

**Advanced Semiconductor Engineering,
Inc. and Subsidiaries**

**Consolidated Financial Statements for the
Three months Ended March 31, 2016 and 2015 and
Independent Accountants' Review Report**

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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

We have reviewed the accompanying consolidated balance sheets of Advanced Semiconductor Engineering, Inc. and its subsidiaries (collectively the "Group") as of March 31, 2016 and 2015, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2016 and 2015. These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews. The financial statements of Siliconware Precision Industries Co., Ltd. ("SPIL"), an investee which was accounted for using the equity method in the Group's consolidated financial statements, as of March 31, 2016 and for the three months then ended were reviewed by other independent accountants and our review, insofar as it relates to the amounts and information disclosed, is based solely on the report of the other independent accountants. The accompanying consolidated financial statements of the Group include its investments accounted for using the equity method in SPIL of NT\$49,143,429 thousand, representing 14% of the Group's total assets, as of March 31, 2016, and its share of comprehensive income of SPIL of NT\$424,064 thousand, representing 15% of the Group's total comprehensive income, for the three months ended March 31, 2016.

We conducted our reviews in accordance with Statement of Auditing Standards No. 36, "Review of Financial Statements" issued by the Auditing Standards Committee of the Accounting Research and Development Foundation of the Republic of China. A review consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China, the objective of which is the expression of an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

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

Deloitte & Touche

May 13, 2016

Notice to Readers

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

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

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2016 (Reviewed)		December 31, 2015 (Audited)		March 31, 2015 (Reviewed)	
	NT\$	%	NT\$	%	NT\$	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 4 and 6)	\$ 45,070,041	13	\$ 55,251,181	15	\$ 49,414,436	15
Financial assets at fair value through profit or loss - current (Notes 4, 5 and 7)	3,101,175	1	3,833,701	1	4,530,291	2
Available-for-sale financial assets - current (Notes 4 and 8)	869,832	-	30,344	-	979,247	-
Trade receivables, net (Notes 4 and 9)	40,527,541	11	44,931,487	13	43,009,481	13
Other receivables (Note 4)	516,626	-	429,541	-	515,914	-
Current tax assets (Note 4)	209,753	-	168,717	-	95,998	-
Inventories (Notes 4, 5 and 10)	19,408,005	6	23,258,279	6	23,450,499	7
Inventories related to real estate business (Notes 4, 5, 11, 22 and 32)	24,816,142	7	25,713,538	7	24,154,597	8
Other financial assets - current (Notes 4 and 32)	387,329	-	301,999	-	653,430	-
Other current assets	2,096,727	1	2,814,053	1	2,802,354	1
Total current assets	<u>137,003,171</u>	<u>39</u>	<u>156,732,840</u>	<u>43</u>	<u>149,606,247</u>	<u>46</u>
NON-CURRENT ASSETS						
Available-for-sale financial assets - non-current (Notes 4 and 8)	870,010	-	924,362	-	885,778	-
Investments accounted for using the equity method (Notes 4 and 12)	51,114,950	14	37,422,909	10	1,589,231	1
Property, plant and equipment (Notes 4, 5, 13, 22 and 33)	147,233,740	41	149,997,075	41	150,055,369	47
Goodwill (Notes 4, 5 and 14)	10,472,752	3	10,506,519	3	10,426,821	3
Other intangible assets (Notes 4, 5, 15 and 22)	1,388,102	-	1,382,093	-	1,487,676	1
Deferred tax assets (Notes 4, 5 and 23)	5,189,985	2	5,156,515	2	4,612,250	1
Other financial assets - non-current (Notes 4 and 32)	354,938	-	345,672	-	364,520	-
Long-term prepayments for lease (Note 16)	2,457,885	1	2,556,156	1	2,519,823	1
Other non-current assets	404,698	-	263,416	-	941,817	-
Total non-current assets	<u>219,487,060</u>	<u>61</u>	<u>208,554,717</u>	<u>57</u>	<u>172,883,285</u>	<u>54</u>
TOTAL	<u>\$ 356,490,231</u>	<u>100</u>	<u>\$ 365,287,557</u>	<u>100</u>	<u>\$ 322,489,532</u>	<u>100</u>

