Advanced Semiconductor Engineering, Inc. and Subsidiaries

Consolidated Financial Statements as of December 31, 2014 and 2015 and for the Years Ended December 31, 2013, 2014 and 2015 and
Report of Independent Registered Public Accounting Firm

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Advanced Semiconductor Engineering, Inc.

We have audited the accompanying consolidated balance sheets of Advanced Semiconductor Engineering, Inc. (a corporation incorporated under the laws of the Republic of China) and its subsidiaries (collectively, the "Group") as of December 31, 2014 and 2015, and the related consolidated statements of comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2015, all expressed in New Taiwan dollars. 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.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those 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 provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2014 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Our audits also comprehended the translation of New Taiwan dollar amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 4 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of the readers.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Group's internal control over financial reporting as of December 31, 2015, based on the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated April 28, 2016 expressed an unqualified opinion on the Group's internal control over financial reporting.

/s/Deloitte & Touche
Taipei, Taiwan
Republic of China

April 28, 2016

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(Amounts in Thousands)

ASSETS	December 31, 2014 NT$	December 31, 2015 NT$	December 31, 2015 US$ (Note 4)
CURRENT ASSETS			
Cash and cash equivalents (Notes 4 and 6)	$ 51,694,410	$ 55,251,181	$ 1,685,001
Financial assets at fair value through profit or loss - current (Notes 4, 5 and 7)	4,988,843	3,833,701	116,917
Available-for-sale financial assets - current (Notes 4 and 8)	1,533,265	30,344	925
Trade receivables, net (Notes 4 and 9)	52,920,810	44,931,487	1,370,280
Other receivables (Note 4)	537,122	429,541	13,100
Current tax assets (Notes 4 and 23)	65,312	168,717	5,145
Inventories (Notes 4, 5 and 10)	20,163,093	23,258,279	709,310
Inventories related to real estate business (Notes 4, 5, 11, 22 and 33)	23,986,478	25,713,538	784,188
Other financial assets - current (Notes 4 and 33)	638,592	301,999	9,210
Other current assets	3,427,265	2,814,053	85,821
Total current assets	159,955,190	156,732,840	4,779,897
NON-CURRENT ASSETS			
Available-for-sale financial assets - non-current (Notes 4 and 8)	941,105	924,362	28,190
Investments accounted for using the equity method (Notes 4 and 12)	1,468,242	37,403,601	1,140,701
Property, plant and equipment (Notes 4, 5, 13, 22, 32 and 34)	151,587,115	149,997,075	4,574,476
Goodwill (Notes 4, 5 and 14)	10,445,415	10,506,519	320,418
Other intangible assets (Notes 4, 5, 15 and 22)	1,467,871	1,382,093	42,150
Deferred tax assets (Notes 4, 5 and 23)	4,265,220	5,156,515	157,259
Other financial assets - non-current (Notes 4 and 33)	367,345	345,672	10,542
Long-term prepayments for lease (Note 16)	2,585,964	2,556,156	77,956
Other non-current assets	635,350	263,416	8,034
Total non-current assets	173,763,627	208,535,409	6,359,726
TOTAL	$ 333,718,817	$ 365,268,249	$ 11,139,623

(Continued)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(Amounts in Thousands)

LIABILITIES AND EQUITY	December 31, 2014 NT$	December 31, 2015 NT$	December 31, 2015 US$ (Note 4)
CURRENT LIABILITIES			
Short-term borrowings (Note 17)	$ 41,176,033	$ 32,635,321	$ 995,283
Short-term bills payable (Note 17)	-	4,348,054	132,603
Financial liabilities at fair value through profit or loss - current (Notes 4, 5 and 7)	2,651,352	3,005,726	91,666
Trade payables	35,411,281	34,138,564	1,041,128
Other payables (Note 19)	22,364,516	19,194,818	585,386
Current tax liabilities (Notes 4 and 23)	6,630,696	6,746,022	205,734
Advance real estate receipts (Note 4)	480,325	2,703,706	82,455
Current portion of bonds payable (Notes 4 and 18)	-	14,685,866	447,876
Current portion of long-term borrowings (Notes 17 and 33)	2,831,007	2,057,465	62,747
Other current liabilities	2,134,917	3,180,767	97,004
Total current liabilities	113,680,127	122,696,309	3,741,882
NON-CURRENT LIABILITIES			
Bonds payable (Notes 4 and 18)	31,270,131	23,740,384	724,013
Long-term borrowings (Notes 17 and 33)	24,104,424	42,493,668	1,295,934
Deferred tax liabilities (Notes 4, 5 and 23)	3,932,819	4,987,549	152,106
Net defined benefit liabilities (Notes 4, 5 and 20)	4,382,530	4,072,493	124,199
Other non-current liabilities	657,392	1,071,509	32,677
Total non-current liabilities	64,347,296	76,365,603	2,328,929
Total liabilities	178,027,423	199,061,912	6,070,811
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 21)			
Share capital	78,715,179	79,185,660	2,414,934
Capital surplus	16,013,980	23,758,550	724,567
Retained earnings			
Legal reserve	10,289,878	12,649,145	385,762
Special reserve	3,353,938	3,353,938	102,285
Unappropriated earnings	36,000,026	37,978,222	1,158,226
Total retained earnings	49,643,842	53,981,305	1,646,273
Other equity	5,067,640	5,080,790	154,949
Treasury shares	(1,959,107)	(7,292,513)	(222,401)
Equity attributable to owners of the Company	147,481,534	154,713,792	4,718,322
NON-CONTROLLING INTERESTS (Notes 4 and 21)	8,209,860	11,492,545	350,490
Total equity	155,691,394	166,206,337	5,068,812
TOTAL	$ 333,718,817	$ 365,268,249	$ 11,139,623

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

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands Except Earnings Per Share)

	For the Years Ended December 31			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
OPERATING REVENUES (Note 4)	$ 219,862,446	$ 256,591,447	$ 283,302,536	$ 8,639,906
OPERATING COSTS (Notes 10, 20 and 22)	177,040,435	203,002,918	233,167,308	7,110,927
GROSS PROFIT	42,822,011	53,588,529	50,135,228	1,528,979
OPERATING EXPENSES (Notes 20 and 22)				
Selling and marketing expenses	2,982,789	3,438,166	3,588,472	109,438
General and administrative expenses	8,712,862	10,214,810	10,724,568	327,068
Research and development expenses	9,064,712	10,289,684	10,937,566	333,564
Total operating expenses	20,760,363	23,942,660	25,250,606	770,070
OTHER OPERATING INCOME AND EXPENSES, NET (Note 22)	(1,348,246)	228,615	(251,529)	(7,671)
PROFIT FROM OPERATIONS	20,713,402	29,874,484	24,633,093	751,238
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 22)	493,884	529,251	815,778	24,879
Other gains and losses (Note 22)	447,886	607,299	1,748,795	53,333
Finance costs (Note 22)	(2,307,455)	(2,354,097)	(2,312,143)	(70,514)
Share of the profit or loss of associates (Note 4)	22,039	(121,882)	407,622	12,431
Total non-operating income and expenses	(1,343,646)	(1,339,429)	660,052	20,129
PROFIT BEFORE INCOME TAX	19,369,756	28,535,055	25,293,145	771,367
INCOME TAX EXPENSE (Notes 4, 5 and 23)	3,499,595	5,665,954	4,311,073	131,475
PROFIT FOR THE YEAR	15,870,161	22,869,101	20,982,072	639,892
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit obligation	412,225	(28,145)	(62,911)	(1,919)
Share of other comprehensive loss of associates	-	(1,031)	(37,748)	(1,151)

(Continued)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands Except Earnings Per Share)

	For the Years Ended December 31			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
Income tax relating to items that will not be reclassified subsequently	$ (66,706)	$ 23,885	$ 11,002	$ 336
	345,519	(5,291)	(89,657)	(2,734)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	2,817,268	5,405,008	(63,509)	(1,937)
Unrealized gain (loss) on available-for-sale financial assets	14,839	(133,714)	10,451	319
Cash flow hedges	1,245	3,279	-	-
Share of other comprehensive income (loss) of associates	55,183	235,156	(4,832)	(147)
Income tax relating to items that may be reclassified subsequently	(769)	-	-	-
	2,887,766	5,509,729	(57,890)	(1,765)
Other comprehensive income for the year, net of income tax	3,233,285	5,504,438	(147,547)	(4,499)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 19,103,446	$ 28,373,539	$ 20,834,525	$ 635,393
PROFIT FOR THE YEAR ATTRIBUTABLE TO:				
Owners of the Company	$ 15,404,505	$ 22,228,602	$ 20,013,505	$ 610,354
Non-controlling interests	465,656	640,499	968,567	29,538
	$ 15,870,161	$ 22,869,101	$ 20,982,072	$ 639,892
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:				
Owners of the Company	$ 18,509,604	$ 27,394,362	$ 19,940,438	$ 608,127
Non-controlling interests	593,842	979,177	894,087	27,267
	$ 19,103,446	$ 28,373,539	$ 20,834,525	$ 635,394
EARNINGS PER SHARE (Note 24)				
Basic	$ 2.05	$ 2.89	$ 2.62	$ 0.08
Diluted	$ 1.99	$ 2.79	$ 2.51	$ 0.08
EARNINGS PER AMERICAN DEPOSITARY SHARE (“ADS”)				
Basic	$ 10.26	$ 14.46	$ 13.08	$ 0.40
Diluted	$ 9.96	$ 13.93	$ 12.55	$ 0.38

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

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Thousands)

	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
BALANCE AT JANUARY 1, 2013	7,602,292	$ 76,047,667	$ 5,274,634	$ 7,411,835	$ -	$ 22,398,409	$ 29,810,244	$ (3,210,248)	$ 355,254	$ (3,755)	$ (2,858,749)	$ (1,959,107)	$ 106,314,689	$ 3,505,743	$ 109,820,432
Special reserve under Rule No. 1010012865 issued by the Financial Supervisory Commission (Note 21)	-	-	-	-	3,353,938	(3,353,938)	-	-	-	-	-	-	-	-	-
Profit for the year ended December 31, 2013	-	-	-	-	-	15,404,505	15,404,505	-	-	-	-	-	15,404,505	465,656	15,870,161
Other comprehensive income for the year ended December 31, 2013, net of income tax	-	-	-	-	-	348,904	348,904	2,684,727	70,992	476	2,756,195	-	3,105,099	128,186	3,233,285
Total comprehensive income for the year ended December 31, 2013	-	-	-	-	-	15,753,409	15,753,409	2,684,727	70,992	476	2,756,195	-	18,509,604	593,842	19,103,446
Issue of ordinary shares for cash (Note 21)	130,000	1,300,000	2,093,000	-	-	-	-	-	-	-	-	-	3,393,000	-	3,393,000
Appropriation of 2012 earnings															
Legal reserve	-	-	-	1,309,136	-	(1,309,136)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	309,992	(309,992)	-	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(7,987,974)	(7,987,974)	-	-	-	-	-	(7,987,974)	-	(7,987,974)
	-	-	-	1,309,136	309,992	(9,607,102)	(7,987,974)	-	-	-	-	-	(7,987,974)	-	(7,987,974)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(99,597)	(99,597)
Issue of dividends received by subsidiaries from the Company	-	-	153,097	-	-	-	-	-	-	-	-	-	153,097	-	153,097
Partial disposal of interests in subsidiaries and additional acquisition of partially-owned subsidiaries (Notes 21 and 27)	-	-	(330)	-	-	-	-	-	-	-	-	-	(330)	27,826	27,496
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	1,457	-	-	-	-	-	-	-	-	-	1,457	-	1,457
Issue of ordinary shares under employee share options	55,535	832,591	399,517	-	-	-	-	-	-	-	-	-	1,232,108	100,547	1,332,655
BALANCE AT DECEMBER 31, 2013	7,787,827	78,180,258	7,921,375	8,720,971	3,663,930	25,190,778	37,575,679	(525,521)	426,246	(3,279)	(102,554)	(1,959,107)	121,615,651	4,128,361	125,744,012
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	-	-	-	-	-	22,228,602	22,228,602	-	-	-	-	-	22,228,602	640,499	22,869,101
Other comprehensive income (loss) for the year ended December 31, 2014, net of income tax	-	-	-	-	-	(4,434)	(4,434)	5,066,383	100,532	3,279	5,170,194	-	5,165,760	338,678	5,504,438
Total comprehensive income for the year ended December 31, 2014	-	-	-	-	-	22,224,168	22,224,168	5,066,383	100,532	3,279	5,170,194	-	27,394,362	979,177	28,373,539
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 partially-owned subsidiaries (Notes 21 and 27)	-	-	6,876,866	-	-	-	-	-	-	-	-	-	6,876,866	3,067,712	9,944,578

(Continued)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Thousands)

