 thousand) (Note 6)	26,127,903 (US$ 795,976 thousand)	None
Universal Scientific Industrial (Kunshan) Co., Ltd.	Engaged in the manufacturing and sale of computer assistance system and related peripherals	383,201 (US$ 12,000 thousand)	Note 1 (9)	383,201	-	-	383,201	(86,993) (US$ -2,749 thousand) (Note 6)	99	(86,271) (US$ -2,726 thousand) (Note 6)	346,005 (US$ 10,541 thousand)	None
e-Cloud Corporation	Engaged in the sale of electronic components and telecommunications equipment	147,450 (US$ 5,000 thousand)	Note 1 (11)	147,450	-	-	147,450	-	-	-	- (Note 11)	None
Siargo(SH), Ltd.	Engaged in manufacturing and sale of MEMS mass flow sensors	227,063 (US$ 7,500 thousand)	(Note 3)	3,035	-	-	3,035	-	-	-	-	None
Universal Global Technology (Kunshan) Co., Ltd.	Engaged in the designing and manufacturing of electronic components	1,202,223 (CNY 250,000 thousand)	(Note 2)	- (Note 2)	-	-	- (Note 2)	645,853 (CNY 127,074 thousand) (Note 6)	76	507,448 (CNY 99,842 thousand) (Note 6)	1,749,854 (CNY 346,164 thousand)	None
Universal Global Technology (Shanghai) Co., Ltd.	Engaged in the processing and sales of computer and communication peripherals as well as business in import and export of goods and technology	6,652,140 (CNY 1,330,000 thousand)	(Note 2)	- (Note 2)	-	-	- (Note 2)	(2,106,690) (CNY -414,499 thousand) (Note 6)	76	(1,644,175) (CNY -323,497 thousand) (Note 6)	2,782,943 (CNY 550,535 thousand)	None
Universal Global Electronics (Shanghai) Co., Ltd.	Engaged in the sale of electronic components and telecommunications equipment	240,850 (CNY 50,000 thousand)	(Note 2)	- (Note 2)	-	-	- (Note 2)	8,447 (CNY 1,662 thousand) (Note 6)	76	6,592 (CNY 1,297 thousand) (Note 6)	201,364 (CNY 39,835 thousand)	None
Cubuy Corporation	Engaged in the sale of electronic components and telecommunications equipment	- -	Note 1 (10)	-	-	-	-	17 (US$ 1 thousand) (Note 6)	-	17 (US$ 1 thousand) (Note 6)	- - (Note 12)	None

(Continued)

Investee Company	Accumulated Investment in Mainland China as of December 31, 2015	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The company	$ 15,203,097 (US$ 471,400 thousand)	$ 16,790,306 (US$ 576,400 thousand)(Note 9)	$ - (Note 7)
ASE Test, Inc.	8,878,838 (US$ 288,000 thousand)	8,878,838 (US$ 288,000 thousand)	17,944,978 (Note 8)
USI Inc.	3,382,665	32,402,340 (US$1,027,236 thousand)	- (Note 7)

Note 1: Investments through a holding company registered in a third region. The holding companies are as follow:
(1) ASE Mauritius Inc., ASE Corporation,Omniquest Industrial Limited,Innosource Limited and J&R Holding Limited.
(2) ASE Mauritius Inc., Alto Enterprises Limited, Innosource Limited, ASE Corporation, Omniquest Industrial Limited and J&R Holding Limited.
(3) Innosource Limited.
(4) Global Advanced Packaging Technology Ltd. and J&R Holding Limited.
(5) J&R Holding Limited.
(6) ASE (Korea) Inc., ASE Test Limited, ASE Investment (Labuan) Inc., ASE Holding Ltd. and J&R Holding Limited.
(7) Super Zone Holdings Limited.
(8) Alto Enterprises Limited.
(9) Real Tech Holdings Limited and Huntington Holdings International Co. Ltd..
(10)Rise Accord Limited and Huntington Holdings International Co. Ltd..
(11)Rise Capital Investment Limited and Huntington Holdings International Co. Ltd..