(Continued)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	March 31, 2016 (Reviewed)		December 31, 2015 (Audited)		March 31, 2015 (Reviewed)	
	NT\$	%	NT\$	%	NT\$	%
CURRENT LIABILITIES						
Short-term borrowings (Note 17)	\$ 28,306,679	8	\$ 32,635,321	9	\$ 36,660,840	11
Short-term bills payable (Note 17)	5,847,605	2	4,348,054	1	-	-
Financial liabilities at fair value through profit or loss - current (Notes 4, 5 and 7)	3,304,190	1	3,005,726	1	3,701,350	1
Trade payables	28,906,657	8	34,138,564	9	31,705,893	10
Other payables (Note 19)	18,625,268	5	19,194,818	5	19,935,228	6
Current tax liabilities (Note 4)	5,195,595	2	4,551,785	1	4,552,116	2
Advance real estate receipts (Note 4)	262,574	-	2,703,706	1	863,767	-
Current portion of bonds payable (Notes 4 and 18)	14,481,680	4	14,685,866	4	-	-
Current portion of long-term borrowings (Notes 17 and 32)	1,352,658	-	2,057,465	1	1,147,234	-
Other current liabilities	3,146,032	1	3,180,767	1	2,190,160	1
Total current liabilities	109,428,938	31	120,502,072	33	100,756,588	31
NON-CURRENT LIABILITIES						
Bonds payable (Notes 4 and 18)	32,582,103	9	23,740,384	7	31,092,655	10
Long-term borrowings (Notes 17 and 32)	35,787,612	10	42,493,668	12	24,750,020	8
Deferred tax liabilities (Notes 4, 5 and 23)	4,745,782	1	4,987,549	1	4,021,104	1
Net defined benefit liabilities (Notes 4, 5 and 20)	4,150,079	1	4,072,493	1	4,413,761	1
Other non-current liabilities	1,058,315	-	1,071,509	-	807,333	-
Total non-current liabilities	78,323,891	21	76,365,603	21	65,084,873	20
Total liabilities	187,752,829	52	196,867,675	54	165,841,461	51
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 21)						
Share capital						
Ordinary shares	79,097,419	22	79,029,290	22	78,604,915	24
Shares subscribed in advance	181,710	-	156,370	-	583,035	-
Total share capital	79,279,129	22	79,185,660	22	79,187,950	24
Capital surplus	21,956,413	6	23,757,099	7	16,094,169	5
Retained earnings						
Legal reserve	12,649,145	4	12,649,145	3	10,289,878	3
Special reserve	3,353,938	1	3,353,938	1	3,353,938	1
Unappropriated earnings	44,338,579	13	40,180,986	11	43,206,623	14
Total retained earnings	60,341,662	18	56,184,069	15	56,850,439	18
Accumulated other comprehensive income	3,731,923	1	5,081,689	1	3,489,285	1
Treasury shares	(7,292,513)	(2)	(7,292,513)	(2)	(7,292,513)	(2)
Equity attributable to owners of the Company	158,016,614	45	156,916,004	43	148,329,330	46
NON-CONTROLLING INTERESTS (Notes 4 and 21)						
	10,720,788	3	11,503,878	3	8,318,741	3
Total equity	168,737,402	48	168,419,882	46	156,648,071	49
TOTAL	\$ 356,490,231	100	\$ 365,287,557	100	\$ 322,489,532	100

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

(With Deloitte & Touche review report dated May 13, 2016)

(Concluded)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars Except Earnings Per Share)

(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2016		2015	
	NT\$	%	NT\$	%
OPERATING REVENUES (Note 4)	\$ 62,371,082	100	\$ 64,662,158	100
OPERATING COSTS (Notes 10, 20 and 22)	<u>50,921,801</u>	<u>82</u>	<u>52,348,743</u>	<u>81</u>
GROSS PROFIT	<u>11,449,281</u>	<u>18</u>	<u>12,313,415</u>	<u>19</u>
OPERATING EXPENSES (Notes 20 and 22)				
Selling and marketing expenses	875,642	1	879,419	2
General and administrative expenses	2,759,085	5	2,594,411	4
Research and development expenses	<u>2,608,525</u>	<u>4</u>	<u>2,547,317</u>	<u>4</u>
Total operating expenses	<u>6,243,252</u>	<u>10</u>	<u>6,021,147</u>	<u>10</u>
PROFIT FROM OPERATIONS	<u>5,206,029</u>	<u>8</u>	<u>6,292,268</u>	<u>9</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 22)	166,191	-	178,708	-
Other gains and losses (Note 22)	509,989	1	(385,776)	-
Finance costs (Note 22)	(611,304)	(1)	(582,388)	(1)
Share of profit of associates and joint ventures (Note 4)	<u>384,934</u>	<u>1</u>	<u>3,804</u>	<u>-</u>
Total non-operating income and expenses	<u>449,810</u>	<u>1</u>	<u>(785,652)</u>	<u>(1)</u>
PROFIT BEFORE INCOME TAX EXPENSE	5,655,839	9	5,506,616	8
INCOME TAX EXPENSE (Notes 4, 5 and 23)	<u>1,318,243</u>	<u>2</u>	<u>856,180</u>	<u>1</u>
NET PROFIT FOR THE PERIOD	<u>4,337,596</u>	<u>7</u>	<u>4,650,436</u>	<u>7</u>

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ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars Except Earnings Per Share)