	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
Issue of ordinary shares under employee share options	73,898	$ 534,921	$ 1,000,065	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,534,986	$ 120,376	$ 1,655,362
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(85,766)	(85,766)
BALANCE AT DECEMBER 31, 2014	7,861,725	78,715,179	16,013,980	10,289,878	3,353,938	36,000,026	49,643,842	4,540,862	526,778	-	5,067,640	(1,959,107)	147,481,534	8,209,860	155,691,394
Equity component of convertible bonds issued by the Company	-	-	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	-	-	-	-	-	20,013,505	20,013,505	-	-	-	-	-	20,013,505	968,567	20,982,072
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	-	-	-	-	-	19,927,288	19,927,288	(48,191)	61,341	-	13,150	-	19,940,438	894,087	20,834,525
Appropriation of 2014 earnings															
Legal reserve	-	-	-	2,359,267	-	(2,359,267)	-	-	-	-	-	-	-	-	-
Cash dividends declared 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)
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 (Notes 21 and 27)	-	-	7,197,510	-	-	-	-	-	-	-	-	-	7,197,510	1,712,836	8,910,346
Changes in percentage of ownership interest in subsidiaries	-	-	(563,815)	-	-	-	-	-	-	-	-	-	(563,815)	563,815	-
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	$ 23,758,550	$ 12,649,145	$ 3,353,938	$ 37,978,222	$ 53,981,305	$ 4,492,671	$ 588,119	$ -	$ 5,080,790	$ (7,292,513)	$ 154,713,792	$ 11,492,545	$ 166,206,337
US DOLLARS (Note 4) BALANCE AT DECEMBER 31, 2015	7,910,428	$ 2,414,934	$ 724,567	$ 385,762	$ 102,285	$ 1,158,226	$ 1,646,273	$ 137,013	$ 17,936	$ -	$ 154,949	$ (222,401)	$ 4,718,322	$ 350,490	$ 5,068,812

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

(Concluded)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	For the Years Ended December 31			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	$ 19,369,756	$ 28,535,055	$ 25,293,145	$ 771,367
Adjustments for:				
Depreciation expense	24,696,607	25,805,042	28,938,770	882,549
Amortization expense	774,304	545,734	579,894	17,685
Net gains on fair value change of financial assets and liabilities at fair value through profit or loss	(795,359)	(1,838,840)	(2,472,835)	(75,414)
Interest expense	2,257,144	2,324,426	2,268,786	69,192
Interest income	(212,801)	(243,474)	(242,084)	(7,383)
Dividend income	(131,449)	(101,252)	(396,973)	(12,107)
Compensation cost of employee share options	260,801	110,157	133,496	4,071
Share of loss (profit) of associates and joint ventures	(22,039)	121,882	(407,622)	(12,431)
Impairment loss recognized on financial assets	196,325	28,421	8,232	251
Impairment loss recognized on non-financial assets	949,015	899,480	610,140	18,608
(Reversal of) compensation cost for the settlement of legal claims	894,150	(91,305)	-	-
Net loss on foreign currency exchange	300,175	1,404,234	1,358,777	41,439
Others	151,065	404,443	1,411,599	43,050
Changes in operating assets and liabilities				
Financial assets held for trading	1,122,280	823,313	4,162,522	126,945
Trade receivables	(5,767,254)	(9,703,070)	7,982,736	243,450
Other receivables	(6,540)	(8,625)	55,112	1,681
Inventories	(3,241,115)	(8,208,824)	(5,128,726)	(156,411)
Other current assets	(108,425)	102,353	407,017	12,413
Financial liabilities held for trading	(1,011,975)	(835,779)	(1,725,606)	(52,626)
Trade payables	4,722,462	6,422,305	(1,272,717)	(38,814)
Other payables	1,068,223	3,045,452	(814,809)	(24,849)
Other current liabilities	2,796	703,764	2,545,312	77,625
Other operating activities items	(191,631)	(187,727)	(247,024)	(7,534)
	45,276,515	50,057,165	63,047,142	1,922,757
Interest received	182,164	233,457	253,289	7,725
Dividend received	176,058	101,252	499,918	15,246
Interest paid	(2,200,143)	(2,065,244)	(2,067,955)	(63,067)
Income tax paid	(2,138,639)	(2,463,153)	(4,184,089)	(127,603)
Net cash generated from operating activities	41,295,955	45,863,477	57,548,305	1,755,058
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of financial assets designated as at fair value through profit or loss	(53,135,894)	(108,958,658)	(100,842,813)	(3,075,414)
Proceeds on sale of financial assets designated as at fair value through profit or loss	55,032,536	109,825,159	102,139,161	3,114,948
Purchase of available-for-sale financial assets	(3,474,152)	(3,565,428)	(1,273,510)	(38,838)
Proceeds on sale of available-for-sale financial assets	1,093,408	4,388,130	2,761,145	84,207

(Continued)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	For the Years Ended December 31			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
Cash received from return of capital by available-for-sale financial assets	$ 27,368	$ 20,411	$ 44,511	$ 1,357
Purchase of held-to-maturity financial assets	(88,169)	-	-	-
Proceeds on sale of held-to-maturity financial assets	73,716	-	-	-
Acquisition of associates and joint ventures	-	(100,000)	(35,673,097)	(1,087,926)
Net cash outflow on acquisition of subsidiaries	(250,387)	-	-	-
Payments for property, plant and equipment	(29,142,719)	(39,598,964)	(30,280,124)	(923,456)
Proceeds from disposal of property, plant and equipment	351,546	421,207	243,031	7,412
Payments for intangible assets	(313,110)	(396,466)	(491,135)	(14,978)
Decrease (increase) in other financial assets	4,513	(372,569)	358,266	10,926
Increase in other non-current assets	(104,499)	(480,711)	(336,864)	(10,273)
Net cash used in investing activities	(29,925,843)	(38,817,889)	(63,351,429)	(1,932,035)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net proceeds from (repayment of) short-term borrowings	7,051,874	(3,442,162)	(8,532,792)	(260,225)
Net proceeds from short-term bills payable	-	-	4,348,054	132,603
Proceeds from issue of bonds	11,900,051	8,888,562	6,136,425	187,143
Repayment of bonds payable	-	(729,790)	-	-
Proceeds from long-term borrowings	28,715,694	32,030,868	39,887,570	1,216,455
Repayment of long-term borrowings	(31,382,333)	(40,978,403)	(22,926,660)	(699,197)
Dividends paid	(7,834,877)	(9,967,215)	(15,297,474)	(466,529)
Proceeds from issue of ordinary shares	3,393,000	-	-	-
Proceeds from exercise of employee share options	1,071,854	1,498,343	1,285,102	39,192
Payments for acquisition of treasury shares	-	-	(5,333,406)	(162,653)
Proceeds from partial disposal of interests in subsidiaries	-	9,991,439	8,910,346	271,740
Decrease in non-controlling interests	(72,101)	(85,766)	(232,148)	(7,080)
Other financing activities items	(48,291)	(2,879)	391,322	11,934
Net cash generated from (used in) financing activities	12,794,871	(2,797,003)	8,636,339	263,383
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCY	867,872	2,419,454	723,556	22,065
NET INCREASE IN CASH AND CASH EQUIVALENTS	25,032,855	6,668,039	3,556,771	108,471
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	19,993,516	45,026,371	51,694,410	1,576,530
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 45,026,371	$ 51,694,410	$ 55,251,181	$ 1,685,001

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

(Amounts in Thousands, Unless Stated Otherwise)

1. GENERAL INFORMATION

Advanced Semiconductor Engineering, Inc. (the “Company”), a corporation incorporated under the laws of Republic of China (the “ROC”), and its subsidiaries (collectively referred to as the “Group”) offer a comprehensive range of semiconductors packaging, testing, and electronic manufacturing services (“EMS”).

The Company’s ordinary shares are listed on the Taiwan Stock Exchange (the “TSE”) under the symbol “2311”. Since September 2000, the 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”), are listed on the Shanghai Stock Exchange (the “SSE”) under the symbol “601231”.

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 authorized for issue by the management on April 28, 2016.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ISSUED BY THE INTERNATIONAL ACCOUNTING STANDARDS BOARD

Starting from 2013, the consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) issued by International Accounting Standards Board (“IASB”) (collectively referred to as the “IFRSs”). The date of transition to IFRSs is January 1, 2012.

a. Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new, revised or amended standards and interpretations that have been issued and effective:

New, Revised or Amended Standards and Interpretations		Effective Date Issued by IASB (Note)
Amendments to IFRSs	Annual Improvements to IFRSs: 2010-2012 Cycle	July 1, 2014
Amendments to IFRSs	Annual Improvements to IFRSs: 2011-2013 Cycle	July 1, 2014
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions	July 1, 2014

Note: The aforementioned new, revised or amended standards and interpretations are effective for annual period beginning on or after the effective dates, unless specified otherwise.

The Group believes that the adoption of aforementioned standards or interpretations will not have a significant effect on the Group's accounting policies.

b. New, revised or amended standards and interpretations in issue but not yet effective

The Group has not applied the following new, revised or amended standards and interpretations that have been issued but are not yet effective:

New, Revised or Amended Standards and Interpretations		Effective Date Issued by IASB (Note 1)
Amendments to IFRSs	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 the IASB
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception	January 1, 2016
Amendments 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
Amendments to IFRS 15	Clarifications to IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
IFRS 16	Leases	January 1, 2019
Amendments to IAS 1	Disclosure Initiative	January 1, 2016
Amendments 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

Note 1: The aforementioned new, revised or amended standards and interpretations are effective for annual period beginning on or after the effective dates, unless specified otherwise.

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 applied retrospectively for annual periods beginning on or after January 1, 2016.

c. Significant changes in accounting policy resulted from new, revised and amended standards and interpretations in issue but not yet effective

Except for the following, the Group believes that the adoption of aforementioned new, revised or amended standards and interpretations will not have a material effect on the Group's accounting policies. As of the date that the accompanying consolidated financial statements were authorized for issue, the Group continues in evaluating the impact on its financial position and operating results as a result of the initial adoption of the below standards and interpretations. The related impact will be disclosed when the Group completes the evaluation.

IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

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

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

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

2) For debt instruments, if they are held within a business model whose objective is achieved by both 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 gains or losses 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.

IFRS 15 "Revenue from Contracts with Customers" and amendments

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, 2018.

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.

The amendments to IFRS 15 clarify how to (1) identify performance obligation; (2) determine whether a company is a principal or an agent; and (3) determine whether the revenue from granting a license should be recognized at a point in time or over time.

IFRS 15 requires an entity to identify performance obligations on the basis of distinct promised goods or services. To clarify the concept of "distinct", the IASB has added the clarification that the objective of the assessment of a promise to transfer goods or services to a customer is to determine whether the nature of the promise, within the context of the contract, is to transfer each of those goods or services individually or, instead, to transfer a combined item or items to which the promised goods or services are inputs.

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

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

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

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

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.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Compliance

The consolidated financial statements have been prepared in accordance with IFRSs as issued by the IASB.

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 expected 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:

Name of Investee	Main Businesses	Establishment and Operating Location	Percentage of Ownership (%) December 31 2014	2015
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	99.2	99.0
USI Inc. ("USIINC")	Engaged in investing activity and established in April 2015	Nantou, ROC	-	99.2

(Continued)

Name of Investee	Main Businesses	Establishment and Operating Location	Percentage of Ownership (%) December 31 2014	Percentage of Ownership (%) December 31 2015
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
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. ("ASE Korea")	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. ("ASE Japan")	Engaged in the packaging and testing of semiconductors	Japan	100.0	100.0
ASE (U.S.) Inc. ("ASE US")	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

(Continued)

Name of Investee	Main Businesses	Establishment and Operating Location	Percentage of Ownership (%) December 31 2014	2015
Shanghai Ding Qi Property Management Co., Ltd.	Engaged in the management of real estate properties and established in January 2015	Shanghai, China	-	100.0
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. (“Wuxi Tongzhi”)	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

(Continued)

Name of Investee	Main Businesses	Establishment and Operating Location	Percentage of Ownership (%) December 31 2014	2015
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
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	98.7	96.7
Universal Scientific Industrial (Shanghai) Co., Ltd. (“USISH”)	Engaged in the designing, manufacturing and sale of electronic components	Shanghai, China	82.1	75.7
Universal Global Technology Co., Limited	Holding company	Hong Kong	82.1	75.7
Universal Global Technology (Kunshan) Co., Ltd.	Engaged in the designing and manufacturing of electronic components	Kun Shan, China	82.1	75.7
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	82.1	75.7
Universal Global Electronics (Shanghai) Co., Ltd.	Engaged in the sale of electronic components and telecommunications equipment	Shanghai, China	82.1	75.7
Universal Global Industrial Co., Limited	Engaged in manufacturing, trading and investing activity	Hong Kong	82.1	75.7
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	82.1	75.7

(Continued)

Name of Investee	Main Businesses	Establishment and Operating Location	Percentage of Ownership (%) December 31 2014	2015
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.	82.1	75.7
Universal Scientific Industrial De Mexico S.A. De C.V.	Engaged in the assembling of motherboards and computer components	Mexico	82.1	75.7
USI Japan Co., Ltd.	Engaged in the manufacturing and sale of computer peripherals, integrated chip and other related accessories	Japan	82.1	75.7
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	82.1	75.7

(Concluded)

a) To enhance operational flexibility via structural adjustments, the board of directors of the Company's subsidiary, USI, approved to spin-off of its investment business as well as capital reduction of NT$16,012,966 thousand (US$488,349 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 (US$0.6) per share. Total consideration is NT$792,064 thousand (US$24,156 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 transaction has been approved by the Investment Commission of the ROC in February 2016 and the majority of the shares were transferred in March 2016, with the remaining to be transferred in May 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 retrospectively 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 of associates or joint arrangements that do not result in the Group losing significant influence or joint control, 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 fair value of the net 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 31.