Note 2: Invested by companies in Mainland China.

Note 3: The company was invested by Aisa Global Venture Co. Ltd which is invested by UHI as available-for-sale. Asis Global Venture Co. Ltd disposed all of the company's shares in October, 2013, therefore as of December 31**, 2015** UHI does not invest to any company in Mainland China.

Note 4: The basis for investment income (loss) recognition is from the financial statements audited and attested by R.O.C. parent company's CPA

Note 5: The basis for investment income (loss) recognition is from the financial statements audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

Note 6: The basis for investment income (loss) recognition is from the financial statements audited and attested by other CPA in the same accounting firm wirh R.O.C. parent company's CPA.

Note 7: Pursuant to the Jing-Shen-Zi Letter No. 09704604680 of the Ministry of Economic Affairs, R.O.C amended 'Guidelines Governing the Review of Investment or Technical Cooperation in the Mainland Area' dated on August 29, 2008, as the Company has obtained the certificate of being qualified for operating headquarters, issued by the Industrial Development Bureau, MOEA, the ceiling amount of the investment in Mainland China is not applicable to the Company. (Approved on Augest 13th, 2015.)

Note 8: The upper limit on investment of ASET, Inc is calculated as follow: $29,908,297× 60% = 17,944,978

Note 9: USD $60,000 thousand was directly remitted by the subsidiary, ASE (Korea), and USD $25,000 thousand was by means of Debt for Equity Swap. Therefore, there is USD$85,000 thousand difference between MOEA approved investment amount and accumulated outflow of investment from Taiwan.

Note 10: It was the same fund that ASET, inc indirectly invested to ASE Investment (KS) through another comapny in 3rd area and than invested to ASEKS.

Note 11: e-Cloud Corporation was liquidated in December 2013.

Note 12: Cubuy Corporationwas liquidated in July 2014.

TABLE 10

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Company Name	Related Party	Nature of Relationships	Intercompany Transactions			
				Financial Statement Account	Amount (Note)	Terms	Percentage of Consolidated Net Revenue or Total Assets
0	The Company	ASE Test, Inc.	Parent company to subsidiary	Other payables	$ 7,320,608		2
		USI	Parent company to subsidiary	Trade receivables	2,220,182		1
			Parent company to subsidiary	Operating revenues	9,083,160	The transacation has the same terms with other companies	3
			Parent company to subsidiary	Non-operating expenses	604,226	The transacation has the same terms with other companies	-
		ASE (Shanghai) Inc.	Parent company to subsidiary	Trade payables	433,581		-
			Parent company to subsidiary	Operating costs	1,713,266	The transacation has the same terms with other companies	1
		ASE (U.S.) Inc.	Parent company to subsidiary	Operating expenses	834,398	It is calculated by fixed ratio based on actual expenses. There is an upper limit to the expenses.	-
		ASE Electronics Inc.	Parent company to subsidiary	Trade payables	475,673		-
			Parent company to subsidiary	Other payables	224,763		-
			Parent company to subsidiary	Operating costs	1,990,597	The transacation has the same terms with other companies	1
		J & R Holding Limited	Parent company to subsidiary	Other payables	9,256,650		3
		Omniquest Industrial Limited	Parent company to subsidiary	Other payables	1,641,250		-
		Innosource Limited	Parent company to subsidiary	Other payables	722,150		-
		ASE Test Limited	Parent company to subsidiary	Other payables	4,037,475		1
		Global Advanced Packaging Technology Limited, Cayman Islands	Parent company to subsidiary	Other payables	1,936,675		1
		J&R Industrial Inc.	Parent company to subsidiary	Other payables	190,000		-
		ASE (Korea)Inc.	Parent company to subsidiary	Other payables	2,627,294		1
		Huntington Holdings International Co., Ltd.	Parent company to subsidiary	Other payables	1,805,375		-
		USI Enterprise Limited	Parent company to subsidiary	Other payables	2,626,000		1
		Real Tech Holdings Limited	Parent company to subsidiary	Other payables	3,939,000		1
		ASE Corporation	Parent company to subsidiary	Other payables	900,000		-
		A.S.E. Holding Limited	Parent company to subsidiary	Other payables	2,757,300		1
		ASE Japan Co., Ltd	Parent company to subsidiary	Operating revenues	116,993	The transacation has the same terms with other companies	-
		ISE Labs, Inc.	Parent company to subsidiary	Operating revenues	121,374	The transacation has the same terms with other companies	-
1	ASE (Shanghai) Inc.	ASE Assembly & Test (Shanghai) Limited	Subsidiary to subsidiary	Operating revenues	399,553	The transacation has the same terms with other companies	-
		Advanced Semiconductor Engineering (HK) Limited	Subsidiary to subsidiary	Trade receivables	306,358		-
			Subsidiary to subsidiary	Operating revenues	1,059,036	The transacation has the same terms with other companies	-
2	Shanghai Ding Hui Real Estate Development Co., Ltd.	Kun Shan Ding Hong Real Estate Development Co., Ltd.	Subsidiary to subsidiary	Other receivables	570,852		-
3	A.S.E. Holding Limited	ASE Test Limited	Subsidiary to subsidiary	Other liabilities	$ 431,754		-
			Subsidiary to subsidiary	Other payables	1,231,786		-
		ASE Singapore Pte. Ltd.	Subsidiary to subsidiary	Other payables	394,118		-