(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2016		2015	
	NT\$	%	NT\$	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	\$ (1,469,320)	(2)	\$ (1,715,519)	(2)
Unrealized loss on available-for-sale financial assets	(23,450)	-	(54,710)	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	10,739	-	92,987	-
	<u>(1,482,031)</u>	<u>(2)</u>	<u>(1,677,242)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 2,855,565</u>	<u>5</u>	<u>\$ 2,973,194</u>	<u>5</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 4,163,477	7	\$ 4,469,201	7
Non-controlling interests	174,119	-	181,235	-
	<u>\$ 4,337,596</u>	<u>7</u>	<u>\$ 4,650,436</u>	<u>7</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 2,813,711	5	\$ 2,889,947	5
Non-controlling interests	41,854	-	83,247	-
	<u>\$ 2,855,565</u>	<u>5</u>	<u>\$ 2,973,194</u>	<u>5</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 0.54</u>		<u>\$ 0.58</u>	
Diluted	<u>\$ 0.43</u>		<u>\$ 0.56</u>	

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

(With Deloitte & Touche review report dated May 13, 2016)

(Concluded)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company							Accumulated Other Comprehensive Income			Treasury Shares	Total	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	Total				
	Shares (In Thousands)	Amounts		Legal Reserve	Special Reserve	Unappropriated Earnings	Total							
BALANCE AT JANUARY 1, 2015	7,861,725	\$ 78,715,179	\$ 16,013,058	\$ 10,289,878	\$ 3,353,938	\$ 38,737,422	\$ 52,381,238	\$ 4,541,761	\$ 526,778	\$ 5,068,539	\$ (1,959,107)	\$ 150,218,907	\$ 8,219,098	\$ 158,438,005
Profit for the three months ended March 31, 2015	-	-	-	-	-	4,469,201	4,469,201	-	-	-	-	4,469,201	181,235	4,650,436
Other comprehensive income (loss) for the three months ended March 31, 2015, net of income tax	-	-	-	-	-	-	-	(1,617,364)	38,110	(1,579,254)	-	(1,579,254)	(97,988)	(1,677,242)
Total comprehensive income for the three months ended March 31, 2015	-	-	-	-	-	4,469,201	4,469,201	(1,617,364)	38,110	(1,579,254)	-	2,889,947	83,247	2,973,194
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	-	(5,333,406)	(5,333,406)	-	(5,333,406)
Issue of ordinary shares under employee share options	27,218	472,771	81,111	-	-	-	-	-	-	-	-	553,882	-	553,882
Additional non-controlling interest arising on issue of employee share options by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	16,396	16,396
BALANCE AT MARCH 31, 2015	7,888,943	\$ 79,187,950	\$ 16,094,169	\$ 10,289,878	\$ 3,353,938	\$ 43,206,623	\$ 56,850,439	\$ 2,924,397	\$ 564,888	\$ 3,489,285	\$ (7,292,513)	\$ 148,329,330	\$ 8,318,741	\$ 156,648,071
BALANCE AT JANUARY 1, 2016	7,910,428	\$ 79,185,660	\$ 23,757,099	\$ 12,649,145	\$ 3,353,938	\$ 40,180,986	\$ 56,184,069	\$ 4,493,570	\$ 588,119	\$ 5,081,689	\$ (7,292,513)	\$ 156,916,004	\$ 11,503,878	\$ 168,419,882
Profit for the three months ended March 31, 2016	-	-	-	-	-	4,163,477	4,163,477	-	-	-	-	4,163,477	174,119	4,337,596
Other comprehensive income (loss) for the three months ended March 31, 2016, net of income tax	-	-	-	-	-	-	-	(1,378,609)	28,843	(1,349,766)	-	(1,349,766)	(132,265)	(1,482,031)
Total comprehensive income (loss) for the three months ended March 31, 2016	-	-	-	-	-	4,163,477	4,163,477	(1,378,609)	28,843	(1,349,766)	-	2,813,711	41,854	2,855,565
Actual disposal or acquisition of interest in subsidiaries (Note 26)	-	-	(20,552)	-	-	(5,884)	(5,884)	-	-	-	-	(26,436)	26,436	-
Changes in percentage of ownership interest in subsidiaries (Note 26)	-	-	(1,912,887)	-	-	-	-	-	-	-	-	(1,912,887)	(912,886)	(2,825,773)
Issue of ordinary shares under employee share options	8,014	93,469	132,753	-	-	-	-	-	-	-	-	226,222	-	226,222
Additional non-controlling interest arising on issue of employee share options by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	61,506	61,506
BALANCE AT MARCH 31, 2016	7,918,442	\$ 79,279,129	\$ 21,956,413	\$ 12,649,145	\$ 3,353,938	\$ 44,338,579	\$ 60,341,662	\$ 3,114,961	\$ 616,962	\$ 3,731,923	\$ (7,292,513)	\$ 158,016,614	\$ 10,720,788	\$ 168,737,402

