

**Minutes  
Of  
2016 Annual Shareholders' Meeting  
Of  
Advanced Semiconductor Engineering, Inc.  
(Translation)**

- 1、Time : 10:00AM, Tuesday, June 28, 2016
- 2、Venue : Zhuang Jing Auditorium, 600 Jiachang Rd., Nantz Processing Export Zone, Nantz District, Kaohsiung City
- 3、Attendee : (1) Representative of Juristic-person Director, ASE Enterprise Ltd. : Tien Wu, Joseph Tung, Raymond Lo, Jeffrey Chen and TS Chen  
(2) Independent Directors : Shen-fu You and Mei-yueh Ho  
(3) Lawyer : Alex Chiang and T.C. Chang ; CPA : Jane Chen  
(4) Total shares represented by shareholders and proxy present 6,724,498,169 shares(including exercised by way of electronic transmission 3,983,151,529 shares) is 87.81% of total outstanding shares of ASE 7,657,739,585 shares (excluding the shareholders who had no voting right stipulated in Company Law)
- 4、Chairperson's Remarks : (To be omitted)
- 5、Matters for Discussion (1)

**Case 1 (proposed by the Board of Directors)**

Proposal: Please discuss the revision of ASE's Articles of Incorporation.

Explanation: 1、In response to the amendments made the Company Act in which the provision regarding employee bonuses was deleted and the provision regarding employee remuneration was added, and to implement the Company's shareholder electronic share mechanism, strengthen corporate governance, and re-evaluate the Company's remuneration to independent directors due to their requirement of also serving on the Audit Committee, portions of the articles in the Articles of Incorporation have been amended.

2、A comparison of the Articles of Incorporation before and after revisions as shown in Attachment 1. Your approval is requested.

Resolution: Voting results: Ratify 5,782,580,991 shares (including exercised by way of electronic transmission 3,042,019,910 shares); Oppose 2,513,363 shares

(including exercised by way of electronic transmission 2,513,363 shares); Abstain from voting 939,398,915 shares (including exercised by way of electronic transmission 938,618,256 shares). Resolved, that the above proposal be and hereby was approved as proposed.

## **6 、 Status Report**

- (1)ASE 2015 Business Report (See Attachment 2)
- (2)Report by Audit Committee on review of the 2015 financial statements. (See Attachment 3)
- (3)Report of ASE's aggregate amount of endorsements, guarantees, and loans extended to others as of December 31, 2015.
- (4)Report on the 2015 distribution of remunerations to employees and directors.
- (5)Report on the implementation of the privately placed foreign convertible corporate bonds passed in the 2015 shareholders' general meeting.
- (6)Report on the Company's fourth issue of foreign non-guaranteed convertible corporate bonds.
- (7)Report on the Company's non-guaranteed corporate bonds issued domestically.

## **7 、 Matters for Ratification**

### **Case 1 (proposed by the Board of Directors)**

Proposal: Ratification of ASE's 2015 business report and financial statements. Please ratify.

Explanation: 1 、 The Company's 2015 financial statements have been audited and certified by Deloitte.

2 、 Please ratify the 2015 Business Report (see Attachment 2 to this Agenda Manual for details) and the financial statements (see Attachment 4 to this Agenda Manual for details).

Resolution: Voting results: Ratify 5,773,191,447 shares (including exercised by way of electronic transmission 3,032,630,366 shares); Oppose 33,187 shares (including exercised by way of electronic transmission 33,187 shares); Abstain from voting 951,271,435 shares (including exercised by way of electronic transmission 950,487,976 shares). Resolved, that the above proposal be and hereby was approved as proposed.

### **Case 2 (proposed by the Board of Directors)**

Proposal: Please ratify ASE's 2015 proposal for earnings distribution.

Explanation: 1. The Board of Directors has drafted ASE's 2015 proposal for surplus distribution as shown in the table below in accordance with applicable laws and the newly revised ASE's Articles of Incorporation for your ratification.

Advanced Semiconductor Engineering, Inc.

2015 earnings distribution proposal

Unit: NT\$

Item	Amount
Earnings carried over from the previous year	20,804,369,666
Subtract: TIFRS adoption adjustments	16,042,377
Subtract: Actuarial losses allocated to retained earnings	86,214,173
Add: Current year gross profit	19,478,873,201
Subtract: Provision for 10% statutory surplus reserve	1,947,887,320
Current year earnings to be distributed	38,233,098,997
Items for distribution:	
Dividends (Note 1)	12,476,779,033
Current year retained earnings	25,756,319,964

Chairman: Jason C.S. Chang    Manager: Richard H.P. Chang    Accountant Manager: Hong-Ming Kuo

Note 1: A total of NT\$12,476,779,033 is distributed as dividends, NT\$1.6 per share, all of which will be distributed in cash. The above distribution of dividends to shareholders and the cash and stock dividend distribution rates are calculated based on the number (7,797,986,896) of shares recorded in the Register of Shareholders as of March 23, 2016 after treasury stocks that were already bought back by ASE were subtracted. If at a later date ASE's ECB holders exercise the right of conversion, or new shares are issued to employees against Employee Stock Option warrants, or new shares are issued by ASE for cash increase, or there is a buyback of ASE's stock, or transfer or cancellation of ASE's treasury stocks, which affects the cash distribution rate of the shareholders' bonus, requiring adjustment, the management will request the shareholders' meeting to authorize the Chairman to handle the situation and make adjustments accordingly.

Note 2: In response to the introduction of an integrated income tax system, earnings of the most recent year will be distributed at this time.

2. Basis date for dividend distribution: The board is authorized to set the date after it is passed at the shareholders meeting.

Resolution: Voting results: Ratify 5,785,048,935 shares (including exercised by way of electronic transmission 3,044,487,854 shares); Oppose 45,738 shares (including exercised by way of electronic transmission 45,738 shares); Abstain from voting 939,401,396 shares (including exercised by way of electronic transmission 938,617,937 shares). Resolved, that the above proposal be and hereby was approved as proposed.

## 8 、 Matters for Discussion (2)

### Case 1 (proposed by the Board of Directors)

Proposal: The matter over whether to consecutively or simultaneously select one of or combine cash increase by issuing common shares and GDRs, domestic cash increase by issuing common shares, and privately offered foreign convertible corporate bonds is submitted for discussion.

Explanation: To finance future capacity expansion, provide for working capital increases, repay bank loans, or cope with other needs for funds in the longer term, ASE is urged to authorize the board to consecutively or simultaneously select one of or combine issuing GDRs through cash capital increases, conducting domestic cash capital increases by issuing common shares, and privately offering foreign convertible corporate bonds according to articles of incorporation, relevant regulations and the following rules.

1. The principles to issue new common shares and GDR for capital increase in cash shall be as follows:
  - (1)The current capital increase in cash by issuing common shares and GDRs shall not exceed 500 million shares with the Board of Directors authorized through shareholders' meetings to decide how many shares are to be issued depending on market conditions.
  - (2)The price at which shares are issued via issuance of GDRs through cash capital increases shall not fall below 90% of the simple arithmetic mean of the share's closing price on the date the issue price is set and its closing price one, three or five days prior to the price-setting date after adjustment for any distribution of stock dividends (or cancelled shares for capital reduction) as per "Self-imposed Rules Governing Underwriters Assisting Companies in Issuing Securities" announced by Taiwan Securities Association. If relevant regulations change, the pricing method may be changed accordingly. As share prices often fluctuate substantially in a short time, the president is authorized to set the issue price by following international practices after consulting the underwriter and considering international capital markets' circumstances, domestic market prices, and the book building status. The GDR's issue price is decided based on the fair market price of ASE's common stock. Original shareholders who did not participate in the offering, if for the purpose of maintaining shareholding structure, may purchase common stock in Taiwan's stock market at a price close to the GDR's issue price without having to assume exchange and liquidity risks. In addition, shares issued via issuance of GDRs through cash increases will dilute the original shareholders' equity to a maximum of 6.41%, not a major impact on shareholders' rights and interests.
  - (3)10% - 15% of common shares issued for this capital increase in cash shall,

according to Article 267 of The Company Act, be reserved for subscription by company employees and the shareholders meeting will be requested to fully appropriated the remaining 85% – 90% for open issuance as the securities for GDR as the original shareholders have waived their rights for subscription in accordance with Article 28-1 of the Securities Exchange Act. For the part that employees have not subscribed for, the Chairman is authorized to contact a designated party for purchase or, depending on market requirements, list as the original securities for participation in the issuance of GDR.