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 31.

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 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.

<u>The Group as lessor</u>

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

<u>The Group as lessee</u>

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.

v. U.S. Dollar Amounts

A translation of the consolidated financial statements into U.S. dollars is included solely for the convenience of the readers, and has been translated from New Taiwan dollar (NT$) at the exchange rate as set forth in the statistical release by the U.S. Federal Reserve Board of the United States, which was NT$32.79 to US$1.00 as of December 31, 2015. The translation should not be construed as a representation that the NT$ amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

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 realizability 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

As disclosed in Note 31, 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 31. 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		
	2014	2015	
	NT$	NT$	US$ (Note 4)
Cash on hand	$ 9,953	$ 8,806	$ 269
Checking accounts and demand deposits	43,059,911	50,291,823	1,533,755
Cash equivalent	8,624,546	4,950,552	150,977
	$ 51,694,410	$ 55,251,181	$ 1,685,001

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		
	2014	2015	
	NT$	NT$	US$ (Note 4)
Financial assets designated as at FVTPL			
Structured time deposits	$ 2,376,050	$ 1,646,357	$ 50,209
Private-placement convertible bonds	100,500	100,500	3,065
	2,476,550	1,746,857	53,274
Financial assets held for trading			
Swap contracts	1,907,705	1,452,611	44,301
Open-end mutual funds	533,425	573,242	17,482
Quoted shares	43,352	37,058	1,130
Forward exchange contracts	27,811	18,913	577
Foreign currency option contracts	-	5,020	153
	2,512,293	2,086,844	63,643
	$ 4,988,843	$ 3,833,701	$ 116,917
Financial liabilities held for trading			
Conversion option, redemption option and put option of convertible bonds (Note 18)	$ 2,520,606	$ 2,632,565	$ 80,286
Swap contracts	99,165	290,176	8,849
Forward exchange contracts	31,581	69,207	2,111
Foreign currency option contracts	-	13,659	416
Interest rate swap contracts	-	119	4
	$ 2,651,352	$ 3,005,726	$ 91,666

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, 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$35,000
December 31, 2015		
Sell NT$/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

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, 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$18,385/JPY2,177,800
December 31, 2015		
Sell NT$/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

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	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		
	2014	2015	
	NT$	NT$	US$ (Note 4)
Limited partnership	$ 555,361	$ 476,612	$ 14,535
Unquoted ordinary shares	211,726	249,217	7,600
Quoted ordinary shares	195,070	197,580	6,026
Open-end mutual funds	1,500,434	16,037	489
Unquoted preferred shares	11,779	15,260	465
	2,474,370	954,706	29,115
Current	1,533,265	30,344	925
Non-current	$ 941,105	$ 924,362	$ 28,190

9. TRADE RECEIVABLES, NET

	December 31		
	2014	2015	
	NT$	NT$	US$ (Note 4)
Trade receivables	$ 53,004,955	$ 45,014,393	$ 1,372,808
Less: Allowance for doubtful debts	84,145	82,906	2,528
Trade receivables, net	$ 52,920,810	$ 44,931,487	$ 1,370,280

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

Aging of receivables

	December 31		
	2014	2015	
	NT$	NT$	US$ (Note 4)
Not past due	$ 47,387,888	$ 40,409,227	$ 1,232,364
1 to 30 days	5,222,943	3,901,300	118,978
31 to 90 days	306,052	495,664	15,116
More than 91 days	88,072	208,202	6,350
Total	$ 53,004,955	$ 45,014,393	$ 1,372,808

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

Age of receivables that are past due but not impaired

	December 31		
	2014	2015	
	NT$	NT$	US$ (Note 4)
Less than 30 days	$ 5,191,521	$ 3,086,796	$ 94,138
31 to 90 days	131,247	344,265	10,499
More than 91 days	1,407	-	-
Total	$ 5,324,175	$ 3,431,061	$ 104,637

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, 2013	$ 34,225	$ 45,912	$ 80,137
Impairment losses reversed	(5,860)	(4,033)	(9,893)
Amount written off during the period as uncollectible	-	(757)	(757)

(Continued)

	Impaired Individually NT$	Impaired Collectively NT$	Total NT$
Effect of foreign currency exchange	$ (1,480)	$ 113	$ (1,367)
Balance at December 31, 2013	$ 26,885	$ 41,235	$ 68,120
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
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

(Concluded)

	Impaired Individually US$ (Note 4)	Impaired Collectively US$ (Note 4)	Total US$ (Note 4)
Balance at January 1, 2015	$ 863	$ 1,703	$ 2,566
Impairment losses recognized (reversed)	574	(323)	251
Amount written off during the period as uncollectible	(232)	(7)	(239)
Effect of foreign currency exchange	(14)	(36)	(50)
Balance at December 31, 2015	$ 1,191	$ 1,337	$ 2,528

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, 2014					
Citi bank	US$103,744	US$103,744	-	-	US$ 92,000
Year ended December 31, 2015					
Citi bank	US$ 78,804	US$ 36,955	US$ 41,849	1.30%	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, 2014 and 2015, respectively. As of December 31, 2015, there was no significant loss from commercial disputes in the past and the Company does not expect any significant commercial dispute loss in the foreseeable future.

10. INVENTORIES

	December 31		
	2014	2015	
	NT$	NT$	US$ (Note 4)
Finished goods	$ 6,568,459	$ 10,012,182	$ 305,343
Work in process	2,064,377	1,692,346	51,612
Raw materials	10,155,006	9,672,894	294,995
Supplies	797,353	852,251	25,991
Raw materials and supplies in transit	577,898	1,028,606	31,369
	$ 20,163,093	$ 23,258,279	$ 709,310

The cost of inventories recognized as operating costs for the years ended December 31, 2013, 2014 and 2015 were NT$176,637,295 thousand, NT$202,960,428 thousand and NT$233,165,722 thousand (US$7,110,879 thousand), respectively, which included write-downs of inventories at NT$453,468 thousand, NT$601,726 thousand and NT$352,011 thousand (US$10,735 thousand), respectively.

11. INVENTORIES RELATED TO REAL ESTATE BUSINESS

	December 31		
	2014	2015	
	NT$	NT$	US$ (Note 4)
Land and buildings held for sale	$ 5,558	$ 5,431	$ 166
Construction in progress (Note 16)	22,242,065	23,956,678	730,609
Land held for construction	1,738,855	1,751,429	53,413
	$ 23,986,478	$ 25,713,538	$ 784,188

Land and buildings held for sale located in Shanghai Zhangjiang was completed and successively 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, 2013, 2014 and 2015 is disclosed in Note 22.

As of December 31, 2014 and 2015, inventories related to real estate business of NT$23,697,339 thousand and NT$24,837,046 thousand(US$757,458 thousand), respectively, are expected to be recovered longer than twelve months.

Refer to Note 33 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		
	2014	2015	
	NT$	NT$	US$ (Note 4)
Investments in associates	$ 1,468,242	$ 36,789,760	$ 1,121,981
Investments in joint ventures	-	613,841	18,720
	$ 1,468,242	$ 37,403,601	$ 1,140,701

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 2014 NT$	2015 NT$	2015 US$ (Note 4)
Material associate					
Siliconware Precision Industries Co., Ltd. (“SPIL”)	Engaged in assembly, testing and turnkey services of integrated circuits	ROC	$ -	$35,423,058	$1,080,301
Associates that are not individually material					
Hung Ching Development & Construction Co. (“HC”)	Engaged in the development, construction and leasing of real estate properties	ROC	1,327,201	1,294,191	39,469
Hung Ching Kwan Co. (“HCK”)	Engaged in the leasing of real estate properties	ROC	342,138	332,444	10,139
Advanced Microelectronic Products Inc. (“AMPI”)	Engaged in integrated circuit	ROC	99,052	40,216	1,226
			1,768,391	37,089,909	1,131,135
	Less: Deferred gain on transfer of land		300,149	300,149	9,154
			$1,468,242	$36,789,760	$1,121,981

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

	December 31 2014	December 31 2015
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 (US$1.37) 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 purchase price allocation for 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 (US$1.68) per ordinary share and NT$275 (US$8.39) per ADS from December 29, 2015 to February 16, 2016, which was then extended to March 17, 2016. As of March 17, 2016, as the Fair Trade Commission of the ROC had not yet approved the combination between the Company and SPIL, the condition to complete the tender offer was not satisfied. The second offer to purchase SPIL’s ordinary shares from whom had participated in the tender offer was withdrawn.

In March and April 2016, the Company acquired additional 209,848 thousand ordinary shares and additional 9,690 thousand units of ADS of SPIL with a total consideration of NT$13,735,498 thousand (US$418,893 thousands). As of April 28, 2016, the Company owns 33.29% of the outstanding ordinary shares of SPIL.

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		
	2014	2015	
	NT$	NT$	US$ (Note 4)
SPIL	$ -	$ 40,741,700	$ 1,242,504
HC	$ 1,427,499	$ 1,149,549	$ 35,058
AMPI	$ 184,862	$ 104,255	$ 3,179

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 IFRSs as issued by the IASB adjusted by the Group for equity method accounting purposes.

	December 31, 2015	
	NT$	US$ (Note 4)
Current assets	$ 48,785,212	$ 1,487,808
Non-current assets	74,424,040	2,269,717
Current liabilities	(30,677,239)	(935,567)
Non-current liabilities	(23,002,788)	(701,518)
Equity	$ 69,529,225	$ 2,120,440
Proportion of the Group's ownership interest in SPIL	24.99%	24.99%
Net assets attributable to the Group	$ 17,375,353	$ 529,898
The difference between investment cost and net assets	18,047,705	550,403
Carrying amount of the Group's ownership interest in SPIL	$ 35,423,058	$ 1,080,301

	For the Year Ended December 31, 2015	
	NT$	US$ (Note 4)
Operating revenue	$ 82,839,922	$ 2,526,378
Gross profit	$ 21,609,300	$ 659,021
Profit before income tax	$ 10,377,522	$ 316,484
Net profit for the year	$ 9,011,463	$ 274,824
Other comprehensive loss for the year	(906,776)	(27,655)
Total comprehensive income for the year	$ 8,104,687	$ 247,169

7) Aggregate information of associates that are not individually material

	For the Years Ended December 31			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
The Group's share of:				
Net profit for the year	$ 76,783	$ 133,929	$ 120,749	$ 3,683
Other comprehensive income (loss) for the year	56,485	234,125	(2,916)	(89)
Total comprehensive income for the year	$ 133,268	$ 368,054	$ 117,833	$ 3,594

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:

			December 31, 2015		
Name of Joint Venture	Main Business	Operating Location	Percentages of Ownership	Carrying Amount	
				NT$	US$ (Note 4)
ASE Embedded Electronics Inc. ("ASEEE")	Engaged in the production of embedded substrate	ROC	51.00%	$613,841	$ 18,720

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 (US$18,850 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$	US$ (Note 4)
The Group's share of:		
Net loss for the year	$(4,274)	$ (130)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	$(4,274)	$ (130)

Investments accounted for using the equity method and the share of loss and other comprehensive income of those investments were calculated based on the audited financial statements prepared in accordance with IFRSs as issued by the IASB.