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

(With Deloitte & Touche review report dated May 13, 2016)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the three months Ended March 31	
	2016	2015
	NT\$	NT\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 5,655,839	\$ 5,506,616
Adjustments for:		
Depreciation expense	7,240,736	7,256,998
Amortization expense	109,229	135,828
Net loss on fair value change of financial assets and liabilities at fair value through profit or loss	360,444	968,918
Interest expense	593,318	577,332
Interest income	(66,383)	(51,305)
Dividend income	(5,351)	(65,750)
Compensation cost of employee share options	120,617	12,875
Share of profit of associates and joint ventures	(384,934)	(3,804)
Impairment loss recognized on financial assets	-	12,540
Reversal of impairment loss recognized on financial assets	(17,912)	-
Impairment loss recognized on non-financial assets	68,823	-
Reversal of impairment loss recognized on non -financial assets	-	(216,787)
Net gain on foreign currency exchange	(576,642)	(387,455)
Others	105,493	311,511
Changes in operating assets and liabilities		
Financial assets held for trading	1,270,870	535,510
Trade receivables	4,421,645	9,899,771
Other receivables	(70,275)	411
Inventories	4,754,263	(3,183,220)
Other current assets	691,970	528,999
Financial liabilities held for trading	(675,320)	(166,653)
Trade payables	(5,231,907)	(3,705,388)
Other payables	(609,591)	(1,417,585)
Advance real estate receipts	(2,441,132)	383,442
Other current liabilities	94,840	(76,800)
Other operating activities items	66,068	184,121
	<u>15,474,708</u>	<u>17,040,125</u>
Interest received	51,685	52,766
Dividend received	5,351	65,750
Interest paid	(514,051)	(559,232)
Income tax paid	<u>(1,004,825)</u>	<u>(573,431)</u>
Net cash generated from operating activities	<u>14,012,868</u>	<u>16,025,978</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets designated as at fair value through profit or loss	(19,277,821)	(31,598,532)
Proceeds on sale of financial assets designated as at fair value through profit or loss	19,330,233	31,595,385

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ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	NT\$	NT\$
Purchase of available-for-sale financial assets	\$ (856,678)	\$ (149,279)
Proceeds on sale of available-for-sale financial assets	16,035	700,404
Cash received from return of capital by available-for-sale financial assets	25,122	-
Acquisition of associates and joint ventures	(13,296,307)	-
Payments for property, plant and equipment	(5,106,310)	(7,762,448)
Proceeds from disposal of property, plant and equipment	34,917	31,255
Payments for intangible assets	(119,979)	(162,975)
Increase in other financial assets	(94,596)	(12,013)
Increase in other non-current assets	<u>(128,121)</u>	<u>(32,942)</u>
Net cash used in investing activities	<u>(19,473,505)</u>	<u>(7,391,145)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of short-term borrowings	(4,080,018)	(4,041,624)
Proceeds from short-term bills payable	1,499,551	-
Proceeds from issue of bonds	9,000,000	-
Proceeds from long-term borrowings	12,131,345	5,005,910
Repayment of long-term borrowings	(19,093,748)	(5,803,317)
Proceeds from exercise of employee share options	167,111	557,403
Payments for acquisition of treasury shares	-	(5,333,406)
Decrease in non-controlling interests	(2,825,773)	-
Other financing activities items	<u>(101,272)</u>	<u>(3,136)</u>
Net cash used in financing activities	<u>(3,302,804)</u>	<u>(9,618,170)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS		
	<u>(1,417,699)</u>	<u>(1,296,637)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		
	(10,181,140)	(2,279,974)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		
	<u>55,251,181</u>	<u>51,694,410</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
	<u>\$ 45,070,041</u>	<u>\$ 49,414,436</u>

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

(With Deloitte & Touche review report dated May 13, 2016)

(Concluded)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015 (Amounts in Thousands, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were authorized for issue by the board of directors on May 13, 2016.

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

- a. The International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) in issue but not yet endorsed by the Financial Supervisory Commission of the Republic of China (“FSC”).

The Group have not applied the following IFRS, IAS, IFRIC and SIC (collectively, the “IFRSs”) issued by the International Accounting Standards Board (IASB) but not yet endorsed by the FSC.

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

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

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

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

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

1) IFRS 9 “Financial Instruments”

Recognition and measurement of financial assets

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

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

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

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

The impairment of financial assets

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

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

Hedge accounting

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

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

The amendment clarifies that the recoverable amount of an asset or a cash-generating unit is disclosed only when an impairment loss on the asset has been recognized or reversed during the period. Furthermore, if the recoverable amount of an item of property, plant and equipment for which impairment loss has been recognized or reversed is fair value less costs of disposal, the Group is required to disclose the fair value hierarchy. If the fair value measurements are categorized within Level 2 or Level 3, the valuation technique and key assumptions used to measure the fair value are disclosed. The discount rate used is disclosed if such fair value less costs of disposal is measured by using present value technique.