- (4) The funds raised by shares issued via issuance of GDRs through this cash capital increase shall be used to expanding the factories, purchase equipment, purchase materials overseas, make reinvestments, and/or repay bank loans. Implementation shall be completed within 2 years after the funds are raised. The project is expected to boost ASE's competitiveness, improve its efficiency, and have a positive impact on shareholders' rights and interests.
  - (5) The Board of Directors is authorized to adjust, set, and administer the major contents of the cash capital increase by GDR issuance plan, which includes issuance conditions, issuance rules, source of capital, plan items, estimated progress and estimated probable effect generated as well as other matters relevant to the issuance of GDR, according to market conditions. If a cash capital increase must be changed as ordered by the regulatory authority or required by circumstances, the board is authorized to make corresponding changes.
  - (6) In conjunction with the issuance method of common shares for this capital increase in cash and participation in GDR issuance, the president or his designated representative is authorized to represent ASE in signing all documents related to the participation in the issuance of GDR as well as handling all needed matters.
2. The principles for domestic cash capital increase by issuing common shares:
- (1) The number of common shares issued for this domestic cash increase may not exceed 500 million shares.
  - (2) Face value of shares issued via cash increase is NT\$10 per share. The issue price shall be decided by the Chairman after consulting the underwriter as per the "Self-imposed Rules Governing Underwriters Assisting Companies in Issuing Securities" announced by the Taiwan Securities Association and market conditions at time of issue and filed with the competent authority.
  - (3) According to Article 28-1 of the Securities Exchange Act, the underwriting method for the publicly offered portion shall be decided by the Board of Directors as authorized between public subscription and book building.
    - A. If public subscription is selected:
      - Apart from the 10% – 15% of the issued shares to be reserved for employee

subscription at the actual issue price according to Article 267 of the Company Act, 10% of the newly issued shares will be publicly offered to comply with Article 28-1 of the Securities Exchange Act, while the remaining 75% – 80% will be subscribed by the existing shareholders based on the shareholding percentages on the base date. Shareholders will independently combine fractional shares within five days starting from the ex-dividend date for subscription. Any employee or existing shareholder who have waived their right to subscribe or who hold fractional shares failing to combine will authorize the Chairman to contact a designated party for subscription.

B.If book building is selected:

Apart from the 10% – 15% of the issued shares to be reserved for employee subscription at the actual issue price according to Article 267 of the Company Act, the remaining shares will be subject to Article 28-1 of the Securities Exchange Act, and the existing shareholders waive the right to subscribe before the shares all become publicly offered based on the book building method. In addition, if ASE's employees have not subscribed sufficiently and adequately or waived the right to subscribe, the chairman may contact a designated party for purchase.

- (4)The rights and obligations associated with the new shares issued for the cash increase are identical to those associated with the existing shares.
- (5)The funds raised by common shares issued through this cash increase shall be used to expand factories, purchase equipment, purchase materials overseas, provide for working capital increase, make reinvestments, and/or repay bank loans. Implementation shall be completed within 2 years after the funds are raised. The project is expected to boost ASE's competitiveness, improve its efficiency, and have a positive impact on shareholders' rights and interests.
- (6)The Board of Directors is authorized to adjust, set, and administer the major contents of the cash capital increase plan, which includes issuance rules, source of capital, plan items, estimated progress and estimated probable effect generated as well as other matters relevant to the issuance of GDR, according to market conditions. If a cash capital increase must be changed as ordered by the regulatory authority or required by circumstances, the board is authorized to make corresponding changes.
- (7)Once the plan for cash increase is filed with the competent authority, the Chairman will be authorized to set the base date, payment period, and ex-rights date for new share issue.

3. The principles to privately issue foreign convertible corporate bonds:

- (1)This private offering of foreign convertible corporate bonds is subject to a maximum of NT\$16.5 billion or the equivalent in foreign currencies. Please

see Attachment 5 to this Agenda Manual for the preliminary issue and conversion rules for this private offering of foreign convertible corporate bonds, which will be handled by the Board of Directors authorized by the shareholders meeting based on the Company's needs for funds or financial market circumstances.

(2)Basis and reasonableness of private offering price:

The issue price for the private offering of foreign convertible corporate bonds is set to be not lower than 80% of the formula price referred to in the Directions for Public Companies Conducting Private Placements of Securities. For the actual issue price, the shareholders meeting will be requested to grant the Board of Directors the authority to set the price according to the law and not below the range approved by the shareholders meeting and depending on current market and company circumstances. The price for this private offering of foreign convertible corporate bonds is set according to the regulations and in consideration of the strict restrictions for transfer timing, recipient, and quantity of privately offered securities. In addition, shares converted from corporate bonds may not be publicly listed for three years from delivery. The price and terms for this private offering of foreign convertible corporate bonds is deemed to be reasonable considering factors such as weakened liquidity.

(3)Offeree selection method and its purpose, necessity, and expected benefits:

The offeree selection procedure shall follow the rules under Article 43-6 of the Securities and Exchange Act and the previous order (91) Tai-Cai-Zheng-1 No. 0910003455 on June 13, 2002 from the Securities and Futures Commission of the Ministry of Finance. The purpose for selecting offerees is to introduce strategic investors. A strategic investor refers to an individual or corporate entity that, for the purpose of increasing ASE's profits, assists ASE to enhance technology, improve quality, increase efficiency, and expand market share through vertical or horizontal industry integration or collaboration in product or market development. The selection of offerees shall be decided by the Board of Directors as authorized by the shareholders meeting. The purpose, necessity, and expected benefits are to meet the demands of ASE's operations by having private offering investors provide ASE with assistance in enhancing technology, improving quality, reducing costs, increasing efficiency, and expanding the market in order to strengthen ASE's competitiveness and improve operational efficiency and long term development.

(4)The necessity, use of funds, and expected benefits:

A. Reasons against a public offering:

The choice of a private offering is in support of ASE's future business development and plans to introduce strategic investors and in consideration

of the time sensitiveness, convenience, issue costs and shareholder stability provided by a private offering. In addition, privately offered securities are restricted from free transfer under the Securities and Exchange Act, and this rule will ensure a long-term partnership between ASE and its strategic investors.

**B. Maximum amount of private offering:**

The total value of privately offered foreign convertible corporate bonds is limited to NT\$16.5 billion or its equivalent in foreign currencies at maximum. However, the actual value of private offering shall be determined according to applicable laws and regulations and financial market circumstances at the time. When a convertible corporate bond holder obtains common shares of ASE by exercising conversion rights, the number of shares is calculated based on the conversion price at the time of conversion.

**C. Use of funds and expected benefits:**

The current private offering of foreign convertible corporate bonds may be embarked on by the Board of Directors within a year from the date the resolution is reached during a shareholders' meeting. The raised capital is expected to be used for one or more purposes such as capital expenditure, working capital, payback of bank loans, and reinvestments. In addition, it is expected that the fund will be completely used within two years after private offering is completed. The expected benefits include a positive impact on shareholder rights and one or more of strengthened position in the industry, enhanced long term competitiveness, improved financial structure, and savings in interest expenses. However, the actual private offering and the schedule for the use of funds shall depend on ASE's capital requirements, legal regulations, and financial market circumstances.

**(5) Rights and obligations associated with converting corporate bonds to common shares**

The rights and obligations associated with the common shares converted from this private offering of foreign convertible corporate bonds are identical to those associated with the existing common shares of ASE. However, the listing and resale of such common shares shall be subject to the rules under the Securities and Exchange Act. Private offerings of foreign convertible corporate bonds shall be conducted in compliance with the letter from the Financial Supervisory Commission of the Executive Yuan, Jin-Guan-Zheng-1 No. 09700513881 on October 21, 2008.

**(6) The private offering plan includes primarily the issue and conversion rules, actual private offering price, private offering terms, plan items, amounts, scheduled progress and expected benefits, and other matters potentially related**



to the issue plan. The shareholders meeting will be requested to authorize the Board of Directors to make adjustments at its full discretion according to ASE's financial needs, financial market conditions, and relevant regulations. The shareholders meeting will also be requested to authorize the Board of Directors to make modification or correction at its full discretion in response to future changes in legal regulations, orders from the competent authority, or changes in market conditions, business assessment, or objective environmental conditions.

(7) In order to complete the private offering of foreign convertible corporate bonds, the shareholders meeting will also be requested to authorize the chairman of the board or a designated person to represent ASE in the signing of all relevant contracts and documents and complete all subsequent procedures for ASE.

(8) For matters that are not covered herein, the shareholders meeting will be requested to authorize the Board of Directors to, in accordance with law, proceed at its own discretion.

Resolution: Voting results: Ratify 5,385,096,606 shares (including exercised by way of electronic transmission 2,644,535,525 shares); Oppose 150,387,999 shares (including exercised by way of electronic transmission 150,387,999 shares); Abstain from voting 1,189,013,564 shares (including exercised by way of electronic transmission 1,188,228,005 shares). Resolved, that the above proposal be and hereby was approved as proposed.