13. PROPERTY, PLANT AND EQUIPMENT

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

	December 31		
	2014	2015	
	NT$	NT$	US$ (Note 4)
Land	$ 3,348,018	$ 3,381,300	$ 103,120
Buildings and improvements	56,395,710	59,801,054	1,823,758
Machinery and equipment	84,171,647	78,715,309	2,400,589
Other equipment	1,816,687	1,814,994	55,352
Construction in progress and machinery in transit	5,855,053	6,284,418	191,657
	$ 151,587,115	$ 149,997,075	$ 4,574,476

For the year ended December 31, 2013

	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, 2013	$ 3,274,086	$ 63,482,739	$193,973,968	$ 5,941,567	$ 8,178,827	$274,851,187
Additions	-	5,447,913	14,484,611	318,841	6,792,707	27,044,072
Disposals	-	(412,648)	(9,479,630)	(197,203)	(38,565)	(10,128,046)
Reclassification	-	758,850	7,661,570	142,791	(8,638,840)	(75,629)
Acquisitions through business combinations	-	5,106	278,862	122,108	-	406,076
Effect of foreign currency exchange differences	21,672	1,311,577	1,432,524	56,485	715,573	3,537,831
Balance at December 31, 2013	$ 3,295,758	$ 70,593,537	$208,351,905	$ 6,384,589	$ 7,009,702	$295,635,491
Accumulated depreciation and impairment						
Balance at January 1, 2013	$ -	$ 22,307,146	$120,775,451	$ 4,570,816	$ -	$147,653,413
Depreciation expense	-	3,555,865	20,486,896	653,846	-	24,696,607
Impairment losses recognized (reversed)	-	(15,754)	508,894	2,407	-	495,547
Disposals	-	(368,707)	(9,285,927)	(166,371)	-	(9,821,005)
Reclassification	-	(24,797)	58,448	(45,735)	-	(12,084)
Acquisitions through business combinations	-	2,473	108,365	36,818	-	147,656
Effect of foreign currency exchange differences	-	370,710	614,596	(7,280)	-	978,026
Balance at December 31, 2013	$ -	$ 25,826,936	$133,266,723	$ 5,044,501	$ -	$164,138,160

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

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

	Land	Buildings and improvements	Machinery and equipment	Other equipment	Construction in progress and machinery in transit	Total
	US$ (Note 4)	US$ (Note 4)	US$ (Note 4)	US$ (Note 4)	US$ (Note 4)	US$ (Note 4)
Cost						
Balance at January 1,2015	$ 102,105	$ 2,644,869	$ 7,126,247	$ 219,048	$ 178,781	$ 10,271,050
Additions	-	4,043	16,880	12,242	829,318	862,483
Disposals	-	(12,353)	(245,256)	(7,092)	(632)	(265,333)
Reclassification	-	261,649	550,616	11,887	(820,163)	3,989
Effect of foreign currency exchange differences	1,015	(17,821)	(29,042)	(574)	7,810	(38,612)
Balance at December 31, 2015	$ 103,120	$ 2,880,387	$ 7,419,445	$ 235,511	$ 195,114	$ 10,833,577
Accumulated depreciation and impairment						
Balance at January 1, 2015	$ -	$ 924,963	$ 4,559,255	$ 163,644	$ 218	$ 5,648,080
Depreciation expense	-	146,101	712,791	23,657	-	882,549
Impairment losses recognized	-	3,673	949	-	3,251	7,873
Disposals	-	(9,420)	(239,065)	(6,847)	-	(255,332)
Reclassification	-	174	(364)	92	-	(98)
Effect of foreign currency exchange differences	-	(8,862)	(14,710)	(387)	(12)	(23,971)
Balance at December 31,2015	$ -	$ 1,056,629	$ 5,018,856	$ 180,159	$ 3,457	$ 6,259,101

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$495,547 thousand, NT$297,754 thousand and NT$258,129 thousand (US$7,873 thousand) under the line item of other income and expenses in the consolidated statements of comprehensive income for the years ended December 31, 2013, 2014 and 2015, 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 for the years ended December 31, 2013, 2014 and 2015 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, 2013, 2014 and 2015 are disclosed in Note 22.

14. GOODWILL

	Cost	Accumulated impairment	Carrying amount
	NT$	NT$	NT$
Balance at January 1, 2013	$ 12,295,819	$ 1,988,996	$ 10,306,823
Effect of foreign currency exchange differences	40,997	-	40,997
Balance at December 31, 2013	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
Effect of foreign currency exchange differences	61,104	-	61,104
Balance at December 31, 2015	$ 12,495,515	$ 1,988,996	$ 10,506,519

	Cost	Accumulated impairment	Carrying amount
	US$ (Note 4)	US$ (Note 4)	US$ (Note 4)
Balance at January 1, 2015	$ 379,214	$ 60,659	$ 318,555
Effect of foreign currency exchange differences	1,863	-	1,863
Balance at December 31, 2015	$ 381,077	$ 60,659	$ 320,418

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		
	2014	2015	
Cash-generating units	NT$	NT$	US$ (Note 4)
Testing segment	$ 7,846,460	$ 7,890,525	$ 240,638
Others	2,598,955	2,615,994	79,780
	$ 10,445,415	$ 10,506,519	$ 320,418

b. Impairment assessment

At the end of each year, the Group performs impairment assessment by reviewing the recoverable amounts based on value in use 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, 2013, 2014 and 2015, 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 9.56%-11.80%, 9.70%-11.50% and 8.67%- 10.71% as of December 31, 2013, 2014 and 2015, 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		
	2014	2015	
	NT$	NT$	US$ (Note 4)
Customer relationships	$ 501,501	$ 274,402	$ 8,368
Computer software	798,127	953,322	29,074
Others	168,243	154,369	4,708
	$ 1,467,871	$ 1,382,093	$ 42,150

For the year ended December 31, 2013

	Customer relationships	Computer software	Others	Total
	NT$	NT$	NT$	NT$
Cost				
Balance at January 1, 2013	$ 1,579,015	$ 3,354,834	$ 2,299,958	$ 7,233,807
Additions	-	306,795	6,315	313,110
Disposals or derecognization	-	(6,022)	(5,272)	(11,294)
Reclassification	-	(8,684)	-	(8,684)
Acquisitions through business combinations	-	3,508	-	3,508
Effect of foreign currency exchange differences	-	29,404	3,654	33,058
Balance at December 31, 2013	$ 1,579,015	$ 3,679,835	$ 2,304,655	$ 7,563,505

(Continued)

	Customer relationships NT$	Computer software NT$	Others NT$	Total NT$
Accumulated amortization				
Balance at January 1, 2013	$ 776,600	$ 2,738,397	$ 1,664,364	$ 5,179,361
Amortization expense	147,594	256,147	370,563	774,304
Disposals or derecognization	-	(6,022)	(5,272)	(11,294)
Reclassification	-	25	-	25
Acquisitions through business combinations	-	688	-	688
Effect of foreign currency exchange differences	-	13,593	1,004	14,597
Balance at December 31, 2013	$ 924,194	$ 3,002,828	$ 2,030,659	$ 5,957,681

(Concluded)

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

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

(Continued)

	Customer relationships NT$	Computer software NT$	Others NT$	Total NT$
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

(Concluded)

	Customer relationships US$ (Note 4)	Computer software US$ (Note 4)	Others US$ (Note 4)	Total US$ (Note 4)
Cost				
Balance at January 1, 2015	$ 48,155	$ 87,921	$ 70,861	$ 206,937
Additions	-	14,682	297	14,979
Disposals or derecognization	(20,231)	(257)	(60,510)	(80,998)
Reclassification	-	377	-	377
Effect of foreign currency exchange differences	-	(912)	(53)	(965)
Balance at December 31, 2015	$ 27,924	$ 101,811	$ 10,595	$ 140,330
Accumulated amortization				
Balance at January 1, 2015	$ 32,861	$ 63,580	$ 65,731	$ 162,172
Amortization expense	6,926	9,938	821	17,685
Disposals or derecognization	(20,231)	(226)	(60,503)	(80,960)
Reclassification	-	97	-	97
Effect of foreign currency exchange differences	-	(652)	(162)	(814)
Balance at December 31, 2015	$ 19,556	$ 72,737	$ 5,887	$ 98,180

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, 2014 and 2015, the carrying amount of the land use right which the Group was in the process of obtaining the certificates was NT$17,594 thousand and nil, 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 0.81%-6.00% and 0.57%-5.78% as of December 31, 2014 and 2015, respectively.

b. Short-term bills payable

Short-term bills payable outstanding as of December 31, 2015 represented commercial papers NT$4,350,000 thousand (US$132,662 thousand) less unamortized discounts of NT$1,946 thousand (US$59 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, 2014 and 2015, the long-term bank loans with fixed interest rates were NT$1,192,975 thousand and NT$1,500,000 thousand (US$45,746 thousand), respectively, with annual interest rates at 1.10%-6.15% and 1.17%, respectively. The long-term bank loans with fixed interest rate will be repayable in December 2018. As of December 31, 2014 and 2015, the current portion of long-term bank loans with fixed interest rates were NT$116,876 thousand and nil, respectively. The others were long-term bank loans with floating interest rate and consisted of the followings:

	December 31		
	2014	2015	
	NT$	NT$	US$ (Note 4)
Working capital bank loans			
Syndicated bank loans - repayable through April 2016 to July 2018, annual interest rates were 0.90%-1.83% and 1.56%-1.92% as of December 31, 2014 and 2015, respectively	$ 10,760,548	$ 12,159,037	$ 370,816
Others - repayable through June 2016 to August 2019, annual interest rates were 1.03%-3.74% and 0.90%-3.98% as of December 31, 2014 and 2015, respectively	12,479,650	25,660,638	782,575

(Continued)

	December 31		
	2014	2015	
	NT$	NT$	US$ (Note 4)
Mortgage loans			
Repayable through July 2016 to June 2023, annual interest rates were 6.77% and 4.95%-5.39% as of December 31, 2014 and 2015, respectively	$ 2,534,483	$ 3,251,139	$ 99,150
	25,774,681	41,070,814	1,252,541
Less: unamortized arrangement fee	32,225	18,670	569
	25,742,456	41,052,144	1,251,972
Less: current portion	2,714,131	2,057,465	62,747
	$ 23,028,325	$ 38,994,679	$ 1,189,225

(Concluded)

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 under local GAAP. The Company and its subsidiaries were in compliance with all of the loan covenants as of December 31, 2014 and 2015.

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 (US$64,223 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 (US$60,994 thousand) less unamortized discounts of NT$1,011 thousand (US$31 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		
	2014	2015	
	NT$	NT$	US$ (Note 4)
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	$ 243,977
Unsecured convertible overseas bonds			
US$400,000 thousand	12,660,000	13,130,000	400,427
US$200,000 thousand (linked to New Taiwan dollar)	-	6,185,600	188,643

(Continued)

	December 31		
	2014	2015	
	NT$	NT$	US$ (Note 4)
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%	$ 9,495,000	$ 9,847,500	$ 300,320
CNY500,000 thousand, repayable at maturity in September 2016 and interest due semi-annually with annual interest rate 4.25%	2,586,207	2,527,489	77,081
	32,741,207	39,690,589	1,210,448
Less: discounts on bonds payable	1,471,076	1,264,339	38,559
	31,270,131	38,426,250	1,171,889
Less: current portion	-	14,685,866	447,876
	$ 31,270,131	$ 23,740,384	$ 724,013

(Concluded)

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 (US$243,977 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, 2014 and 2015, the conversion price was NT$31.93 and NT$30.28 (US$0.92), 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 (US$1.58).