3) IFRS 15 “Revenue from Contracts with Customers” and related amendment

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

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

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

In identifying performance obligations, IFRS 15 and related amendment require that a good or service is distinct if it is capable of being distinct (for example, the Group regularly sells it separately) and the promise to transfer it is distinct within the context of the contract (i.e. the nature of the promise in the contract is to transfer each of those goods or services individually rather than to transfer combined items).

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

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

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

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

5) IFRS 16 “Leases”

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

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

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

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual financial statements.

b. Basis of Consolidation

Subsidiaries included in these interim consolidated financial statements were as follows:

Name of Investee	Main Businesses	Establishment and Operating Location	Percentage of Ownership (%)		
			March 31, 2016	December 31, 2015	March 31, 2015
A.S.E. Holding Limited	Holding company	Bermuda	100.0	100.0	100.0
J & R Holding Limited (“J&R Holding”)	Holding company	Bermuda	100.0	100.0	100.0
Innosource Limited	Holding company	British Virgin Islands	100.0	100.0	100.0
Omniquet Industrial Limited	Holding company	British Virgin Islands	100.0	100.0	100.0
ASE Marketing & Service Japan Co., Ltd.	Engaged in marketing and sales services	Japan	100.0	100.0	100.0
ASE Test, Inc.	Engaged in the testing of semiconductors	Kaohsiung, ROC	100.0	100.0	100.0
USI Inc. (“USIINC”)	Engaged in the manufacturing, processing and sale of computers, computer peripherals and related accessories	Nantou, ROC	99.2	99.2	-
Luchu Development Corporation	Engaged in the development of real estate properties	Taipei, ROC	86.1	86.1	86.1
Alto Enterprises Limited	Holding company	British Virgin Islands	100.0	100.0	100.0
Super Zone Holdings Limited	Holding company	Hong Kong	100.0	100.0	100.0
ASE (Kun Shan) Inc.	Engaged in the packaging and testing of semiconductors	Kun Shan, China	100.0	100.0	100.0
ASE Investment (Kun Shan) Limited	Holding company	Kun Shan, China	100.0	100.0	100.0
Advanced Semiconductor Engineering (China) Ltd.	Will engage in the packaging and testing of semiconductors	Shanghai, China	100.0	100.0	100.0
ASE Investment (Labuan) Inc.	Holding company	Malaysia	100.0	100.0	100.0
ASE Test Limited (“ASE Test”)	Holding company	Singapore	100.0	100.0	100.0
ASE (Korea) Inc.	Engaged in the packaging and testing of semiconductors	Korea	100.0	100.0	100.0
J&R Industrial Inc.	Engaged in leasing equipment and investing activity	Kaohsiung, ROC	100.0	100.0	100.0
ASE Japan Co., Ltd.	Engaged in the packaging and testing of semiconductors	Japan	100.0	100.0	100.0
ASE (U.S.) Inc.	After-sales service and sales support	U.S.A.	100.0	100.0	100.0
Global Advanced Packaging Technology Limited	Holding company	British Cayman Islands	100.0	100.0	100.0
ASE WeiHai Inc.	Engaged in the packaging and testing of semiconductors	Shandong, China	100.0	100.0	100.0
Suzhou ASEN Semiconductors Co., Ltd.	Engaged in the packaging and testing of semiconductors	Suzhou, China	60.0	60.0	60.0
Anstock Limited	Engaged in financing activity	British Cayman Islands	100.0	100.0	100.0
Anstock II Limited	Engaged in financing activity	British Cayman Islands	100.0	100.0	100.0
ASE Module (Shanghai) Inc.	Will engage in the production and sale of electronic components and printed circuit boards	Shanghai, China	100.0	100.0	100.0
ASE (Shanghai) Inc.	Engaged in the production of substrates	Shanghai, China	100.0	100.0	100.0
ASE Corporation	Holding company	British Cayman Islands	100.0	100.0	100.0
ASE Mauritius Inc.	Holding company	Mauritius	100.0	100.0	100.0
ASE Labuan Inc.	Holding company	Malaysia	100.0	100.0	100.0
Shanghai Ding Hui Real Estate Development Co., Ltd.	Engaged in the development, construction and sale of real estate properties	Shanghai, China	100.0	100.0	100.0
Shanghai Ding Qi Property Management Co., Ltd.	Engaged in the management of real estate properties and was established in January 2015	Shanghai, China	100.0	100.0	100.0
Advanced Semiconductor Engineering (HK) Limited	Engaged in the trading of substrates	Hong Kong	100.0	100.0	100.0
Shanghai Ding Wei Real Estate Development Co., Ltd.	Engaged in the development, construction and leasing of real estate properties	Shanghai, China	100.0	100.0	100.0
Shanghai Ding Yu Real Estate Development Co., Ltd.	Engaged in the development, construction and leasing of real estate properties	Shanghai, China	100.0	100.0	100.0
Kun Shan Ding Yue Real Estate Development Co., Ltd.	Engaged in the development, construction and leasing of real estate properties	Kun Shan, China	100.0	100.0	100.0
Kun Shan Ding Hong Real Estate Development Co., Ltd.	Engaged in the development, construction and leasing of real estate properties	Kun Shan, China	100.0	100.0	100.0
ASE Electronics Inc.	Engaged in the production of substrates	Kaohsiung, ROC	100.0	100.0	100.0
ASE Test Holdings, Ltd.	Holding company	British Cayman Islands	100.0	100.0	100.0