### **Case 2 (proposed by the Board of Directors)**

Proposal: Please discuss the revision made to the Company's Rules Governing the Election of Directors.

Explanation: 1. To support the revised regulation regarding the nomination of director candidates in the Company's Articles of Incorporation the Board of Directors passed the revision to a portion of the articles in the Rules Governing the Election of Directors on April 1, 2016.

2. Your approval of a comparison of the Rules Governing the Election of Directors before and after revisions as shown in Attachment 6 is requested.

Resolution: Voting results: Ratify 5,383,550,172 shares (including exercised by way of electronic transmission 2,642,989,091 shares); Oppose 134,308,649 shares (including exercised by way of electronic transmission 134,308,649 shares); Abstain from voting 1,206,639,348 shares (including exercised by way of electronic transmission 1,205,853,789 shares). Resolved, that the above proposal be and hereby was approved as proposed.

### **9 • Other Proposals and Extempore Motions**

**10 • Meeting Ends : Tuesday, June 28, 2016 at 10:56 a.m.**

**Advanced Semiconductor Engineering, Inc.**

**Table of Comparison of the Revised Articles of Incorporation**

BEFORE Amendment	AFTER Amendment	Explanation
<p>Article 16-1 Shareholders retaining at least 1% of all outstanding shares and the board may nominate candidates for <u>independent</u> directorship. A list of candidates determined at board meetings to meet the criteria for being elected <u>independent</u> directors are submitted by the board to the shareholders meeting for consideration; if the shareholder's meeting is convened by another person with the authority to convene the meeting, after the person with the authority to convene the meeting examines the qualifications of the candidate(s) for serving as an <u>independent</u> director, the names are sent to the shareholder's meeting for election. All matters regarding the acceptance method and announcement of the nomination of candidates for <u>independent</u> director will be handled according to the Company Act, the Securities Exchange Law, and other applicable laws and regulations.</p>	<p>Article 16-1 Shareholders retaining at least 1% of all outstanding shares and the board may nominate candidates for directorship. A list of candidates determined at board meetings to meet the criteria for being elected directors are submitted by the board to the shareholders meeting for consideration; if the shareholder's meeting is convened by another person with the authority to convene the meeting, after the person with the authority to convene the meeting examines the qualifications of the candidate(s) for serving as a director, the names are sent to the shareholder's meeting for election. All matters regarding the acceptance method and announcement of the nomination of candidates for director will be handled according to the Company Act, the Securities Exchange Law, and other applicable laws and regulations.</p>	<p>To implement the Company's shareholder electronic voting mechanism and strengthen corporate governance, the Company has revised this article in accordance with Article 192-1 of the Company Act, stipulating that the Company's independent directors and directors shall be elected by a candidates nomination system.</p>
<p>Article 16-2 Remuneration of independent directors shall be NT\$2 million per person per year. If an independent director serves on the board for less than a year, s/he shall be paid pro rata for the number of days served. An independent director of ASE, if also serving as a member of ASE's Remuneration Committee, shall receive compensation of NT\$360,000 per year. If the term of service is less than one year, the actual</p>	<p>Article 16-2 Remuneration of independent directors shall be NT\$<u>3</u> million per person per year. If an independent director serves on the board for less than a year, s/he shall be paid pro rata for the number of days served. An independent director of ASE, if also serving as a member of ASE's Remuneration Committee, shall receive compensation of NT\$360,000 per year. If the term of service is less than one year, the actual</p>	<p>Because the Company has established an audit committee to replace supervisors, the Company's independent directors must also serve as members of the audit committee. If the duties of the independent director increase as a result, the remunerations shall be recalculated. Consequently, the revision to increase the remunerations to independent directors was made.</p>

BEFORE Amendment	AFTER Amendment	Explanation
compensation received shall be calculated on a pro-rata basis for the actual number of days served.	compensation received shall be calculated on a pro-rata basis for the actual number of days served.	
	<p><u>Article 23</u>  <u>If the Company has profit for the year, 5.25% or more and 8.25% or less of the income shall be set aside as remunerations to employees, and 0.75% or less of the income shall be distributed as director remuneration. However, if the Company has accumulated loss, a portion shall be reserved in advance for making up losses.</u>  <u>Regarding the aforementioned employee remuneration, the 5.25% portion shall be distributed to all employees in accordance with the employee remuneration distribution rules, while the portion exceeding 5.25% shall be distributed to individual employees (having special contributions) in accordance with the rules made by the Board of Directors with the authority granted hereby.</u>  <u>Where employee remuneration is distributed in the form of stock or cash, it shall be resolved by a majority vote at a meeting attended by more than two thirds of the directors and shall be reported at the shareholders' meeting.</u>  <u>Employees referred to in the three subparagraphs include employees of subsidiary companies that meet certain conditions, which are to be prescribed by the Board of Directors.</u></p>	<p>In response to the amendments to Article 235-1 of the Company Act requesting that the fixed amount or ratio of profit of the current year distributable as employees' compensation shall be definitely specified in the Articles of Incorporation and in accordance with the letter issued by the Ministry of Economic Affairs, this article of the Company's Articles of Incorporation was revised.</p>

BEFORE Amendment	AFTER Amendment	Explanation
<p>Article 23</p> <p>ASE's net profits each year after the actual budget shall be distributed in the following order:</p> <p>(1) Make up losses.</p> <p>(2) Allocation of 10% as the legal surplus reserve.</p> <p>(3) Allocation or reversal of a special surplus reserve in accordance with laws or regulations set forth by the authorities concerned.</p> <p>(4) <u>For the unrealized portion of long-term investment profits calculated by the equity method that is not cash dividends, it may be listed as the special surplus reserve under the item of current profits, to be included for profit distribution after having been realized.</u></p> <p>(5) Addition or deduction of the portion of retained earnings that are equity investment gains or losses that have been realized or measured at fair value through other overall gains or losses.</p> <p><u>Any remaining profits, if any, shall be distributed as follows:</u></p> <p>(6) <u>Allocation of 1%, inclusive, or less from the balance after the amounts mandated by Items 1 to 5 above have been deducted as the remuneration for directors.</u></p> <p>(7) <u>7%-11% of the remainder after deducting the amounts indicated in Items 1 to 5 shall be set aside for distribution as employee bonuses. 7% of the amount earmarked for employee bonuses shall be distributed according to the rules governing</u></p>	<p><u>Article 23-1</u></p> <p>ASE's net profits each year after the actual budget shall be distributed in the following order:</p> <p>(1) Make up losses.</p> <p>(2) Allocation of 10% as the legal surplus reserve.</p> <p>(3) Allocation or reversal of a special surplus reserve in accordance with laws or regulations set forth by the authorities concerned.</p> <p>(4) Addition or deduction of the portion of retained earnings that are equity investment gains or losses that have been realized or measured at fair value through other overall gains or losses.</p> <p><u>The remaining balance shall be added to the previous-year undistributed earnings, and the Board of Directors shall devise a dividend distribution proposal, which shall be submitted to a meeting of shareholders for resolution.</u></p>	<p>In response to the amendments made to Items 2, 3, and 4 of Article 235 of the Company Act regarding employee bonus, and considering that the revised Article 23 of the Company's Articles of Incorporation involved employee remuneration, director remuneration, and employees eligible for remuneration, the Company has revised Article 23 of the Articles of Incorporation to Article 23-1, deleting Items 6 and 7 of Paragraph 1, revising Item 8 of Paragraph 1 to Paragraph 2, and deleting the original regulation in Paragraph 2.</p> <p>In addition, because Item 4 of Paragraph 1 becomes unnecessary after Items 6 and 7 of Paragraph 1 are deleted, Item 4 was deleted and the original Item 5 was shifted to Item 4 of Paragraph 1.</p>

BEFORE Amendment	AFTER Amendment	Explanation
<p><u>distribution of employee bonuses; the remainder exceeding the 7% to be distributed by the board among employees based on their individual contributions.</u></p> <p><u>(8) The Board of Directors shall be delegated to draw up a plan to distribute the remaining profits to shareholders pro rata according to the percentage of shares held by each shareholder.</u></p> <p><u>Employees referred to in Item 7 of the preceding paragraph include employees of subsidiary companies that meet certain conditions, which are to be prescribed by the Board of Directors.</u></p>		
<p>Article 27: The Articles of Incorporation were established by the founders meeting under the agreement of all founders on March 11, 1984, and the first amendment was made on May 3, 1984.</p> <p>• •</p> <p>The fortieth amendment was made on June 26, 2013.</p> <p>The forty-first amendment was made on June 26, 2014.</p> <p>The forty-second amendment is to be made on June 23, 2015.</p>	<p>Article 27: The Articles of Incorporation were established by the founders meeting under the agreement of all founders on March 11, 1984, and the first amendment was made on May 3, 1984.</p> <p>• •</p> <p>The fortieth amendment was made on June 26, 2013.</p> <p>The forty-first amendment was made on June 26, 2014.</p> <p>The forty-second amendment was made on June 23, 2015.</p> <p><u>The forty-third amendment is to be made on June 28, 2016.</u></p>	<p>The date and number of amendment were specified.</p>