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 (US$6,527 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		
	2014	2015	
	NT$	NT$	US$ (Note 4)
Payables for property, plant and equipment	$ 7,097,129	$ 4,782,357	$ 145,848
Accrued salary and bonus	5,550,040	5,826,982	177,706
Accrued bonus to employees or employees' compensation and remuneration to directors and supervisors	2,602,796	2,270,608	69,247
Accrued employee insurance	572,259	599,218	18,274
Accrued utilities	495,404	466,956	14,241
Accrued legal settlement fee	814,185	-	-
Others	5,232,703	5,248,697	160,070
	$ 22,364,516	$ 19,194,818	$ 585,386

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$4,950 thousand, NT$16,645 thousand and NT$2,302 thousand (US$70 thousand) for the years ended December 31, 2013, 2014 and 2015, respectively. Pension payments were NT$2,666 thousand, NT$25,315 thousand and NT$2,549 thousand (US$78 thousand) for the years ended December 31, 2013, 2014 and 2015, respectively. As of December 31, 2014 and 2015, accrued pension liabilities for executive managers were NT$199,842 thousand and NT$199,595 thousand (US$6,087 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	
	2014	2015
Discount rates	0.12%-4.03%	0.15%-3.48%
Expected rates of salary increase	2.00%-4.70%	2.00%-4.57%

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			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
Operating cost	$ 337,069	$ 345,309	$ 319,151	$ 9,733
Selling and marketing expenses	10,181	11,448	10,160	310
General and administrative expenses	43,381	35,867	43,753	1,334
Research and development expenses	34,797	36,526	38,124	1,163
	$ 425,428	$ 429,150	$ 411,188	$ 12,540

6) For the years ended December 31, 2013, 2014 and 2015, the Group recognized actuarial gain of NT$345,519 thousand, actuarial loss of NT$4,260 thousand and actuarial loss of NT$51,909 thousand (US$1,583 thousand) in other comprehensive income (loss), respectively. As of December 31, 2014 and 2015, the accumulated actuarial loss of NT$332,947 thousand and NT$420,111 thousand (US$12,812 thousand) were recognized in other comprehensive income (loss), and NT$4,491 thousand and NT$7,931 thousand (US$242 thousand) 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		
	2014	2015	
	NT$	NT$	US$ (Note 4)
Present value of funded defined benefit obligation	$ 7,674,293	$ 7,973,676	$ 243,174
Fair value of plan assets	(3,502,487)	(3,973,729)	(121,187)
Present value of unfunded defined benefit obligation	4,171,806	3,999,947	121,987
Recorded under others payables	(1,028)	(138,959)	(4,238)
Recorded under prepaid pension cost	11,910	11,910	363
Net defined benefit liability	$ 4,182,688	$ 3,872,898	$ 118,112

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

	Present value of the defined benefit obligation NT$	Fair value of the plan assets NT$	Net defined benefit liability (asset) NT$
Balance at January 1, 2013	$ 7,751,862	$(2,682,803)	$ 5,069,059
Service cost			
Current service cost	347,629	-	347,629
Net interest expense (income)	156,157	(78,358)	77,799
Recognized in profit or loss	503,786	(78,358)	425,428
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	16,983	16,983
Actuarial gain arising from changes in financial assumptions	(465,360)	-	(465,360)
Actuarial loss arising from experience adjustments	35,839	-	35,839
Actuarial loss arising from changes in demographic assumptions	313	-	313
Recognized in other comprehensive income	(429,208)	16,983	(412,225)
Contributions from the employer	-	(470,592)	(470,592)
Benefits paid from the pension fund	(154,608)	154,608	-
Benefits paid from the Group	(99,025)	-	(99,025)
Exchange differences on foreign plans	(100,662)	(58,642)	(159,304)
Balance at December 31, 2013	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
Actuarial loss arising from changes in demographic assumptions	7,204	-	7,204

(Continued)

	Present value of the defined benefit obligation	Fair value of the plan assets	Net defined benefit liability (asset)
	NT$	NT$	NT$
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
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

(Concluded)

	Present value of the defined benefit obligation	Fair value of the plan assets	Net defined benefit liability (asset)
	US$ (Note 4)	US$ (Note 4)	US$ (Note 4)
Balance at January 1, 2015	$ 234,044	$ (106,816)	$ 127,228

(Continued)

	Present value of the defined benefit obligation	Fair value of the plan assets	Net defined benefit liability (asset)
	US$ (Note 4)	US$ (Note 4)	US$ (Note 4)
Service cost			
Current service cost	$ 10,237	$ -	$ 10,237
Net interest expense (income)	5,608	(3,305)	2,303
Recognized in profit or loss	15,845	(3,305)	12,540
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	379	379
Actuarial loss arising from changes in financial assumptions	9,445	-	9,445
Actuarial gain arising from experience adjustments	(7,422)	-	(7,422)
Actuarial gain arising from changes in demographic assumptions	(484)	-	(484)
Recognized in other comprehensive income	1,539	379	1,918
Contributions from the employer	-	(18,651)	(18,651)
Benefits paid from the pension fund	(5,884)	5,884	-
Benefits paid from the Group	(1,314)	-	(1,314)
Exchange differences on foreign plans	(1,056)	1,322	266
Balance at December 31, 2015	$ 243,174	$ (121,187)	$ 121,987

(Concluded)

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

	December 31		
	2014	2015	
	NT$	NT$	US$ (Note 4)
Cash and cash equivalents	$ 1,854,926	$ 2,090,399	$ 63,751
Debt instruments	691,720	1,020,532	31,123
Equity instruments	869,752	823,496	25,114
Others	86,089	39,302	1,199
Total	$ 3,502,487	$ 3,973,729	$ 121,187

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 excluding those for executive managers 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		
	2014	2015	
	NT$	NT$	US$ (Note 4)
Discount Rate			
0.5% higher	$ (440,350)	$ (444,132)	$ (13,545)
0.5% lower	$ 503,593	$ 497,046	$ 15,158
Expected rates of salary increase			
0.5% higher	$ 493,722	$ 476,378	$ 14,528
0.5% lower	$ (430,706)	$ (426,130)	$ (12,996)

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		
	2014	2015	
	NT$	NT$	US$ (Note 4)
No later than 1 year	$ 249,000	$ 247,030	$ 7,534
Later than 1 year and not later than 5 years	1,462,070	1,616,804	49,308
Later than 5 years	14,468,022	17,674,518	539,021
	$ 16,179,092	$ 19,538,352	$ 595,863

The Group expects to make contributions of NT$705,384 thousand (US$21,512 thousand) to the defined benefit plans excluding those for executive managers in the next year starting from January 1, 2016.

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

21. EQUITY

a. Share capital

Ordinary shares

	December 31, 2014	December 31, 2015
Numbers of shares authorized (in thousands)	10,000,000	10,000,000
Numbers of shares reserved (in thousands)		
Employee share options	800,000	800,000
Numbers of shares registered (in thousands)	7,852,538	7,902,929
Numbers of shares subscribed in advance (in thousands)	9,187	7,499
Number of shares issued and fully paid (in thousands)	7,861,725	7,910,428

	December 31, 2014	December 31, 2015	
	NT$	NT$	US$ (Note 4)
Share capital authorized	$ 100,000,000	$ 100,000,000	$ 3,049,710
Share capital reserved			
Employee share options	$ 8,000,000	$ 8,000,000	$ 243,977
Share capital registered	$ 78,525,378	$ 79,029,290	$ 2,410,165
Share capital subscribed in advance	189,801	156,370	4,769
Share capital issued	$ 78,715,179	$ 79,185,660	$ 2,414,934

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, 2014 and 2015, there were 500,000 thousand ordinary shares included in the authorized shares that were not yet required to complete the share registration process.

In July 2013, the board of directors approved the issue of 130,000 thousand ordinary shares for cash capital increase at NT$26.1 per share. The aforementioned cash capital increase has been approved by the Financial Supervisory Commission of the ROC (the “FSC”) and effectively registered on August 15, 2013. The record date of the cash capital increase was October 2, 2013 and the Company has completed the registration formalities.

American Depositary Receipts

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

b. Capital surplus

	December 31		
	2014	2015	
	NT$	NT$	US$ (Note 4)
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Arising from issuance of ordinary shares	$ 4,946,308	$ 5,479,616	$ 167,112
Arising from the difference between consideration received and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition (Note 27)	-	7,197,510	219,503
May be used to offset a deficit only			
Arising from changes in percentage of ownership interest in subsidiaries (2)	9,055,250	8,491,435	258,964
Arising from treasury share transactions	425,004	717,355	21,877
Arising from exercised employee share options	375,448	544,112	16,594
Arising from expired employee share options	3,626	3,626	111
May not be used for any purpose			
Arising from employee share options	1,178,210	1,080,590	32,955
Arising from equity component of convertible bonds	-	214,022	6,527
Arising from share of changes in capital surplus of associates	30,134	30,284	924
	$ 16,013,980	$ 23,758,550	$ 724,567

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 of the ROC 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 (f).

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

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

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			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
Balance at January 1	$(3,210,248)	$ (525,521)	$ 4,540,862	$ 138,483
Exchange differences arising on translating foreign operations	2,685,647	5,064,616	11,459	349
Share of exchange difference of associates accounted for using the equity method	(920)	1,767	(59,650)	(1,819)
Balance at December 31	$ (525,521)	$ 4,540,862	$ 4,492,671	$ 137,013

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

	For the Years Ended December 31			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
Balance at January 1	$ 355,254	$ 426,246	$ 526,778	$ 16,065
Unrealized gain (loss) arising on revaluation of available-for-sale financial assets	14,985	(142,418)	(4,304)	(131)
Cumulative loss (gain) reclassified to profit or loss on disposal of available-for-sale financial assets	(96)	9,561	10,827	330
Share of unrealized gain on available-for-sale financial assets of associates accounted for using the equity method	56,103	233,389	54,818	1,672
Balance at December 31	$ 426,246	$ 526,778	$ 588,119	$ 17,936

3) Cash flow hedges - for the years ended December 31, 2013 and 2014 only

	For the Years Ended December 31	
	2013	2014
	NT$	NT$
Balance at January 1	$ (3,755)	$ (3,279)
Gain (loss) arising on changes in the fair value of hedging instruments - Interest rate swap contracts	(2,597)	795
Cumulative loss arising on changes in fair value of hedging instruments reclassified to profit or loss – Interest rate swap contracts	3,842	2,484
Income tax related to cash flow hedges	(769)	-
Balance at December 31	$ (3,279)	$ -

As of December 31, 2013, the outstanding interest rate swap contracts of the Group were as follows:

Maturity Period	Notional Amount (In Thousands)	Interest Rates Paid (%)	Interest Rates Received (%)	Expected Period for Future Cash Flow	Expected Period for the Recognition of Gains or Losses from Hedging
December 31, 2013					
2014.04	CNY 240,000	2.00	1.05-2.80	2014	2014

f. Treasury shares (in thousand shares)

	Balance at January 1	Addition	Decrease	Balance at December 31
2013				
Shares held by subsidiaries	145,883	-	-	145,883
2014				
Shares held by subsidiaries	145,883	-	-	145,883
2015				
Shares held by subsidiaries	145,883	-	-	145,883
Shares reserved for bonds conversion	-	120,000	-	120,000
	145,883	120,000	-	265,883

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 (US$1.36) 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$	Carrying amount US$ (Note 4)	Fair Value NT$	Fair Value US$ (Note 4)
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	
December 31, 2015					
ASE Test	88,200	$ 1,380,721	$ 42,108	$ 3,351,618	$ 102,215
J&R Holding	46,704	381,709	11,641	1,774,743	54,124
ASE Test, Inc.	10,979	196,677	5,998	417,193	12,723
	145,883	$ 1,959,107	$ 59,747	$ 5,543,554	$ 169,062

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.

g. Non-controlling interests

	For the Years Ended December 31			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
Balance at January 1	$ 3,505,743	$ 4,128,361	$ 8,209,860	$ 250,377
Attributable to non-controlling interests:				
Share of profit for the year	465,656	640,499	968,567	29,538
Exchange difference on translating foreign operations	131,621	340,392	(74,968)	(2,286)
Unrealized gain (loss) on available-for-sale financial assets	(50)	(857)	3,928	120
Defined benefit plan actuarial losses	(3,385)	(857)	(3,440)	(105)

(Continued)

	For the Years Ended December 31			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
Cash capital increase of subsidiary (Note 27)	$ 27,826	$ 3,067,712	$ -	$ -
Additional non-controlling interests arising from partial disposal of subsidiaries (Note 27)	-	-	1,712,836	52,236
Spin-off of subsidiaries	-	-	3,006	92
Non-controlling interest relating to outstanding vested share options held by the employees of subsidiaries	100,547	120,376	904,904	27,597
Cash dividends to non-controlling interests	(99,597)	(85,766)	(232,148)	(7,079)
Balance at December 31	$ 4,128,361	$ 8,209,860	$ 11,492,545	$ 350,490

(Concluded)

22. PROFIT BEFORE INCOME TAX

a. Other operating income and expenses, net

	For the Years Ended December 31			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
Rental income	$ 63,130	$ 59,624	$ 60,230	$ 1,837
Gain (loss) on disposal of property, plant and equipment and other assets	127,375	(45,509)	(127,111)	(3,877)
Impairment loss on property, plant and equipment	(495,547)	(297,754)	(258,129)	(7,872)
Loss on damages and claims	(1,058,810)	(102,101)	(116,445)	(3,551)
Others	15,606	614,355	189,926	5,792
	$ (1,348,246)	$ 228,615	$ (251,529)	$ (7,671)

b. Other income

	For the Years Ended December 31			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
Dividends income	$ 131,449	$ 101,252	$ 396,973	$ 12,107
Interest income	212,801	243,474	242,084	7,383
Government subsidy	149,634	184,525	176,721	5,389
	$ 493,884	$ 529,251	$ 815,778	$ 24,879

c. Other gains and losses

	For the Years Ended December 31			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
Net gain arising on financial instruments held for trading	$ 615,207	$ 1,266,653	$ 1,657,093	$ 50,536
Net gain on financial assets designated as at FVTPL	180,152	572,187	815,742	24,878
Foreign exchange gain or loss, net	(276,201)	(1,221,979)	(713,213)	(21,751)
Impairment loss on financial assets	(196,325)	(10,390)	-	-
Bargain purchase gain	28,860	-	-	-
Others	96,193	828	(10,827)	(330)
	$ 447,886	$ 607,299	$ 1,748,795	$ 53,333