(Continued)

Name of Investee	Main Businesses	Establishment and Operating Location	Percentage of Ownership (%)		
			March 31, 2016	December 31, 2015	March 31, 2015
ASE Holdings (Singapore) Pte Ltd	Holding company	Singapore	100.0	100.0	100.0
ASE Test Finance Limited	Liquidated in July 2015	Mauritius	-	-	100.0
ASE Singapore Pte. Ltd.	Engaged in the packaging and testing of semiconductors	Singapore	100.0	100.0	100.0
ISE Labs, Inc.	Engaged in the testing of semiconductors	U.S.A.	100.0	100.0	100.0
ASE Electronics (M) Sdn. Bhd.	Engaged in the packaging and testing of semiconductors	Malaysia	100.0	100.0	100.0
ASE Assembly & Test (Shanghai) Limited	Engaged in the packaging and testing of semiconductors	Shanghai, China	100.0	100.0	100.0
ASE Trading (Shanghai) Ltd.	Engaged in trading activity	Shanghai, China	100.0	100.0	100.0
Wuxi Tongzhi Microelectronics Co., Ltd.	Engaged in the packaging and testing of semiconductors	Wuxi, China	100.0	100.0	100.0
Huntington Holdings International Co., Ltd.	Holding company	British Virgin Islands	99.2	99.2	99.2
Senetex Investment Co., Ltd.	Liquidated in December 2015	Nantou, ROC	-	-	99.2
Unitech Holdings International Co., Ltd.	Holding company	British Virgin Islands	99.2	99.2	99.2
Real Tech Holdings Limited	Holding company	British Virgin Islands	99.2	99.2	99.2
Universal ABIT Holding Co., Ltd.	In the process of liquidation	British Cayman Islands	99.2	99.2	99.2
Rising Capital Investment Limited	Holding company	British Virgin Islands	99.2	99.2	99.2
Rise Accord Limited	Holding company	British Virgin Islands	99.2	99.2	99.2
Cubuy Corporation	Liquidated in July 2015	Shanghai, China	-	-	99.2
Universal Scientific Industrial (Kunshan) Co., Ltd.	Engaged in the manufacturing and sale of computer assistance system and related peripherals	Kun Shan, China	99.2	99.2	99.2
USI Enterprise Limited (“USIE”)	Engaged in the service of investment advisory and warehousing management	Hong Kong	98.8	96.7	98.7
Universal Scientific Industrial (Shanghai) Co., Ltd. (“USISH”)	Engaged in the designing, manufacturing and sale of electronic components	Shanghai, China	77.3	75.7	82.1
Universal Global Technology Co., Limited	Holding company	Hong Kong	77.3	75.7	82.1
Universal Global Technology (Kunshan) Co., Ltd.	Engaged in the designing and manufacturing of electronic components	Kun Shan, China	77.3	75.7	82.1
Universal Global Technology (Shanghai) Co., Ltd.	Engaged in the processing and sales of computer and communication peripherals as well as business in import and export of goods and technology	Shanghai, China	77.3	75.7	82.1
Universal Global Electronics (Shanghai) Co., Ltd.	Engaged in the sale of electronic components and telecommunications equipment	Shanghai, China	77.3	75.7	82.1
Universal Global Industrial Co., Limited	Engaged in manufacturing, trading and investing activity	Hong Kong	77.3	75.7	82.1
Universal Global Scientific Industrial Co., Ltd. (“UGTW”)	Engaged in the manufacturing of components of telecomm and cars and provision of related R&D services	Nantou, ROC	77.3	75.7	82.1
USI America Inc.	Engaged in the manufacturing and processing of motherboards and wireless network communication and provision of related technical service. The name was changed from USI Manufacturing Service Inc. to USI America Inc. in May 2015	U.S.A.	77.3	75.7	82.1
Universal Scientific Industrial De Mexico S.A. De C.V.	Engaged in the assembling of motherboards and computer components	Mexico	77.3	75.7	82.1
USI Japan Co., Ltd.	Engaged in the manufacturing and sale of computer peripherals, integrated chip and other related accessories	Japan	77.3	75.7	82.1
USI@Work, Inc.	Merged into USI America Inc. in August 2015	U.S.A.	-	-	82.1
USI Electronics (Shenzhen) Co., Ltd.	Engaged in the design, manufacturing and sale of motherboards and computer peripherals	Shenzhen, China	77.3	75.7	82.1
Universal Scientific Industrial Co., Ltd. (“USI”)	Engaged in the manufacturing, processing and sale of computers, computer peripherals and related accessories	Nantou, ROC	76.5	99.0	99.2