## **Advanced Semiconductor Engineering, Inc.**

### **Business Report**

This year (2015) is another year filled with challenges. The global economy failed to extend its recovery in 2014. After the economic halt at the beginning of 2015, the semiconductor market exhibited unchanging performance due to the slowdown of the Chinese market, reduced market demand for smartphones, and substantial decline in the computer industry. Fortunately, Taiwan's semiconductor industry still demonstrated superior performance to the global industries, despite being amidst the economic winter. According to Gartner<sup>1</sup>, the global semiconductor sales in 2015 were US\$333.7 billion, a decline of 1.9% from 2014. We believe the packaging and testing industries exhibited a slight decline due to market variation, industrial inventory adjustments, and the intense industrial competition. For 2016, Gartner predicted that the global semiconductor sales will reach US\$ 340.1 billion, a growth of 1.9% from 2015. ASE will continue to work hard and confront the future economic trend with a conservative, stable, prudent, and optimistic attitude.

According to the report of the IEK ITIS Project, the IC packaging and testing industry in Taiwan produced output of NT\$ 441.3 billion in 2015, a decline of approximately 2.8% from 2014. The packaging industry produced output of NT\$309.9 billion in 2015, a decline of 1.9% from 2014; and the testing industry produced output of NT\$131.4 billion, a decline of 4.7% from 2014. The following is our report on the Company's operation for the past year:

#### **"2015 Operating Results"**

##### **1. Implementation of the 2015 business plan**

ASE's combined revenue for 2015 totaled NT\$ 283.3 billion, an increase of NT\$26.7 billion and a growth of 10.4% from 2014. With regards to the packaging business, the combined revenue for 2015 totaled NT\$154.5 billion (including interdepartmental income of NT\$9.4 billion), a decrease of NT\$5.2 billion and a decline of 3.2% from 2014. This is mainly due to the lack of purchase incentive for new mobile phone products, which influenced sales volume. Concerning the OEM electronic service of our subsidiary, the combined revenue for 2015 totaled NT\$138.4 billion (including interdepartmental income of NT\$200 million), an increase of NT\$32.6 billion and a growth of 30.75% from 2014. Wearable device market will be the main contributor to future growth dynamic.

##### **2. Budget Implementation**

ASE did not release any financial forecast in 2015.

##### **3. Analysis of financial gains and losses and profitability**

ASE's 2015 consolidated financial report shows paid-in capital of NT\$ 79.2 billion, with total equities that belong to the Company's clients being NT\$156.9 billion, accounting for 43% of the total assets worth NT\$ 365.3 billion. Its long-term funds are 156% of fixed assets and current ratio is 130%. This year's ratios exhibit a slight decline compared with the preceding year. This year's operating profit was NT\$24.9 billion, a decrease of NT\$ 4.8 billion and a decline of around 16.1% from 2014. The after-tax net profit was NT\$20.4 billion, a decrease of around 15.8% from the previous year. This is mainly due to product portfolio adjustment and customer inventory correction. The consolidated profit before tax, interest, and depreciation reduced by only 1% from 2014, which is fortunate in a challenging business environment in 2015.

#### 4. R&D Overview

The global electronic industry has experienced an era of PC and mobile computing. Subsequently, the demand for computation and connectivity in a smart and better life will promote a multiple of growth in smart products. The integration of system on chip (SoC) and system in package (SiP) has created a high-performance and more valuable system integration application. Smart appliances will rely further on the chain of advanced semiconductor, packaging, and testing industries and develop into heterogeneous integration modules. The Company continues to place its focus on the three major core technologies and products: advanced packaging/module, copper wire bonding/flip-chip bumps, and moderate to low-pin-count packaging. New products and technologies successfully developed by ASE in 2015 are categorized as follows: (1) flip-chip packaging: 16 nm copper process/ ultra-low dielectric coefficient with lead-free flip-chip assembly, dual-sided sealing technology, high-density and high bandwidth stacking and packaging technology, and multi-layer fine-line buried coreless wiring substrates. The technology also extends to certification of applications of 20 nm and 28 nm flip chips. (2) wire-bond assembly: development of the application of buried wiring substrates, advanced square flat pin-free packaging test, ultra-fine gap and ultra-thin copper/gold wire bond assembly. The technology also extends to certification of 20/28 nm nano-technology applications. (3) wafer assembly: 2.5D through silicon vias stacking mass production, advanced fan-out packaging, wafer chip packaging, sensor through silicon vias, integrated passive components, 40 um fine pitch tin-silver/copper pillar electroplated bumps, etc. (4) Advanced packaging and module: high-density SiP packaging telecommunication LTE modules, highly integrated multi-modular and multi-frequency 3G telecommunication modules, wireless sensor module packaging, sectional protection against electromagnetic interference, etc.

#### "Overview of 2016 Business Plan"

##### 1. Operating policy

(1) Providing customers with "best-quality" services; (2) creating long-term and steady profits for the company and customers; (3) working together with partners for a promising future; (4) training employees to become outstanding professionals in respective fields; (5) treating all employees "fairly and reasonably"; (6) providing employees with a "harmonious, pleasant, and open" workplace; and (7) remaining flexible wherever possible during operation.

##### 2. Projected sales volume and basis

In light of current industry dynamics, future market demand and ASE's production capacity, the projected sales volume for 2016 is as follows:

Item	Projected Sales
Packaging	Approx. 16.3 billion
Testing	Approx. 2.2 billion

##### 3. Important production and sales policies

Market variation and inventory correction have steered us toward walking on thin ice. The past year has been a challenging year for the Company. Although uncertain economic factors remain in the market in 2016, a conservative examination of the upcoming market makes us believe that inventory correction has come to an end and will grow subtly on a quarterly basis. Moreover, SiP products will remain the main contributor to the Company's growth. In the past three years, the Company has cultivated the SiP field, constantly growing and learning from customers and the markets. To date, the SiP group revenue has reached almost US\$2 billion, and in the next 5 to 10 years, it is believed that SiP will remain the focus on the Company's

continual growth. According to our recent development experiences, we also realized that not all SiP products are profitable. In the future, the Company will readjust and inspect its SiP product portfolio, attempting more diverse options and resource allocations in various SiP product markets to achieve maximal profit and efficiency. Furthermore, from our customer design and R&D experiences, we discovered that the Company's optical, heterogeneous integration, and fan-out wafer packaging technologies still have room for improvement, specifically with regards to system, software, and hardware designs. In future, we will continue to advance toward technology improvement and resource integration, with the hope of obtaining preliminary results in 2017.

### **Future Development Strategy**

The Company's SiP technology holds a leading position in that it can be integrated with lightweight, miniature, and power-saving computer, communication, and consumer electronics (e.g., Internet of Everything and wearable devices), which are required by internationally acclaimed enterprises. As SiP grows in popularity, the Company will continue investing in this technology and expect to double its operating revenue as soon as possible. SiP is becoming a general trend, whether in product production capacity, design, or vertical integration, SiP will become a leading technology that is preferred among international organizations. Furthermore, corporate mergers and acquisitions are also a popular trend in the current era. For example, Avago announced its merge with the major IC manufacturer Broadcom, while Intel also did so with Altera. In the packaging and testing industry, Jiangsu Changjiang Electronics Technology merged with STATS Chip PAC, Nantong Fujitsu Microelectronics with the packaging and testing plant of AMD, an IDM, and Amkor merged with J-Devices. Due to the emergence of semiconductor industries in China, Taiwan semiconductor operators should actively cooperate in resource integration to further elevate the competitive advantage of Taiwan's packaging and testing industry. To this end, solidarity appears increasingly crucial. The internal market demand in Taiwan is limited. To compete with global competitors, Taiwanese business operators should not just focus on cheap funds nor on the terminal market pass, but instead they should devote their utmost effort in developing innovation and services that can distinguish themselves across the world.