In 2013 and 2014, the Group assessed the financial condition as well as future operating performance of its debt investments with no active market - current and available-for-sale investments, and then charged an impairment loss of NT$196,325 thousand and NT$10,390 thousand, respectively.

d. Finance costs

	For the Years Ended December 31			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
Total interest expense for financial liabilities measured at amortized cost	$ 2,433,868	$ 2,548,850	$ 2,514,208	$ 76,676
Less: Amounts included in the cost of qualifying assets				
Inventories related to real estate business	(42,999)	(100,705)	(197,287)	(6,016)
Property, plant and equipment	(137,567)	(126,203)	(48,135)	(1,468)
	2,253,302	2,321,942	2,268,786	69,192
Loss arising on derivatives as designated hedging instruments in cash flow hedge accounting relationship reclassified from equity to profit or loss	3,842	2,484	-	-
Other finance costs	50,311	29,671	43,357	1,322
	$ 2,307,455	$ 2,354,097	$ 2,312,143	$ 70,514

Information relating to the capitalized borrowing costs was as follows:

	For the Years Ended December 31		
	2013	2014	2015
Annual interest capitalization rates			
Inventories related to real estate business	5.90%-7.21%	6.00%-7.21%	4.35%-6.77%
Property, plant and equipment	1.54%-6.15%	0.88%-6.15%	0.75%-6.15%

e. Depreciation and amortization

	For the Years Ended December 31			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
Property, plant and equipment	$24,696,607	$25,805,042	$28,938,770	$ 882,549
Intangible assets	774,304	545,734	579,894	17,685
Total	$25,470,911	$26,350,776	$29,518,664	$ 900,234
Summary of depreciation by function				
Operating costs	$23,025,115	$24,050,546	$27,023,957	$ 824,153
Operating expenses	1,671,492	1,754,496	1,914,813	58,396
	$24,696,607	$25,805,042	$28,938,770	$ 882,549
Summary of amortization by function				
Operating costs	$ 397,976	$ 180,719	$ 124,235	$ 3,789
Operating expenses	376,328	365,015	455,659	13,896
	$ 774,304	$ 545,734	$ 579,894	$ 17,685

f. Employee benefits expense

	For the Years Ended December 31			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
Post-employment benefits (Note 20)				
Defined contribution plans	$ 1,324,178	$ 1,589,505	$ 1,693,060	$ 51,634
Defined benefit plans	430,378	445,795	413,490	12,610
	1,754,556	2,035,300	2,106,550	64,244
Equity-settled share-based payments	260,801	110,157	133,496	4,071
Salary, incentives and bonus	34,032,023	40,475,594	41,985,329	1,280,431
Other employee benefits	5,211,948	5,984,074	6,529,812	199,140
	$ 41,259,328	$ 48,605,125	$ 50,755,187	$ 1,547,886

(Continued)

	For the Years Ended December 31			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
Summary of employee benefits expense by function				
Operating costs	$ 28,053,492	$ 33,243,224	$ 34,720,359	$ 1,058,870
Operating expenses	13,205,836	15,361,901	16,034,828	489,016
	$ 41,259,328	$48,605,125	$ 50,755,187	$ 1,547,886

(Concluded)

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 of the ROC 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 (US$62,016 thousand) and NT$184,500 thousand (US$5,627 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 were 2,033,800 thousand (US$62,065 thousand) and 140,000 thousand (US$4,270 thousand), respectively, all distributed in cash, and have been approved by the Company's board of directors on April 1, 2016 and are subject to the resolution of the amendments to the Company's Articles of Incorporation for adoption by the shareholders in their meeting to be held on June 28, 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 authorized 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 2013 and 2014 distributed in cash resolved at the Company's annual shareholders' meetings in June 2014 and June 2015, respectively, were as follows:

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

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, 2013 and 2014 was deemed changes in estimates. The difference was NT$385 thousand and NT$1,330 thousand (US$41 thousand) and had been adjusted in earnings for the years ended December 31, 2014 and 2015, respectively.

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			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
Current income tax				
In respect of the current year	$ 2,594,114	$ 3,524,456	$ 4,029,076	$ 122,875
Income tax on unappropriated earnings	209,616	1,281,877	187,654	5,723
Adjustments for prior years	(91,633)	72,380	(20,719)	(632)
	2,712,097	4,878,713	4,196,011	127,966
Deferred income tax				
In respect of the current year	821,592	714,850	194,623	5,935
Effect of foreign currency exchange differences	(62,285)	75,305	(58,671)	(1,789)
Others	28,191	(2,914)	(20,890)	(637)
	787,498	787,241	115,062	3,509
Income tax expense recognized in profit or loss	$ 3,499,595	$ 5,665,954	$ 4,311,073	$ 131,475

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			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
Profit before income tax	$ 19,369,756	$ 28,535,055	$ 25,293,145	$ 771,367
Income tax expense calculated at the statutory rate	$ 3,684,109	$ 5,101,984	$ 6,307,148	$ 192,350
Nontaxable expense (income) in determining taxable income	(172,322)	128,644	160,530	4,896
Tax-exempt income	(373,113)	(623,652)	(537,987)	(16,407)
Additional income tax on unappropriated earnings	558,042	1,887,845	338,142	10,312
Loss carry-forward and income tax credits currently used	(684,309)	(1,329,753)	(1,286,705)	(39,241)
Remeasurement of deferred income tax assets, net	341,863	435,143	(649,336)	(19,803)
Adjustments for prior years' tax	(91,633)	72,380	(20,719)	(632)
Land value increment tax	236,958	(6,637)	-	-

(Continued)

	For the Years Ended December 31			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
Income tax expense recognized in profit or loss	$ 3,499,595	$ 5,665,954	$ 4,311,073	$ 131,475

(Concluded)

For the years ended December 31, 2013, 2014 and 2015, 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.

b. Income tax recognized directly in equity

	For the Years Ended December 31			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
Deferred income tax				
Employee share options	$ -	$ 4,481	$ (33)	$ (1)

c. Income tax recognized in other comprehensive income

	For the Years Ended December 31			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
Deferred income tax				
Actuarial gain or loss on defined benefit plan	$ (66,706)	$ 23,885	$ 11,002	$ 336
Fair value changes of hedging instruments for cash flow hedges	(769)	-	-	-
	$ (67,475)	$ 23,885	$ 11,002	$ 336

d. Current tax assets and liabilities

	December 31		
	2014	2015	
	NT$	NT$	US$ (Note 4)
Current tax assets			
Tax refund receivable	$ 23,616	$ 10,984	$ 335
Prepaid income tax	41,696	157,733	4,810
	$ 65,312	$ 168,717	$ 5,145
Current tax liabilities			
Income tax payable	$ 6,630,696	$ 6,746,022	$ 205,734

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 NT$	Recognized in Profit or Loss NT$	Recognized in Other Comprehensive Income NT$	Recognized in Equity NT$	Exchange Differences NT$	Balance at December 31 NT$
Year ended December 31, 2013						
Temporary differences						
Property, plant and equipment	$ (977,288)	$ (730,743)	$ -	$ -	$ 23,415	$ (1,684,616)
Defined benefit obligation	997,518	(16,526)	(66,706)	-	(59,746)	854,540
Cash flow hedges	769	-	(769)	-	-	-
FVTPL financial instruments	61,499	(73,832)	-	-	4	(12,329)
Others	445,904	336,473	-	-	(14,633)	767,744
	528,402	(484,628)	(67,475)	-	(50,960)	(74,661)
Loss carry-forward	380,694	(117,007)	-	-	6,344	270,031
Investment credits	1,029,097	(185,863)	-	-	(17,669)	825,565
	$ 1,938,193	$ (787,498)	$ (67,475)	$ -	$ (62,285)	$ 1,020,935
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)	23,885	-	(21,976)	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)	23,885	4,481	69,368	(638,975)
Loss carry-forward	270,031	246,334	-	-	3,533	519,898
Investment credits	825,565	(370,674)	-	-	(2,560)	452,331
Others	-	(853)	-	-	-	(853)
	$ 1,020,935	$ (787,241)	$ 23,885	$ 4,481	$ 70,341	$ 332,401
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	452,331	(32,904)	-	-	(68,308)	351,119
Others	(853)	853	-	-	-	-
	$ 332,401	$ (115,062)	$ 11,002	$ (33)	$ (59,342)	$ 168,966

	Balance at January 1 US$ (Note 4)	Recognized in Profit or Loss US$ (Note 4)	Recognized in Other Comprehensive Income US$ (Note 4)	Recognized in Equity US$ (Note 4)	Exchange Differences US$ (Note 4)	Balance at December 31 US$ (Note 4)
Year ended December 31, 2015						
Temporary differences						
Property, plant and equipment	$ (74,165)	$ (33,037)	$ -	$ -	$ 325	$ (106,877)
Defined benefit obligation	24,295	622	336	-	546	25,799
FVTPL financial instruments	(5,186)	(1,895)	-	-	-	(7,081)
Others	35,569	7,008	-	(1)	(338)	42,238
	(19,487)	(27,302)	336	(1)	533	(45,921)
Loss carry-forward	15,855	24,770	-	-	(260)	40,365
Investment credits	13,795	(1,003)	-	-	(2,083)	10,709
Other	(26)	26	-	-	-	-
	$ 10,137	$ (3,509)	$ 336	$ (1)	$ (1,810)	$ 5,153

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		
	2014	2015	
	NT$	NT$	US$ (Note 4)
Loss carry-forward	$ 694,960	$ 666,373	$ 20,322
Investment credits	629,231	387,480	11,817
Deductible temporary differences	957,183	1,007,105	30,714
	$ 2,281,374	$ 2,060,958	$ 62,853

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$	US$ (Note 4)
2016	$ 124,478	$ 3,796
2017	318,985	9,728
2018	268,332	8,183
2019	333,284	10,164
2020 and thereafter	944,871	28,816
	$1,989,950	$ 60,687

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

Laws and Statutes	Tax Credit Source	Remaining Creditable Amount NT$	Remaining Creditable Amount US$ (Note 4)	Expiry Year
Statute for Upgrading Industries	Purchase of machinery and equipment	$ 710,863	$ 21,679	2018
	Others	27,736	847	2017
		$ 738,599	$ 22,526	

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
Construction and expansion of 2007 by the Company	2013.01-2015.12
Construction and expansion of 2007 by the Company	2016.01-2020.12
Construction and expansion of 2008 by the Company	2014.01-2018.12
Construction and expansion of 2005 by ASE Test Inc.	2011.01-2015.12

(Continued)

	Tax-exemption Period
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, 2014 and 2015, the taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized were NT$11,400,826 thousand and NT$12,676,347 thousand (US$386,592 thousand), respectively.

i. Integrated income tax

As of December 31, 2014 and 2015, unappropriated earnings were all generated on and after January 1, 1998. As of December 31, 2014 and 2015, the balance of the Imputation Credit Account ("ICA") was NT$934,038 thousand and NT$1,913,243 thousand (US$58,348 thousand), respectively.

The creditable ratio for the distribution of earnings of 2014 and 2015 was 6.88% (actual) and 8.66% (estimated), 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 with the tax authorities 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			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
Profit for the year attributable to owners of the Company	$ 15,404,505	$ 22,228,602	$ 20,013,505	$ 610,354
Effect of potentially dilutive ordinary shares:				
Employee share options issued by subsidiaries	(131,756)	(260,925)	(210,126)	(6,408)

(Continued)

	For the Years Ended December 31			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
Convertible bonds	$ 156,193	$ 931,344	$ 901,187	$ 27,483
Earnings used in the computation of diluted earnings per share	$ 15,428,942	$ 22,899,021	$ 20,704,566	$ 631,429

(Concluded)

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

	For the Years Ended December 31		
	2013	2014	2015
Weighted average number of ordinary shares in computation of basic earnings per share	7,508,539	7,687,930	7,652,773
Effect of potentially dilutive ordinary shares:			
Convertible bonds	117,085	375,271	455,671
Employee share options	67,081	101,850	86,994
Bonus to employees or employees' compensation	54,926	55,643	54,626
Weighted average number of ordinary shares in computation of diluted earnings per share	7,747,631	8,220,694	8,250,064

For purposes of the ADS calculation, the denominator represents the above-mentioned weighted average outstanding shares divided by five (one ADS represents five ordinary shares). The numerator was the same.