(Continued)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Company Name	Related Party	Nature of Relationships	Intercompany Transactions			
				Financial Statement Account	Amount (Note)	Terms	Percentage of Consolidated Net Revenue or Total Assets
4	Omniquest Industrial Limited	ASE Test Limited	Subsidiary to subsidiary	Other liabilities	1,644,277		-
5	J & R Holding Limited	Global Advanced Packaging Technology Limited, Cayman Islands	Subsidiary to subsidiary	Other receivables	2,471,186		1
		Innosource Limited	Subsidiary to subsidiary	Other assets	723,447		-
		Anstock Limited	Subsidiary to subsidiary	Other assets	801,897		-
		Real Tech Holdings Limited	Subsidiary to subsidiary	Other receivables	2,134,808		1
		ISE Labs, Inc.	Subsidiary to subsidiary	Other payables	984,941		-
			Subsidiary to subsidiary	Other liabilities	525,371		-
		Anstock II Limited	Subsidiary to subsidiary	Other liabilities	9,749,025		3
		ASE Japan Co., Ltd.	Subsidiary to subsidiary	Other payables	2,264,163		1
		ASE Assembly & Test (Shanghai) Limited	Subsidiary to subsidiary	Other assets	560,401		-
		ASE WeiHai Inc.	Subsidiary to subsidiary	Other receivables	1,380,065		-
		USI Enterprise Limited	Subsidiary to subsidiary	Other payables	6,402,296		2
6	Anstock II Limited	J & R Holding Limited	Subsidiary to subsidiary	Interest income	233,511		-
7	ASE Electronics Inc.	J&R Industrial Inc.	Subsidiary to subsidiary	Other payables	190,000		-
		ASE Electronics (M) Sdn. Bhd.	Subsidiary to subsidiary	Operating revenues	380,496		-
		Universal Global Technology Co., Limited	Subsidiary to subsidiary	Trade receivables	115,072		-
			Subsidiary to subsidiary	Operating revenues	305,682	The transacation has the same terms with other companies	-
8	ASE Test, Inc.	ASE (Korea) Inc.	Subsidiary to subsidiary	Disposal of property, plant and equipment	104,913		-
		ASE Corporation	Subsidiary to subsidiary	Other receivables	900,000		-
		ASE (U.S.) Inc.	Subsidiary to subsidiary	Operating expenses	109,470	It is calculated by fixed ratio based on actual expenses. There is an upper limit to the expenses.	-
9	ASE Assembly & Test (Shanghai) Limited	ASE Electronics Inc.	Subsidiary to subsidiary	Operating costs	212,770		-
		Anstock Limited	Subsidiary to subsidiary	Other payables	3,293,743		1
			Subsidiary to subsidiary	Interest expenses	147,441		-
		Universal Scientific Industrial (Shanghai) Co., Ltd.	Subsidiary to subsidiary	Salay expense	161,083		-