### **Impact of Competitive, Regulatory, and Operating Environments**

Looking ahead of 2016, the majority of major forecasting institutions hold a conservative attitude. The United States and other countries' attitude toward monetary policies and the speed and magnitude of increasing interest all profoundly influence the future trend of the international finance community. Furthermore, international crude oil has remained at a low price for an extended period of time due to Iran's return to the market. Consequently, this will inevitably further aggravate the economy of oil-exporting countries such as Russia in new markets. In addition, China's economic growth rate slowed to its lowest in over two decades in 2015; thus, how the Chinese government achieves a trade-off between its economic growth and reform in economic structure, the localization of the red supply chain, and the global acquisition by China's semiconductor industry with its abundant funds are factors that completely influence Taiwan's economic development. China has been rapidly expanding its economic scale by constructing a vertical semiconductor industry supply chain and acquiring large international plants. In response, the Company will further strengthen our R&D capacity, increase the proportion of our high-order package and testing products, and thereby create competitive advantages for the Company. Moreover, Taiwan should also follow the trends and actively



participate in regional integration among the international community. We are fully prepared and confident towards our ability to face the rapidly changing environment in the future.

Chairman: Jason C.S. Chang      President: Richard H.P. Chang      Accountant Manager: Hong-Ming Kuo

*1. Source: Forecast Analysis: Electronics and Semiconductors, Worldwide, 4Q15 Update, Published: 29 January 2016, Analyst(s): Jon Erensen, Bryan Lewis, Ben Lee, etc..*

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## **Audit Committee Report**

The Board of Directors has prepared and submitted the 2015 business report, financial statements, and earnings distribution proposal, of which the financial statements have been audited by Deloitte. These have been reviewed by the Audit Committee as correctly portraying ASE's business activities. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, this report is submitted for your examination.

Advanced Semiconductor Engineering, Inc.

Audit Committee convener : Shen-fu You

April 28, 2016

**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.



April 28, 2016

# ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (Amounts in Thousands)

ASSETS	December 31,	December 31,	
	2014	2015	
	NT\$	NT\$	US\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 51,694,410	\$ 55,251,181	\$ 1,685,001
Financial assets at fair value through profit or loss - current	4,988,843	3,833,701	116,917
Available-for-sale financial assets - current	1,533,265	30,344	925
Trade receivables, net	52,920,810	44,931,487	1,370,280
Other receivables	537,122	429,541	13,100
Current tax assets	65,312	168,717	5,145
Inventories	20,163,093	23,258,279	709,310
Inventories related to real estate business	23,986,478	25,713,538	748,188
Other financial assets - current	638,592	301,999	9,210
Other current assets	<u>3,427,265</u>	<u>2,814,053</u>	<u>85,821</u>
Total current assets	<u>159,955,190</u>	<u>156,732,840</u>	<u>4,779,897</u>
<b>NON-CURRENT ASSETS</b>			
Available-for-sale financial assets - non-current	941,105	924,362	28,190
Investments accounted for using the equity method	1,468,242	37,403,601	1,140,701
Property, plant and equipment	151,587,115	149,997,075	4,574,476
Goodwill	10,445,415	10,506,519	320,418
Other intangible assets	1,467,871	1,382,093	42,150
Deferred tax assets	4,265,220	5,156,515	157,259
Other financial assets - non-current	367,345	345,672	10,542
Long-term prepayments for lease	2,585,964	2,556,156	77,956
Other non-current assets	<u>635,350</u>	<u>263,416</u>	<u>8,034</u>
Total non-current assets	<u>173,763,627</u>	<u>208,535,409</u>	<u>6,359,726</u>
<b>TOTAL</b>	<u>\$ 333,718,817</u>	<u>\$ 365,268,249</u>	<u>\$ 11,139,623</u>

(Continued)

# ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

(Amounts in Thousands)

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

(Continued)

# ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

(Amounts in Thousands)

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	December 31,	December 31,	
	2014	2015	
	NT\$	NT\$	US\$
NON-CONTROLLING INTERESTS	<u>\$ 8,209,860</u>	<u>\$ 11,492,545</u>	<u>\$ 350,490</u>
Total equity	<u>155,691,394</u>	<u>166,206,337</u>	<u>5,068,812</u>
TOTAL	<u>\$ 333,718,817</u>	<u>\$ 365,268,249</u>	<u>\$ 11,139,623</u>

(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\$
OPERATING REVENUES	\$ 219,862,446	\$ 256,591,447	\$ 283,302,536	\$ 8,639,906
OPERATING COSTS	<u>177,040,435</u>	<u>203,002,918</u>	<u>233,167,308</u>	<u>7,110,927</u>
GROSS PROFIT	<u>42,822,011</u>	<u>53,588,529</u>	<u>50,135,228</u>	<u>1,528,979</u>
OPERATING EXPENSES				
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	<u>9,064,712</u>	<u>10,289,684</u>	<u>10,937,566</u>	<u>333,564</u>
Total operating expenses	20,760,363	23,942,660	25,250,606	770,070
OTHER OPERATING INCOME AND EXPENSES, NET	<u>(1,348,246)</u>	<u>228,615</u>	<u>(251,529)</u>	<u>(7,671)</u>
PROFIT FROM OPERATIONS	<u>20,713,402</u>	<u>29,874,484</u>	<u>24,633,093</u>	<u>751,238</u>
NON-OPERATING INCOME AND EXPENSES				
Other income	493,884	529,251	815,778	24,879
Other gains and losses	447,886	607,299	1,748,795	53,333
Finance costs	(2,307,455)	(2,354,097)	(2,312,143)	(70,514)
Share of the profit or loss of associates	<u>22,039</u>	<u>(121,882)</u>	<u>407,622</u>	<u>12,431</u>
Total non-operating income and expenses	<u>(1,343,646)</u>	<u>(1,339,429)</u>	<u>660,052</u>	<u>20,129</u>
PROFIT BEFORE INCOME TAX	19,369,756	28,535,055	25,293,145	771,367
INCOME TAX EXPENSE	<u>3,499,595</u>	<u>5,665,954</u>	<u>4,311,073</u>	<u>131,475</u>
PROFIT FOR THE YEAR	<u>15,870,161</u>	<u>22,869,101</u>	<u>20,982,072</u>	<u>639,892</u>
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\$
Income tax relating to items that will not be reclassified subsequently	\$ (66,706)	\$ 23,885	\$ 11,002	\$ 336
	<u>345,519</u>	<u>(5,291)</u>	<u>(89,657)</u>	<u>(2,734)</u>
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)	-	-	-
	<u>2,887,766</u>	<u>5,509,729</u>	<u>(57,890)</u>	<u>(1,765)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>3,233,285</u>	<u>5,504,438</u>	<u>(147,547)</u>	<u>(4,499)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>\$ 19,103,446</u>	<u>\$ 28,373,539</u>	<u>\$ 20,834,525</u>	<u>\$ 635,393</u>
<b>PROFIT FOR THE YEAR ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ 15,404,505	\$ 22,228,602	\$ 20,013,505	\$ 610,354
Non-controlling interests	<u>465,656</u>	<u>640,499</u>	<u>968,567</u>	<u>29,538</u>
	<u>\$ 15,870,161</u>	<u>\$ 22,869,101</u>	<u>\$ 20,982,072</u>	<u>\$ 639,892</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ 18,509,604	\$ 27,394,362	\$ 19,940,438	\$ 608,127
Non-controlling interests	<u>593,842</u>	<u>979,177</u>	<u>894,087</u>	<u>27,267</u>
	<u>\$ 19,103,446</u>	<u>\$ 28,373,539</u>	<u>\$ 20,834,525</u>	<u>\$ 635,394</u>
<b>EARNINGS PER SHARE</b>				
Basic	\$ 2.05	\$ 2.89	\$ 2.62	\$ 0.08
Diluted	\$ 1.99	\$ 2.79	\$ 2.51	\$ 0.08
<b>EARNINGS PER AMERICAN DEPOSITARY SHARE ("ADS")</b>				
Basic	\$ 10.26	\$ 14.46	\$ 13.08	\$ 0.40
Diluted	\$ 9.96	\$ 13.93	\$ 12.55	\$ 0.38

(Concluded)

# 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					Non-Controlling Interests	Total Equity	
	Share Capital		Capital Surplus	Retained Earnings			Exchange Differences on Translating Foreign Operations	Unrealized Gain on Available-for-sale Financial Assets	Cash Flow Hedges	Treasury Shares	Total				
	Shares (In Thousands)	Amounts		Legal Reserve	Special Reserve	Unappropriated Earnings						Total			Total
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	-	-	-	-	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	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	-	-	(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
Changes 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	-	-	6,876,866	-	-	-	-	-	-	-	-	-	6,876,866	3,067,712	9,944,578
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 investment in associates and joint ventures accounted for using the equity method	-	-	150	-	-	-	-	-	-	-	-	-	150	-	150