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					
	2013		2014		2015	
	Number of Options (In Thousands)	Weighted Average Exercise Price Per Share (NT$)	Number of Options (In Thousands)	Weighted Average Exercise Price Per Share (NT$)	Number of Options (In Thousands)	Weighted Average Exercise Price Per Share (NT$)
Balance at January 1	344,332	$20.3	285,480	$20.5	209,745	$20.7
Options granted	-	-	-	-	94,270	36.5
Options forfeited	(3,307)	20.7	(1,515)	20.5	(1,975)	30.3
Options expired	(10)	7.4	(322)	13.5	(730)	11.1
Options exercised	(55,535)	19.3	(73,898)	19.7	(48,703)	20.6
Balance at December 31	285,480	20.5	209,745	20.7	252,607	26.6
Options exercisable, end of year	228,685	20.4	189,240	20.7	158,103	20.8
Weighted-average fair value of options granted (NT$)	$ -		$ -		$7.18~7.39	

The weighted average share price at exercise dates of share options for the years ended December 31, 2013, 2014 and 2015 was NT$26.2, NT$35.1 and NT$38.8 (US$1.18) , 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, 2014	$ 11.1-13.5	0.4
	20.4-22.6	4.4
December 31, 2015	20.4-22.6	3.5
	36.5	9.7

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					
	2013		2014		2015	
	Number of Options (In Thousands)	Exercise Price Per Share (US$)	Number of Options (In Thousands)	Exercise Price Per Share (US$)	Number of Options (In Thousands)	Exercise Price Per Share (US$)
Balance at January 1	28,595	$1.7	28,545	$1.7	28,545	$1.7
Options forfeited	(50)	1.7	-	-	(75)	1.7
Balance at December 31	28,545	1.7	28,545	1.7	28,470	1.7
Options exercisable, end of year	28,545	1.7	28,545	1.7	28,470	1.7

As of December 31, 2014 and 2015, the share options were all vested and the remaining contractual life was 3 years and 2 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					
	2013		2014		2015	
	Number of Options (In Thousands)	Weighted Average Exercise Price Per Share (US$)	Number of Options (In Thousands)	Weighted Average Exercise Price Per Share (US$)	Number of Options (In Thousands)	Weighted Average Exercise Price Per Share (US$)
Balance at January 1	34,966	$2.1	34,939	$2.1	34,159	$2.1
Options forfeited	(27)	2.9	-	-	(84)	2.8
Options exercised	-	-	(780)	1.5	(4,380)	1.9
Balance at December 31	34,939	2.1	34,159	2.1	29,695	2.1
Options exercisable, end of year	28,281	2.0	30,874	2.0	28,106	2.1

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, 2014	$ 1.5	5.0
	2.4-2.9	5.8
December 31, 2015	1.5	5.0
	2.4-2.9	4.9

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 Thousand)	**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 2013, 2014 and 2015, USIE had modified the terms of its option plan granted in 2007 to extend the valid period from 10 years to 11 years, from 11 years to 12 years and from 12 years to 13 years, respectively. The incremental fair value of NT$15,497 thousand, NT$10,378 thousand and NT$13,721 thousand (US$418 thousand) were all recognized as employee benefits expense in 2013, 2014 and 2015, respectively, since the options were all vested.

Employee benefits expense recognized on employee share options was NT$234,093 thousand, NT$110,157 thousand and NT$133,496 thousand (US$4,071 thousand) for the years ended December 31, 2013, 2014 and 2015, respectively.

New shares issued under cash capital increase reserved for subscription by employees

In July 2013, the board of directors approved the cash capital increase and, as required under the Company

Act of the ROC, simultaneously granted options to employees to purchase 15% of such newly issued shares with such options exercisable within 3 days and vested when granted. The grant of the options was treated as employee options, accordingly a share-based compensation, and measured at fair value in accordance with IFRS 2. The Group recognized employee benefits expense and capital surplus of NT$26,708 thousand in full at the grant date (also the vested date).

Information about the Company's employee share options related to the aforementioned newly issued shares was as follows:

	Number of Options (In Thousand)	**Fair Value (NT$)**
Balance at January 1, 2013	-	$ -
Options granted	14,437	1.85
Options exercised	(12,477)	1.85
Options forfeited	(1,960)	-
Balance at December 31, 2013	-	-

Fair value was measured using the Black-Scholes Option Pricing Model and the inputs to the model were as follows:

Share price at the grant date	NT$27.95 per share
Exercise price	NT$26.10 per share
Expected volatility	17.98%
Expected lives	3 days
Expected dividend yield	-
Risk free interest rate	0.57%

Expected volatility was based on the Company's historical share prices volatility.

26. BUSINESS COMBINATIONS

a. Subsidiary acquired

	Principal Activity	**Date of Acquisition**	**Proportion of Voting Equity Interests Acquired**	**Cash Consideration**
				NT$
Wuxi Tongzhi	Packaging and testing of semiconductors	May 27, 2013	100%	$ 338,021

b. Consideration transferred, fair value of assets acquired and liabilities assumed as well as net cash outflow on acquisition of Wuxi Tongzhi at the acquisition date were as follows:

	NT$
Current assets	$ 158,100
Non-current assets	
Property, plant and equipment	258,420
Other non-current assets	35,656

(Continued)

	NT$
Current liabilities	$ (85,295)
	366,881
Bargain purchase gain - recognized in other gains and losses	(28,860)
Total consideration	338,021
Less: Cash and cash equivalent acquired	(87,634)
Net cash outflow on acquisition of Wuxi Tongzhi	$ 250,387

(Concluded)

c. Impact of acquisition on the operating results of the Group

The operating results of Wuxi Tongzhi, since the acquisition date to December 31, 2013, included in the consolidated statements of comprehensive income were operating revenue NT$316,380 thousand and profit for the period NT$15,762 thousand.

d. Pro-forma information

Had the business combination been in effect at the beginning of the year, the Group's operating revenues and profit for the year ended December 31 2013 would have been NT$220,093,736 thousand and NT$15,873,615 thousand, respectively.

This pro-forma information is for illustrative purposes only and is not necessarily an indication of operating revenues and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the year, nor is it intended to be a projection of future results.

27. EQUITY TRANSACTION WITH NON-CONTROLLING INTERESTS

The Group's subsidiary, Luchu, issued new ordinary shares for cash capital increase of NT$400,000 thousand in August 2013. The Group subscribed for additional new shares at a percentage different from its existing ownership percentage and accordingly the Group's shareholdings of Luchu increased from 84.3% to 86.1%.

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.

In April 2015, USIE sold its shareholdings of 54,000 thousand ordinary shares of USISH amounting to CNY1,992,060 thousand (US$307,521 thousand) and, as a result, the Group's shareholdings of USISH decreased from 82.1% to 77.2%.

The aforementioned transactions were all accounted for as equity transactions since the Group did not cease to have control over those subsidiaries and, as a result, capital surplus was charged a deduction of NT$330 thousand, an addition of NT$6,871,062 thousand and an addition of NT$7,197,510 thousand (US$219,503 thousand) in 2013, 2014 and 2015, respectively.

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 ordinary shares on February 17, 2016, the record date for the capital reduction.

28. NON-CASH TRANSACTIONS

For the years ended December 31, 2013, 2014 and 2015, 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			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
Payments for property, plant and equipment				
Purchase of property, plant and equipment	$ 27,044,072	$ 43,448,587	$ 28,280,821	$ 862,483
Increase (decrease) in prepayments for property, plant and equipment (recorded under the line item of other non-current assets)	327,810	(34,894)	(267,334)	(8,153)
Decrease (increase) in payables for property, plant and equipment	1,908,404	(3,688,526)	2,314,772	70,594
Capitalized borrowing costs	(137,567)	(126,203)	(48,135)	(1,468)
	$ 29,142,719	$ 39,598,964	$ 30,280,124	$ 923,456
Proceeds from disposal of property, plant and equipment				
Consideration from disposal of property, plant and equipment	$ 350,873	$ 462,438	$ 201,766	$ 6,153
Decrease (increase) in other receivables	673	(41,231)	41,265	1,259
	$ 351,546	$ 421,207	$ 243,031	$ 7,412

29. 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$1,301,550 thousand, NT$1,459,835 thousand and NT$ 1,390,821 thousand (US$42,416 thousand) for the years ended December 31, 2013, 2014 and 2015, respectively.

30. 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.

31. 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, 2014 and 2015, respectively, were as follows:

	Carrying Amount		**Fair Value**	
	NT$	**US$ (Note 4)**	**NT$**	**US$ (Note 4)**
December 31, 2014	$ 31,270,131		$ 31,702,988	
December 31, 2015	38,426,250	$ 1,171,889	38,465,355	$ 1,173,082

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	**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

(Continued)

	Level 1	Level 2	Level 3	Total
	NT$	NT$	NT$	NT$
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

(Concluded)

	Level 1		Level 2		Level 3		Total	
	NT$	US$ (Note 4)	NT$	US$ (Note 4)	NT$	US$ (Note 4)	NT$	US$ (Note 4)
December 31, 2015								
Financial assets at FVTPL								
Financial assets designated as at FVTPL								
Structured time deposits	$ -	$ -	$ 1,646,357	$ 50,209	$ -	$ -	$ 1,646,357	$ 50,209
Private-placement convertible bonds	-	-	100,500	3,065	-	-	100,500	3,065
Derivative financial assets								
Swap contracts	-	-	1,452,611	44,301	-	-	1,452,611	44,301
Forward exchange contracts	-	-	18,913	577	-	-	18,913	577
Foreign currency options	-	-	5,020	153	-	-	5,020	153
Non-derivative financial assets held for trading								
Open-end mutual funds	573,242	17,482	-	-	-	-	573,242	17,482
Quoted shares	37,058	1,130	-	-	-	-	37,058	1,130
	$ 610,300	$ 18,612	$ 3,223,401	$ 98,305	$ -	$ -	$ 3,833,701	$ 116,917
Available-for-sale financial assets								
Limited partnership	$ -	$ -	$ -	$ -	$ 476,612	$ 14,535	$ 476,612	$ 14,535
Unquoted shares	-	-	-	-	264,477	8,065	264,477	8,065
Quoted shares	197,580	6,026	-	-	-	-	197,580	6,026
Open-end mutual funds	16,037	489	-	-	-	-	16,037	489
	$ 213,617	$ 6,515	$ -	$ -	$ 741,089	$ 22,600	$ 954,706	$ 29,115
Financial liabilities at FVTPL								
Derivative financial liabilities								
Conversion option, redemption option and put option of convertible bonds	$ -	$ -	$ 2,632,565	$ 80,286	$ -	$ -	$ 2,632,565	$ 80,286
Swap contracts	-	-	290,176	8,849	-	-	290,176	8,849
Forward exchange contracts	-	-	69,207	2,111	-	-	69,207	2,111
Foreign currency option contracts	-	-	13,659	416	-	-	13,659	416
Interest rate swap contracts	-	-	119	4	-	-	119	4
	$ -	$ -	$ 3,005,726	$ 91,666	$ -	$ -	$ 3,005,726	$ 91,666

For assets and liabilities held as of December 31, 2014 and 2015 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, 2013, 2014 and 2015 were as follows:

	For the Years Ended December 31			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
Balance at January 1	$ 776,683	$ 797,162	$ 778,866	$ 23,753
Purchases	73,358	38,793	2,010	61
Disposals	(27,368)	(21,012)	(45,091)	(1,375)
Total gain or loss				
In profit or loss	(106,916)	(10,390)	(15,891)	(485)
In other comprehensive income	81,405	(25,687)	21,195	646
Balance at December 31	$ 797,162	$ 778,866	$ 741,089	$ 22,600

As of December 31, 2014 and 2015, unrealized loss of NT$21,519 thousand and NT$8,611 thousand (US$263 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 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		
	2014	2015	
	NT$	NT$	US$ (Note 4)
Financial assets			
FVTPL			
Designated as at FVTPL	$ 2,476,550	$ 1,746,857	$ 53,274
Held for trading	2,512,293	2,086,844	63,643
Available-for-sale financial assets	2,474,370	954,706	29,115
Loans and receivables (Note 1)	106,158,279	101,259,880	3,088,133
Financial liabilities			
FVTPL			
Held for trading	2,651,352	3,005,726	91,666
Measured at amortized cost (Note 2)	157,157,392	173,294,140	5,284,969

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 36.