(Concluded)

To enhance operational flexibility via structural adjustments, the board of directors of the Company's subsidiary, USI, approved to spin-off its investment business as well as capital reduction of NT\$16,012,966 thousand by reducing 1,601,297 thousand shares (a reduction ratio of 97.56%), and would transfer its investment business to USIINC, a newly established business entity. The record date of the spin-off was April 1, 2015. USI completed the registration process of capital reduction on April 17, 2015, and USIINC also completed the registration of the incorporation on the same date. Based on the consideration of the business value to be spun-off by USI, USIINC issued 1,000,000 thousand new ordinary shares to the shareholders of USI. Based on the shareholdings on the record date of the spin-off, the shareholders of USI received 609.27 shares of USIINC's ordinary share in exchange of each 1,000 shares of USI's ordinary share. After the spin-off, the Group has control over both USI and USIINC, and the spin-off did not have material impact on the financial position and business operation of the Group. Refer to Note 26 for the Group restructure in the first quarter of 2016.

c. Other significant accounting policies

The same accounting policies of these consolidated financial statements have been followed as were applied in the preparation of the Group's consolidated financial statements for the year ended December 31, 2015, except for those described below:

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2015.

6. CASH AND CASH EQUIVALENTS

	March 31, 2016	December 31, 2015	March 31, 2015
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Cash on hand	\$ 8,248	\$ 8,806	\$ 10,130
Checking accounts and demand deposits	38,810,096	50,291,823	40,787,232
Cash equivalent	<u>6,251,697</u>	<u>4,950,552</u>	<u>8,617,074</u>
	<u>\$ 45,070,041</u>	<u>\$ 55,251,181</u>	<u>\$ 49,414,436</u>

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

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2016	December 31, 2015	March 31, 2015
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
<u>Financial assets designated as at FVTPL</u>			
Structured time deposits	\$ 1,613,105	\$ 1,646,357	\$ 2,349,660
Private-placement convertible bonds	<u>100,500</u>	<u>100,500</u>	<u>100,500</u>
	<u>1,713,605</u>	<u>1,746,857</u>	<u>2,450,160</u>
<u>Financial assets held for trading</u>			
Open-end mutual funds	583,880	573,242	534,322
Swap contracts	537,947	1,452,611	1,313,588
Forward exchange contracts	231,129	18,913	182,200
Quoted shares	34,614	37,058	37,242
Repurchase agreements collateralized by bonds	-	-	12,779
Foreign currency option contracts	<u>-</u>	<u>5,020</u>	<u>-</u>
	<u>1,387,570</u>	<u>2,086,844</u>	<u>2,080,131</u>
	<u>\$ 3,101,175</u>	<u>\$ 3,833,701</u>	<u>\$ 4,530,291</u>
<u>Financial liabilities held for trading</u>			
Conversion option, redemption option and put option of convertible bonds (Note 18)	\$ 2,288,997	\$ 2,632,565	\$ 3,456,772
Swap contracts	945,445	290,176	142,815
Interest rate swap contracts	44,833	119	-
Forward exchange contracts	23,203	69,207	11,071
Foreign currency option contracts	<u>1,712</u>	<u>13,659</u>	<u>90,692</u>
	<u>\$ 3,304,190</u>	<u>\$ 3,005,726</u>	<u>\$ 3,701,350</u>

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

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

Currency	Maturity Period	Notional Amount (In Thousands)
<u>March 31, 2016</u>		
Sell NT\$/Buy US\$	2016.04-2017.03	NT\$59,900,304/US\$1,851,834
Sell US\$/Buy CNY	2016.04-2016.06	US\$116,979/CNY769,800
Sell US\$/Buy JPY	2016.05-2016.06	US\$59,785/JPY6,720,000
Sell US\$/Buy NT\$	2016.04	US\$110,650/ NT\$3,610,703
<u>December 31, 2015</u>		
Sell NT\$/Buy US\$	2016.01-2016.12	NT\$57,554,138/US\$1,802,834
Sell US\$/Buy CNY	2016.01-2016.03	US\$353,881/CNY2,255,872
Sell US\$/Buy JPY	2016.03	US\$67,125/JPY8,240,000
Sell US\$/Buy NT\$	2016.01	US\$91,750/NT\$3,005,494
<u>March 31, 2015</u>		
Sell NT\$/Buy US\$	2015.04-2016.03	NT\$52,333,193/US\$1,714,000
Sell US\$/Buy NT\$	2015.04-2015.05	US\$80,800/NT\$2,540,225
Sell US\$/Buy JPY	2015.04-2015.05	US\$73,524/JPY8,750,000
Sell US\$/Buy CNY	2015.06-2015.07	US\$80,000/CNY505,012