(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				Non-Controlling Interests	Total Equity		
	Share Capital		Capital Surplus	Retained Earnings			Exchange Differences on Translating Foreign Operations	Unrealized Gain on Available-for-sale Financial Assets	Cash Flow Hedges	Total	Treasury Shares			Total	
	Shares (In Thousands)	Amounts		Legal Reserve	Special Reserve	Unappropriated Earnings									Total
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 distributed by the Company	-	-	-	-	-	(15,589,825)	(15,589,825)	-	-	-	-	-	(15,589,825)	-	(15,589,825)
	-	-	-	2,359,267	-	(17,949,092)	(15,589,825)	-	-	-	-	-	(15,589,825)	-	(15,589,825)
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	-	-	(5,333,406)	(5,333,406)	-	(5,333,406)
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	-	-	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 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

(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\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
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

(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\$
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
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
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)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
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

(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\$
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

(Concluded)

**Advanced Semiconductor Engineering,  
Inc.**

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

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Advanced Semiconductor Engineering, Inc. (the "Company") as of December 31, 2015, December 31, 2014 and January 1, 2014, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2015 and 2014. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of Siliconware Precision Industries Co., Ltd. ("SPIL") as of December 31, 2015 and for the year then ended were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts and information disclosed, is based on the report of the other auditors. The accompanying financial statements of the Company include its investments accounted for using the equity method in SPIL of NT\$35,423,058 thousand, which was 12% of the Company's total assets, as of December 31, 2015, and its share of the profit of SPIL of NT\$410,937 thousand, which was 2% of the Company's profit before income tax for the year ended December 31, 2015.

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

In our opinion, based on our audits and the report of the other auditors, such financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2015, December 31, 2014 and January 1, 2014, and the results of operations and cash flows for the years ended December 31, 2015 and 2014, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

As discussed in Note 3 to the financial statements, the Company has applied the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS and Interpretations of IAS endorsed by the Financial Supervisory Commission of the Republic of China from January 1, 2015. Therefore, the Company retrospectively applied the aforementioned regulations, standards and interpretations and adjusted the affected items in the financial statements of the preceding periods.



The accompanying schedules of major accounting items of the Company as of and for the year ended December 31, 2015 are presented for the purpose of additional analysis. Such schedules have been subjected to the auditing procedures described in the second paragraph. In our opinion, such schedules are consistent, in all material respects, with the financial statements required to in the first paragraph.

Deloitte & Touche

March 16, 2016

Notice to Readers

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

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

# ADVANCED SEMICONDUCTOR ENGINEERING, INC.

## PARENT COMPANY ONLY BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2015		December 31, 2014 (Adjusted)		January 1, 2014 (Adjusted)		LIABILITIES AND STOCKHOLDERS' EQUITY	December 31, 2015		December 31, 2014 (Adjusted)		January 1, 2014 (Adjusted)	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>							<b>CURRENT LIABILITIES</b>						
Cash	\$ 8,533,346	3	\$ 11,254,517	4	\$ 14,959,268	7	Short-term borrowings	\$ 11,231,973	4	\$ 11,636,241	4	\$ 11,721,924	5
Financial assets at fair value through profit or loss - current	1,503,196	1	1,990,183	1	302,273	-	Commercial papers and bank acceptances payable	4,348,054	1	-	-	-	-
Available-for-sale financial assets - current	-	-	400,007	-	2,312,147	1	Financial liabilities at fair value through profit or loss - current	2,669,605	1	2,540,418	1	1,793,652	1
Trade receivables, net	14,030,441	5	16,473,504	6	12,061,441	6	Trade payables	6,801,383	2	6,965,763	3	6,239,588	3
Trade receivables from related parties	2,281,805	1	5,082,423	2	2,418,651	1	Trade payables to related parties	910,211	1	1,223,750	-	1,074,901	1
Other receivables	1,367,621	-	1,414,007	1	962,907	-	Other payables	10,565,591	3	12,352,075	5	7,941,207	4
Other receivables from related parties	161,080	-	36,699	-	46,202	-	Other payables to related parties	40,191,954	13	30,653,624	12	18,107,805	8
Inventories	3,769,108	1	4,323,668	2	3,642,616	2	Current tax liabilities	1,685,349	1	1,617,605	1	803,419	-
Other current assets	485,422	-	508,010	-	303,545	-	Current portion of bonds payable	12,162,192	4	-	-	-	-
Total current assets	32,132,019	11	41,483,018	16	37,009,050	17	Current portion of long-term borrowings	-	-	1,085,143	-	1,028,571	-
							Other current liabilities	738,805	-	493,126	-	448,069	-
<b>NON-CURRENT ASSETS</b>							Total current liabilities	91,305,117	30	68,567,745	26	49,159,136	22
Available-for-sale financial assets - non-current	473,107	-	542,147	-	592,557	-	<b>NON-CURRENT LIABILITIES</b>						
Investments accounted for using the equity method	189,994,170	62	139,053,527	53	117,942,583	53	Bonds payable	13,938,894	5	19,270,613	8	18,152,195	8
Property, plant and equipment	80,375,695	26	77,640,995	30	63,122,172	29	Long-term borrowings	37,424,607	12	18,355,554	7	25,787,145	12
Goodwill	958,620	1	958,620	-	958,620	-	Deferred tax liabilities	3,774,152	1	2,897,155	1	1,892,418	1
Other intangible assets	655,689	-	486,192	-	393,759	-	Long-term payables	-	-	-	-	894,150	-
Deferred tax assets	906,821	-	1,019,802	1	1,020,588	1	Net defined benefit liabilities	2,287,072	1	2,415,654	1	2,496,350	1
Other financial assets - non-current	209,817	-	215,784	-	214,803	-	Other non-current liabilities	297,092	-	1,517	-	19,783	-
Long-term prepayments for lease	80,887	-	195,879	-	19,141	-	Total non-current liabilities	57,721,817	19	42,940,493	17	49,242,041	22
Other non-current assets	156,113	-	131,181	-	72,761	-	Total liabilities	149,026,934	49	111,508,238	43	98,401,177	44
Total non-current assets	273,810,919	89	220,244,127	84	184,336,984	83	<b>EQUITY</b>						
<b>TOTAL</b>	<b>\$ 305,942,938</b>	<b>100</b>	<b>\$ 261,727,145</b>	<b>100</b>	<b>\$ 221,346,034</b>	<b>100</b>	Share capital						
							Ordinary shares	79,029,290	26	78,525,378	30	77,560,040	35
							Capital received in advance	156,370	-	189,801	-	620,218	-
							Total share capital	79,185,660	26	78,715,179	30	78,180,258	35
							Capital surplus	23,757,099	8	16,013,058	6	7,920,220	4
							Retained earnings						
							Legal reserve	12,649,145	4	10,289,878	4	8,720,971	4
							Special reserve	3,353,938	-	3,353,938	1	3,663,930	2
							Unappropriated earnings	40,180,986	13	38,737,422	15	26,521,201	12
							Total retained earnings	56,184,069	17	52,381,238	20	38,906,102	18
							Other equity	5,081,689	2	5,068,539	2	(102,616)	-
							Treasury shares	(7,292,513)	(2)	(1,959,107)	(1)	(1,959,107)	(1)
							Total equity	156,916,004	51	150,218,907	57	122,944,857	56
<b>TOTAL</b>	<b>\$ 305,942,938</b>	<b>100</b>	<b>\$ 261,727,145</b>	<b>100</b>	<b>\$ 221,346,034</b>	<b>100</b>	<b>TOTAL</b>	<b>\$ 305,942,938</b>	<b>100</b>	<b>\$ 261,727,145</b>	<b>100</b>	<b>\$ 221,346,034</b>	<b>100</b>