(Continued)

TABLE 10

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Company Name	Related Party	Nature of Relationships	Intercompany Transactions			
				Financial Statement Account	Amount (Note)	Terms	Percentage of Consolidated Net Revenue or Total Assets
10	ASE (U.S.) Inc.	ASE (Korea) Inc.	Subsidiary to subsidiary	Operating revenues	134,504	It is calculated by fixed ratio based on actual expenses. There is an upper limit to the expenses.	-
11	ASE WeiHai Inc.	ASE (Korea) Inc.	Subsidiary to subsidiary	Other payables	1,643,994		-
		ASE (Shanghai) Inc.	Subsidiary to subsidiary	Other payables	$ 164,556		-
12	USI	Universal Global Scientific Industrial Co., Ltd.	Subsidiary to subsidiary	Operating costs	1,496,637		1
			Subsidiary to subsidiary	Trade payables	329,214		-
13	USIINC	USI Enterprise Limited	Subsidiary to subsidiary	Other payables	2,232,100		1
14	Universal Scientific Industrial (Shanghai) Co., Ltd.	Universal Global Technology Co., Limited	Subsidiary to subsidiary	Operating costs	9,253,024		3
			Subsidiary to subsidiary	Trade payables	4,564,733		1
		Universal Global Industrial Co., Limited	Subsidiary to subsidiary	Operating revenues	181,875		-
		USI Electronics (Shenzhen) Co., Ltd	Subsidiary to subsidiary	Operating revenues	177,762		-
			Subsidiary to subsidiary	Other receivables	1,459,713		-
		Universal Global Technology (Shanghai) Co., Ltd.	Subsidiary to subsidiary	Other receivables	1,987,520		-
15	Universal Global Industrial Co., Limited	USI Electronics (Shenzhen) Co., Ltd	Subsidiary to subsidiary	Operating revenues	3,419,070		1
			Subsidiary to subsidiary	Operating costs	13,193,279		5
			Subsidiary to subsidiary	Trade receivables	719,766		-
			Subsidiary to subsidiary	Trade payables	3,285,468		1
		Universal Global Scientific Industrial Co., Ltd.	Subsidiary to subsidiary	Operating revenues	17,214,934		6
			Subsidiary to subsidiary	Trade receivables	3,991,508		1
		Universal Global Technology (Kunshan) Co., Ltd.	Subsidiary to subsidiary	Operating revenues	373,280		-
			Subsidiary to subsidiary	Operating costs	7,610,976		3
			Subsidiary to subsidiary	Trade payables	1,036,495		-
16	Universal Global Technology Co., Limited	Universal Global Technology (Kunshan) Co., Ltd.	Subsidiary to subsidiary	Operating revenues	4,330,764		2
			Subsidiary to subsidiary	Trade receivables	351,903		-
		USI Electronics (Shenzhen) Co., Ltd	Subsidiary to subsidiary	Dividend receivable	1,415,390		-
17	Universal Global Scientific Industrial Co., Ltd.	Universal Scientific Industrial (Shanghai) Co., Ltd.	Subsidiary to subsidiary	Operating revenues	220,300		-
		Universal Global Industrial Co., Limited	Subsidiary to subsidiary	Operating revenues	273,913		-
		USI Electronics (Shenzhen) Co., Ltd	Subsidiary to subsidiary	Operating revenues	149,600		-
18	USI Electronics (Shenzhen) Co., Ltd	Universal Global Scientific Industrial Co., Ltd.	Subsidiary to subsidiary	Other receivables	1,319,361		-

Note: Amount was eliminated based on the audited financial statements.

(Concluded)