The Group was principally subject to the impact to exchange rate fluctuation in U.S. dollars and Japanese yen against NT$ or 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$15,000 thousand, NT$41,000 thousand and NT$18,000 thousand (US$549 thousand) for the years ended December 31, 2013, 2014 and 2015, 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, 2013, 2014 and 2015, 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		
	2014	2015	
	NT$	NT$	US$ (Note 4)
Fair value interest rate risk			
Financial liabilities	$ 34,003,038	$ 18,030,482	$ 549,877
Cash flow interest rate risk			
Financial assets	51,603,455	53,475,994	1,630,863
Financial liabilities	65,149,698	65,213,083	1,988,810

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, 2013, 2014 and 2015 would have decreased or increased approximately by NT$323,000 thousand, NT$135,000 thousand

and NT$117,000 thousand (US$3,568 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, 2013, 2014 and 2015 would have increased or decreased approximately by NT$3,100 thousand, NT$6,800 thousand and NT$7,100 thousand (US$217 thousand), respectively, and other comprehensive income before income tax for the years ended December 31, 2013, 2014 and 2015 would have increased or decreased approximately by NT$35,000 thousand, NT$25,000 thousand and NT$10,000 thousand (US$305 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, 2013, 2014 and 2015 would have decreased approximately by NT$353,000 thousand, NT$651,000 thousand and NT$605,000 thousand (US$18,451 thousand), respectively, or increased approximately by NT$319,000 thousand, NT$608,000 thousand and NT$638,000 thousand (US$19,457 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, 2014					
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
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

	On Demand or Less than 1 Month	1 to 3 Months	3 Months to 1 Year	1 to 5 Years	More than 5 Years
December 31, 2015	US$ (Note 4)	US$ (Note 4)	US$ (Note 4)	US$ (Note 4)	US$ (Note 4)
Non-derivative financial liabilities					
Non-interest bearing	$ 591,442	$ 598,537	$ 198,033	$ 59	$ 5,927
Floating interest rate liabilities	201,801	173,136	322,730	1,195,561	23,644
Fixed interest rate liabilities	493,092	75,133	755,939	551,355	-
	$ 1,286,335	$ 846,806	$ 1,276,702	$ 1,746,975	$ 29,571

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.

	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)

(Continued)

	On Demand or Less than 1 Month	1 to 3 Months	3 Months to 1 Year
	NT$	NT$	NT$
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
December 31, 2015			
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

(Concluded)

	On Demand or Less than 1 Month	1 to 3 Months	3 Months to 1 Year
	US$ (Note 4)	US$ (Note 4)	US$ (Note 4)
December 31, 2015			
Net settled			
Forward exchange contracts	$ (7)	$ 105	$ -
Foreign currency options	$ 63	$ 266	$ -

(Continued)

	On Demand or Less than 1 Month	1 to 3 Months	3 Months to 1 Year
	US$ (Note 4)	US$ (Note 4)	US$ (Note 4)
Gross settled			
Forward exchange contracts			
Inflows	$ 86,071	$ 73,852	$ -
Outflows	(86,492)	(74,079)	-
	(421)	(227)	-
Swap contracts			
Inflows	505,079	685,477	1,122,197
Outflows	(505,171)	(671,158)	(1,092,209)
	(92)	14,319	29,988
Interest rate swap			
Inflows	384	380	764
Outflows	(354)	(350)	(703)
	30	30	61
	$ (483)	$ 14,122	$ 30,049

(Concluded)

32. 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 (US$3,050 thousand) to ASE Cultural and Educational Foundation (the "ASE Foundation") during 2014 and 2015, respectively, for environmental charity in promoting the related domestic environmental protection and public service activities (Note 34).

b. During 2013, 2014 and 2015, the Company acquired real estate from an associate at NT$1,473,905 thousand, NT$4,540,086 thousand and NT$2,466,000 thousand (US$75,206 thousand), respectively, which were primarily based on independent professional appraisal reports and fully paid.

c. During 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. In addition, the Company contracted with the same associate for the construction of foreign worker dormitory on leased property. During 2015, the foreign worker dormitory has been capitalized for NT$504,600 thousand (US$15,389 thousand).

d. During 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			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
Short-term employee benefits	$ 741,232	$ 989,720	$ 812,002	$ 24,764
Post-employment benefits	4,766	4,049	3,944	120
Share-based payments	78,701	50,327	17,937	547
	$ 824,699	$ 1,044,096	$ 833,883	$ 25,431

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

33. 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		
	2014	2015	
	NT$	NT$	US$ (Note 4)
Inventories related to real estate business	$ 15,164,858	$ 16,312,519	$ 497,485
Other financial assets (including current and non-current)	268,562	229,613	7,002
	$ 15,433,420	$ 16,542,132	$ 504,487

34. 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, 2014 and 2015, unused letters of credit of the Group were approximately NT$137,000 thousand and NT$93,000 thousand (US$2,836 thousand), respectively.

2) As of December 31, 2014 and 2015, the amounts that the Group has committed to purchase property, plant and equipment were approximately NT$17,498,000 thousand and NT$8,089,200 thousand (US$246,697 thousand), respectively, of which NT$1,516,396 thousand and NT$1,756,990 thousand (US$53,583 thousand) had been prepaid, respectively.

3) As of December 31, 2014 and 2015, the unpaid amounts that the Group has contracted for the construction related to our real estate business were approximately NT$3,156,100 thousand and NT$2,745,400 thousand (US$83,727 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 (US$3,050 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$	US$ (Note 4)
Less than 1 year	$ 211,225	$ 6,442
1-5 years	353,470	10,780
More than 5 years	462,733	14,112
	$1,027,428	$ 31,334

35. SIGNIFICANT SUBSEQUENT EVENTS

In January 2016, the Company issued unsecured domestic bonds in NT$7,000,000 thousand (US$213,480 thousand) with a maturity of 5 years and interest due annually with annual interest rate 1.30%, and in NT$2,000,000 thousand (US$60,994 thousand) with a maturity of 7 years and interest due annually with annual interest rate 1.50%.

36. 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, 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

(Continued)

December 31, 2015	Foreign Currencies (In Thousand)	Exchange Rate	Carrying Amount (In Thousand)
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

(Concluded)

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

	For the Years Ended December 31						
	2013		2014		2015		
Functional Currencies	Exchange Rate	Net Foreign Exchange Gain (Loss) NT$	Exchange Rate	Net Foreign Exchange Gain (Loss) NT$	Exchange Rate	Net Foreign Exchange Gain (Loss) NT$	Net Foreign Exchange Gain (Loss) US$ (Note 4)
NT$		$ (455,820)		$(1,591,124)		$ (695,510)	$ (21,211)
US$	US$1 =NT$29.805	1,203	US$1 =NT$31.65	298,225	US$1 =NT$32.825	136,795	4,172
CNY	CNY1 =NT$4.8885	157,671	CNY1 =NT$5.1724	42,049	CNY1 =NT$5.0550	(271,358)	(8,276)
		$ (296,946)		$(1,250,850)		$ (830,073)	$ (25,315)

37. OTHERS

a) 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$3,111 thousand) by the KEPB. On January 17, 2014, the Company retained lawyers to file an administrative appeal with the Kaohsiung City Government to nullify the Administrative Decision. After the administrative appeal was dismissed, the Company retained lawyers to file a lawsuit with the Kaohsiung High Administrative Court seeking to revoke the dismissal decision made by the Kaohsiung City Government (the "Administrative Appeal Decision") and the part of the Administrative Decision pertaining to the fine, and to demand a refund of the fine paid by the Company. The judgment of the Kaohsiung High Administrative Court was rendered on March 22, 2016, ruling to revoke the Administrative Appeal Decision and the Administrative Decision pertaining to the fine, and to dismiss the other complaint filed by the Company (i.e., to demand a refund of the fine paid by the Company). On April 14, 2016, the Company appealed against the unfavorable ruling to the Supreme 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.

b) 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 the 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 scheduled a hearing on this case on April 29, 2016. The Company does not expect the lawsuit to have material impact on the financial position and business operation of the Company.

38. OPERATING SEGMENTS INFORMATION

The Group has the following reportable segments: Packaging, Testing and EMS. The Group provides services in packaging bare semiconductors into finished semiconductors with enhanced electrical and thermal characteristics, as well as testing services, including front-end engineering testing, wafer probing and final testing services; the Group also sells goods from electronics manufacturing services ("EMS"). 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, 2013, 2014 and 2015 was as follows:

a. Segment revenues and results

	Packaging	Testing	EMS	Others	Total
	NT$	NT$	NT$	NT$	NT$
For the year ended December 31, 2013					
Revenue from external customers	$ 112,603,927	$ 24,732,197	$ 78,530,594	$ 3,995,728	$ 219,862,446
Inter-segment revenues (Note)	3,337,074	246,223	42,960,432	8,048,827	54,592,556
Segment revenues	115,941,001	24,978,420	121,491,026	12,044,555	274,455,002
Interest income	74,171	11,958	85,491	41,181	212,801
Interest expense	(1,542,047)	(44,167)	(96,620)	(574,310)	(2,257,144)
Depreciation and amortization	(16,412,763)	(6,293,170)	(1,658,743)	(1,106,235)	(25,470,911)
Share of the profit of associates	22,039	-	-	-	22,039
Impairment loss	(344,150)	(115,966)	(99,843)	(131,913)	(691,872)
Segment profit before income tax	9,975,902	6,321,022	2,928,223	144,609	19,369,756
Expenditures for segment assets	18,648,304	6,068,085	1,224,698	1,102,985	27,044,072
December 31, 2013					
Investments accounted for using the equity method	1,205,158	-	-	-	1,205,158
Segment assets	146,160,484	44,100,564	55,112,632	41,348,403	286,722,083
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	(121,882)	-	-	-	(121,882)
Impairment loss	(231,936)	(4,701)	(10,390)	(61,117)	(308,144)
Segment profit before income tax	17,279,239	6,800,894	3,818,393	636,529	28,535,055
Expenditures for segment assets	29,863,337	6,157,154	6,562,513	865,583	43,448,587

(Continued)

	Packaging	Testing	EMS	Others	Total
	NT$	NT$	NT$	NT$	NT$
December 31, 2014					
Investments accounted for using the equity method	$ 1,468,242	$ -	$ -	$ -	$ 1,468,242
Segment assets	166,359,949	44,147,813	78,865,897	44,345,158	333,718,817
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	407,622	-	-	-	407,622
Impairment loss	(139,397)	-	(102,389)	(16,343)	(258,129)
Segment profit before income tax	15,761,225	6,354,140	2,874,944	302,836	25,293,145
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	37,403,601	-	-	-	37,403,601
Segment assets	193,604,661	42,652,569	79,997,341	49,013,678	365,268,249

(Concluded)

	Packaging	Testing	EMS	Others	Total
	US$ (Note 4)	US$ (Note 4)	US$ (Note 4)	US$ (Note 4)	US$ (Note 4)
For the year ended December 31, 2015					
Revenue from external customers	$ 3,556,185	$ 768,280	$ 4,215,984	$ 99,457	$ 8,639,906
Inter-segment revenues (Note)	288,340	5,843	1,782,617	233,586	2,310,386
Segment revenues	3,844,525	774,123	5,998,601	333,043	10,950,292
Interest income	1,624	382	4,556	821	7,383
Interest expense	(46,359)	(178)	(4,507)	(18,148)	(69,192)
Depreciation and amortization	(577,812)	(198,747)	(83,523)	(40,152)	(900,234)
Share of the profit of associates and joint ventures	12,431	-	-	-	12,431
Impairment loss	(4,251)	-	(3,123)	(498)	(7,872)
Segment profit before income tax	480,672	193,783	87,677	9,235	771,367
Expenditures for segment assets	600,521	144,998	88,989	27,975	862,483
December 31, 2015					
Investments accounted for using the equity method	1,140,701	-	-	-	1,140,701
Segment assets	5,904,381	1,300,780	2,439,687	1,494,775	11,139,623

Note: Inter-segment revenues were eliminated upon consolidation.

b. Revenue from major products and services

	For the Years Ended December 31			
	2013	**2014**	**2015**	
	NT$	**NT$**	**NT$**	**US$ (Note 4)**
Advanced packaging and IC wirebonding service	$ 100,457,184	$ 108,384,405	$ 103,735,586	$ 3,163,635
Wafer probing and final testing service	24,120,370	25,116,026	24,136,399	736,090
Electronic components manufacturing service	77,731,347	104,904,455	137,347,359	4,188,696
Others	17,553,545	18,186,561	18,083,192	551,485
	$ 219,862,446	$ 256,591,447	$ 283,302,536	$ 8,639,906

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			
	2013	2014	2015	
	NT$	NT$	NT$	US$ (Note 4)
United States	$ 143,753,891	$ 173,912,974	$ 205,730,670	$ 6,274,189
Taiwan	31,277,147	36,747,699	32,631,149	995,155
Asia	23,779,212	24,042,586	22,885,128	697,930
Europe	20,392,268	20,826,125	20,577,069	627,541
Others	659,928	1,062,063	1,478,520	45,091
	$ 219,862,446	$ 256,591,447	$ 283,302,536	$ 8,639,906

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

	December 31		
	2014	2015	
	NT$	NT$	US$ (Note 4)
Taiwan	$ 97,159,564	$ 98,849,362	$ 3,014,619
China	43,384,186	40,385,484	1,231,640
Others	26,177,965	25,458,503	776,412
	$ 166,721,715	$ 164,693,349	$ 5,022,671

d. Major customers

Except one customer from which the operating revenues generated from packaging and EMS segments was NT$32,588,464 thousand, NT$54,431,222 thousand and NT$88,311,697 thousand (US$2,693,251 thousand) in 2013, 2014 and 2015, 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, 2013, 2014 and 2015.