# ADVANCED SEMICONDUCTOR ENGINEERING, INC.

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014 (Adjusted)	
	Amount	%	Amount	%
OPERATING REVENUE	\$ 94,206,807	100	\$ 96,678,100	100
OPERATING COSTS	<u>69,059,001</u>	<u>73</u>	<u>67,301,431</u>	<u>70</u>
GROSS PROFIT	<u>25,147,806</u>	<u>27</u>	<u>29,376,669</u>	<u>30</u>
OPERATING EXPENSES				
Selling and marketing expenses	1,100,826	1	1,110,054	1
General and administrative expenses	4,788,073	5	4,517,187	5
Research and development expenses	<u>5,366,121</u>	<u>6</u>	<u>5,470,440</u>	<u>5</u>
Total operating expenses	<u>11,255,020</u>	<u>12</u>	<u>11,097,681</u>	<u>11</u>
PROFIT FROM OPERATIONS	<u>13,892,786</u>	<u>15</u>	<u>18,278,988</u>	<u>19</u>
NON-OPERATING INCOME AND EXPENSES				
Other income	451,354	-	114,369	-
Other gains, net.	722,437	1	8,043	-
Finance costs	( 1,166,632)	( 1)	( 1,001,974)	( 1)
Share of the profit of subsidiaries, associates and joint ventures	<u>8,533,407</u>	<u>9</u>	<u>8,761,700</u>	<u>9</u>
Total non-operating income and expenses	<u>8,540,566</u>	<u>9</u>	<u>7,882,138</u>	<u>8</u>
PROFIT BEFORE INCOME TAX	22,433,352	24	26,161,126	27
INCOME TAX EXPENSE	<u>2,954,479</u>	<u>3</u>	<u>2,524,604</u>	<u>2</u>
PROFIT FOR THE YEAR	<u>19,478,873</u>	<u>21</u>	<u>23,636,522</u>	<u>25</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefits obligation	39,710	-	( 27,602)	-
Share of other comprehensive income of subsidiaries, associates and joint ventures	( 119,176)	-	17,528	-
Income tax relating to items that will not be reclassified subsequently	( <u>6,751</u> )	-	<u>4,693</u>	-
	( <u>86,217</u> )	-	( <u>5,381</u> )	-
Items that may be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on available-for-sale financial assets	( 36,166)	-	2,376	-

(Continued)

## ADVANCED SEMICONDUCTOR ENGINEERING, INC.

### PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014 (Adjusted)	
	Amount	%	Amount	%
Share of other comprehensive income of subsidiaries, associates and joint ventures	\$ 49,316	-	\$ 5,168,779	5
	<u>13,150</u>	<u>-</u>	<u>5,171,155</u>	<u>5</u>
Other comprehensive income (loss) for the year, net of income tax	( 73,067)	-	5,165,774	5
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 19,405,806	21	\$ 28,802,296	30
EARNINGS PER SHARE				
Basic	\$ 2.55		\$ 3.07	
Diluted	\$ 2.44		\$ 2.96	

(Concluded)

# ADVANCED SEMICONDUCTOR ENGINEERING, INC.

## PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars)

	Share Capital		Capital Surplus	Retained Earnings				Other Equity					Total Equity
	Shares (In thousands)	Amount		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	
BALANCE AT JANUARY 1, 2014	7,787,827	\$ 78,180,258	\$ 7,908,870	\$ 8,720,971	\$ 3,663,930	\$ 26,608,253	\$ 38,993,154	(\$ 525,521)	\$ 426,246	(\$ 3,279)	(\$ 102,554)	(\$ 1,959,107)	\$ 123,020,621
Effect of retrospective application	-	-	11,350	-	-	(87,052)	(87,052)	(62)	-	-	(62)	-	(75,764)
ADJUSTED BALANCE AT JANUARY 1, 2014	7,787,827	78,180,258	7,920,220	8,720,971	3,663,930	26,521,201	38,906,102	(525,583)	426,246	(3,279)	(102,616)	(1,959,107)	122,944,857
Change in capital surplus from investments in associates accounted for using the equity method	-	-	26,884	-	-	-	-	-	-	-	-	-	26,884
Profit for the year ended December 31, 2014 (After Adjusted)	-	-	-	-	-	23,636,522	23,636,522	-	-	-	-	-	23,636,522
Other comprehensive income (loss) for the year ended December 31, 2014, net of income tax (After Adjusted)	-	-	-	-	-	(5,381)	(5,381)	5,067,344	100,532	3,279	5,171,155	-	5,165,774
Total comprehensive income for the year ended December 31, 2014 (After Adjusted)	-	-	-	-	-	23,631,141	23,631,141	5,067,344	100,532	3,279	5,171,155	-	28,802,296
Appropriation of 2013 earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	1,568,907	-	(1,568,907)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(10,156,005)	(10,156,005)	-	-	-	-	-	(10,156,005)
Special reserve	-	-	-	-	(309,992)	309,992	-	-	-	-	-	-	-
Issue of dividends received by subsidiaries from the Company	-	-	188,790	-	-	(11,414,920)	(10,156,005)	-	-	-	-	-	(10,156,005)
Partial disposal of interests in subsidiaries and additional acquisition of majority-owned subsidiaries	-	-	6,877,099	-	-	-	-	-	-	-	-	-	6,877,099
Issue of ordinary shares under employee share options	73,898	534,921	1,000,065	-	-	-	-	-	-	-	-	-	1,534,986
ADJUSTED BALANCE AT DECEMBER 31, 2014	7,861,725	78,715,179	16,013,058	10,289,878	3,353,938	38,737,422	52,381,238	4,541,761	526,778	-	5,068,539	(1,959,107)	150,218,907
Equity component of convertible bonds issued by the Company	-	-	214,022	-	-	-	-	-	-	-	-	-	214,022
Change in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	150	-	-	-	-	-	-	-	-	-	150
Profit for the year ended December 31, 2015	-	-	-	-	-	19,478,873	19,478,873	-	-	-	-	-	19,478,873
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)
Total comprehensive income (loss) for the year ended December 31, 2015	-	-	-	-	-	19,392,656	19,392,656	(48,191)	61,341	-	13,150	-	19,405,806
Appropriation of 2014 earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	2,359,267	-	(2,359,267)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(15,589,825)	(15,589,825)	-	-	-	-	-	(15,589,825)
Acquisition of treasury shares	-	-	-	2,359,267	-	(17,949,092)	(15,589,825)	-	-	-	-	-	(15,589,825)
Issue of dividends received by subsidiaries from the Company	-	-	292,351	-	-	-	-	-	-	-	-	(5,333,406)	(5,333,406)
Partial disposal of interests in subsidiaries and additional acquisition of majority-owned subsidiaries	-	-	7,197,510	-	-	-	-	-	-	-	-	-	7,197,510
Changes in percentage of ownership interest in subsidiaries	-	-	(564,344)	-	-	-	-	-	-	-	-	-	(564,344)
Issue of ordinary shares under employee share options	48,703	470,481	604,352	-	-	-	-	-	-	-	-	-	1,074,833
BALANCE AT DECEMBER 31, 2015	7,910,428	\$ 79,185,660	\$ 23,757,099	\$ 12,649,145	\$ 3,353,938	\$ 40,180,986	\$ 56,184,069	\$ 4,493,570	\$ 588,119	\$ -	\$ 5,081,689	(\$ 7,292,513)	\$ 156,916,004

# ADVANCED SEMICONDUCTOR ENGINEERING, INC.

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	2015	2014 (Adjusted)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 22,433,352	\$ 26,161,126
Adjustments for:		
Depreciation expense	14,630,862	12,667,954
Amortization expense	139,065	109,809
Net gain on fair value change of financial assets and liabilities at fair value through profit or loss	( 2,089,130)	( 1,735,649)
Interest expenses	1,136,748	992,542
Compensation cost of employee share options	89,768	82,408
Share of profit of subsidiaries, associates and joint venture	( 8,533,407)	( 8,761,700)
Impairment loss recognized on non-financial assets	374,201	335,797
Others	1,014,001	1,414,695
Changes in operating assets and liabilities		
Financial assets held for trading	3,407,552	889,176
Trade receivables	2,443,202	( 4,412,063)
Trade receivables from related parties	2,800,618	( 2,663,772)
Other receivables	14,924	( 419,790)
Other receivables from related parties	( 27,049)	( 2,856)
Inventories	279,328	( 851,607)
Other current assets	( 47,362)	( 230,071)
Financial liabilities held for trading	( 1,047,740)	( 258,775)
Trade payables	( 164,380)	726,175
Trade payables to related parties	( 313,539)	148,849
Other payables	( 1,239,689)	1,865,052
Other payables to related parties	9,176	312,412
Other current liabilities	44,553	52,772
Net defined benefit liabilities	( 88,872)	( 108,298)
	35,266,182	26,314,186
Dividend received	456,044	87,030
Interest paid	( 709,474)	( 644,433)
Income tax paid	( 1,903,810)	( 706,640)
Net cash generated from operating activities	<u>33,108,942</u>	<u>25,050,143</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets designated as at fair value through profit or loss	( 22,059,285)	( 25,266,850)
Proceeds from disposal of financial assets designated as at fair value through profit or loss	22,404,777	25,430,954
Purchase of available-for-sale financial assets	( 1,322)	( 1,941,283)
Proceeds on sale of available-for-sale financial assets	433,165	3,809,325
Acquisition of equity method investments	( 35,673,097)	( 100,000)
Payments for property, plant and equipment	( 18,106,610)	( 25,859,051)

(Continued)

## ADVANCED SEMICONDUCTOR ENGINEERING, INC.

### PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	2015	2014 (Adjusted)
Proceeds from disposal of property, plant and equipment	\$ 114,976	\$ 187,058
Payments for intangible assets	( 308,562)	( 202,242)
Other investing activities	<u>( 18,842)</u>	<u>( 282,825)</u>
Net cash used in investing activities	<u>( 53,214,800)</u>	<u>( 24,224,914)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net repayment of short-term borrowings	( 404,268)	( 85,683)
Proceeds from commercial papers and bank acceptances payable	4,347,406	-
Proceeds from issue of convertible bonds	6,136,425	-
Proceeds from long-term borrowings	36,638,397	28,718,192
Repayments of long-term borrowings	( 19,237,092)	( 36,739,806)
Increase in other payables to related parties	9,431,152	12,273,225
Dividends paid	( 15,589,825)	( 10,156,005)
Payments for acquisition of treasury shares	( 5,333,406)	-
Proceeds from exercise of employee share options	1,003,789	1,458,088
Other financing activities	<u>392,109</u>	<u>2,009</u>
Net cash generated (used in) from financing activities	<u>17,384,687</u>	<u>( 4,529,980)</u>
NET DECREASE IN CASH	( 2,721,171)	( 3,704,751)
CASH, AT THE BEGINNING OF THE YEAR	<u>11,254,517</u>	<u>14,959,268</u>
CASH, AT THE END OF THE YEAR	<u>\$ 8,533,346</u>	<u>\$ 11,254,517</u> (Concluded)

**Advanced Semiconductor Engineering, Inc.**

**Guidelines for Issuance and Conversion of Privately Offered Foreign Non-guaranteed Convertible Corporate Bonds (tentative)**

A. Total issue

The maximum amount for corporate bond issue of ASE is US\$●. The par value is US\$●, issued at par value.

B. Issuance duration

The issuance duration is ● years.

C. Coupon rate

Annual coupon rate 0%-5%.

D. Date and method of return of principle

Except for conversion or resale by the bond holders or premature recall or buyback and cancellation by ASE, ASE will repay the face value of the bonds, or with interest compensation in a cash lump sum, to the bond holders upon the maturity of the bonds.

E. Issuance method

This private offering of foreign convertible corporate bonds will be issued outside the Republic of China and processed according to the laws and regulations of the country of sale and common international practice.

F. Price and method of conversion

The conversion price may not fall below the simple arithmetic mean of the share's closing price on the TWSE on the date the issue price is set and its closing price one, three or five days prior to the price-setting date after deducting distribution of stock dividends and adding 80% of reversed dividends for capital reduction or 80% of the simple arithmetic mean of the share's closing price over the thirty business days preceding the price-setting date after deducting distribution of stock dividends and interests and adding reversed dividends for capital reduction. For the actual issue price, the shareholders meeting will be requested to grant the Board of Directors the authority to set the price according to the law.

After the bond has been issued, the conversion price will be adjusted when the number of ASE's outstanding (or privately offered) common shares increases (including but not limited to capital increase by public or private offerings for cash, by surplus, and by capital reserve, corporate mergers or acceptance of new shares issued by other companies, stock splits and cash capital increase through GDRs), cash dividends are distributed, conversion or subscription of reissue (or private offering) is made below the share price for securities with



option to convert to or subscribe common shares is below the market price or subscription price, or the number of common shares falls due to capital reduction by cancellation of treasury shares.

With the exception of the statutory period in which ownership may not be transferred, a bond holder may request to have his bonds converted to common shares in ASE at any time after ● months from the issue date and prior to ten days before the maturity.

G. ASE's right to reclaim the bonds

ASE may choose not to include a right to reclaim or buy back the outstanding bonds in cash at par value or with interest in one of the following circumstances.

1. If the amount of the outstanding bonds falls below 10% of the total amount of the original issue after one year from the issue date and prior to 40 days before the maturity.
2. If the closing price of ASE's common shares on the TWSE exceeds the current conversion price by 130% or more for 30 consecutive business days after one year from the issue date and prior to 40 days before the maturity.

H. The bond holder's resale right:

ASE may choose not to include a resale right or a bond holder may request that ASE buys back the bonds at the full or partial price calculated at an annual yield of ●% after ● months from the issue date.

I. Public offering for shares converted from the corporate bonds

The shares converted from the corporate bonds may be filed with the Financial Supervisory Commission for a public offering after three years from the corporate bonds' delivery date, and an application may be submitted to the TWSE for trading on the stock exchange.

J. Applicable laws

The issuance, administration, and disposal of the corporate bonds shall be subject to the laws of [the State of New York]. However, the approval for issuance and exercise of conversion rights for the corporate bonds shall be conducted according to the laws of the Republic of China and shall be subject to the restrictions under the laws of the Republic of China.

K. Sale restrictions

The corporate bonds may not be offered, sold, or delivered in the Republic of China. The corporate bonds shall be sold according to the laws of the country of sale outside of the Republic of China.

L. Taxes

1. Withholding tax: According to the existing tax laws, a 15% tax shall be withheld on interests and returns (if any) on the corporate bonds held by profit making organizations

without fixed business addresses in the Republic of China or individuals who do not reside in the Republic of China.

2. Securities transactions tax: Investors shall be subject to a securities transactions tax at 0.3% of the total amount when selling shares.
3. Capital gains tax for securities: When selling shares, investors must calculate, file, and pay the capital gains tax and the income basic tax by following the Income Tax Act and the Income Basic Tax Act. Foreign individuals may be exempted from capital gains taxes; foreign corporate entities may be exempted from capital gains taxes, but those with fixed business addresses in the Republic of China or business agents shall calculate whether they have to pay income basic taxes.

The aforementioned withholding tax, securities transactions tax, and capital gains tax are described according to the current rules, and shall be subject to changes in the future if the tax laws in the Republic of China change.

## Advanced Semiconductor Engineering, Inc.

### Table of Comparison of the Revised Rules Governing the Election of Directors

Original Provisions	Provisions after Revision
<p>Article 2: The election of ASE's directors may be carried out by shareholders via electronic voting.</p> <p>When conducting the election of ASE's directors, in addition to electronic voting, shareholders may also use the ballots prepared by the Board of Directors and printed with their attendance pass serial numbers and the number of votes represented.</p> <p>In the election described in the preceding paragraph, the name of a voter on the ballot may be replaced by the attendance pass serial number.</p> <p>In the process of electing ASE's directors, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. The election of independent directors and the election of non-independent directors shall be conducted at the same time, and the number of winners calculated separately.</p>	<p>Article 2: The Company shall elect directors by a <u>candidate nomination system</u>, and <u>the voting</u> shareholders may adopt an electronic voting approach.</p> <p>When conducting the election of ASE's directors, in addition to electronic voting, shareholders may also use the ballots prepared by the Board of Directors and printed with their attendance pass serial numbers and the number of votes represented.</p> <p>In the election described in the preceding paragraph, the name of a voter on the ballot may be replaced by the attendance pass serial number.</p> <p>In the process of electing ASE's directors, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. The election of independent directors and the election of non-independent directors shall be conducted at the same time, and the number of winners calculated separately.</p>
<p>Article 6: A ballot with one of the following conditions is invalid: 1. It is not a ballot specified under these Rules. 2. It is not placed in the ballot box or a blank ballot. 3. It is illegible. 4. The name on the account and account number provided on the ballot disagree with those shown in the shareholders' roster if the candidate is a shareholder; the name and National ID number provided on the ballot are verified to be invalid if the candidate is not a shareholder.</p> <p>5. There is additional information than the name on the account (name) or account number (National ID number) of the candidate and the assigned voting rights.</p> <p>6. The name on the account (name) or account number</p>	<p>Article 6: A ballot with one of the following conditions is invalid: 1. It is not a ballot specified under these Rules. 2. It is not placed in the ballot box or a blank ballot. 3. It is illegible. 4. <u>The name provided on the ballot is not the name of the director listed as a candidate</u>; name on the account and account number provided on the ballot disagree with those shown in the shareholders' roster if the candidate is a shareholder; the name and National ID number provided on the ballot are verified to be invalid if the candidate is not a shareholder.</p> <p>5. There is additional information than the name on the account (name) or account number (National ID number) of the candidate and the assigned voting rights.</p> <p>6. The name on the account (name) or account number</p>

<b>Original Provisions</b>	<b>Provisions after Revision</b>
(National ID number) of the candidate is not provided. 7. Information of two candidates or more is provided on the same ballot.	(National ID number) of the candidate is not provided. 7. Information of two candidates or more is provided on the same ballot.