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

Currency	Maturity Period	Notional Amount (In Thousands)
<u>March 31, 2016</u>		
Sell NT\$ /Buy US\$	2016.06-2016.07	NT\$2,255,025/ US\$70,000
Sell CNY /Buy US\$	2016.04	CNY420,000/ US\$64,375
Sell US\$/Buy CNY	2016.04-2016.08	US\$145,000/CNY948,069
Sell US\$/Buy JPY	2016.04-2016.06	US\$21,764/JPY2,453,521
Sell US\$/Buy KRW	2016.04	US\$6,000/ KRW7,207,300
Sell US\$/Buy MYR	2016.04-2016.05	US\$9,000/MYR37,122
Sell US\$/Buy NT\$	2016.04-2016.08	US\$115,000/NT\$3,844,550
Sell US\$/Buy SGD	2016.04-2016.05	US\$9,400/SGD13,209
<u>December 31, 2015</u>		
Sell NT\$/Buy US\$	2016.02	NTD325,400/US\$10,000
Sell US\$/Buy CNY	2016.01-2016.03	US\$121,000/CNY780,252
Sell US\$/Buy JPY	2016.01	US\$14,000/JPY1,713,388
Sell US\$/Buy KRW	2016.01	US\$8,000/KRW9,420,350
Sell US\$/Buy MYR	2016.01-2016.02	US\$6,000/MYR25,525
Sell US\$/Buy NT\$	2016.01-2016.03	US\$155,000/NT\$5,088,230
Sell US\$/Buy SGD	2016.01-2016.02	US\$11,400/SGD16,079

(Continued)

Currency	Maturity Period	Notional Amount (In Thousands)
<u>March 31, 2015</u>		
Sell US\$/Buy NT\$	2015.04-2015.06	US\$250,000/NT\$7,900,770
Sell US\$/Buy CNY	2015.04-2015.06	US\$205,684/CNY1,290,079
Sell US\$/Buy MYR	2015.04-2015.05	US\$9,000/MYR33,067
Sell US\$/Buy SGD	2015.04-2015.06	US\$10,000/SGD13,605
Sell US\$/Buy JPY	2015.04-2015.05	US\$12,337/JPY1,495,176
Sell NT\$/Buy US\$	2015.04	NTD2,189,550/US\$70,000

(Concluded)

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

Currency	Maturity Period	Notional Amount (In Thousands)
<u>March 31, 2016</u>		
Buy US\$ Call/CNY Put	2016.01-2017.08 (Note)	US\$2,000/CNY13,800
Sell US\$ Put/CNY Call	2016.01-2017.08 (Note)	US\$1,000/CNY 6,900
<u>December 31, 2015</u>		
Buy US\$ Call/CNY Put	2016.01-2017.08 (Note)	US\$2,000/CNY13,800
Buy US\$ Put/CNY Call	2016.03	US\$20,000/CNY131,600
Sell US\$ Put/CNY Call	2016.01-2017.08 (Note)	US\$1,000/CNY 6,900
<u>March 31, 2015</u>		
Sell US\$ Put/NT\$ Call	2017.07 (Note)	US\$4,000/NT\$123,200
Sell US\$ Put/NT\$ Call	2017.07 (Note)	US\$4,000/NT\$122,720
Sell US\$ Put/NT\$ Call	2017.07 (Note)	US\$4,000/NT\$121,400
Sell US\$ Put/NT\$ Call	2017.07 (Note)	US\$4,000/NT\$120,200
Buy US\$ Call/NT\$ Put	2017.07 (Note)	US\$2,000/NT\$61,600
Buy US\$ Call/NT\$ Put	2017.07 (Note)	US\$2,000/NT\$61,360
Buy US\$ Call/NT\$ Put	2017.07 (Note)	US\$2,000/NT\$60,700
Buy US\$ Call/NT\$ Put	2017.07 (Note)	US\$2,000/NT\$60,100

Note: The contracts will be settled once a month and the counterparty has the right to early terminate the contracts, or the contracts will be early terminated or both parties will have no obligation to settle the contracts when the specific criteria is met. The aforementioned outstanding contracts as of March 31, 2015 were all early terminated.

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

Maturity Period	Notional Amounts (In Thousands)	Range of Interest Rates Paid	Range of Interest Rates Received
<u>March 31, 2016</u>			
2016.10	NT\$1,000,000	4.6% (Fixed)	0.0%~5.0% (Floating)
<u>December 31, 2015</u>			
2016.10	NT\$1,000,000	4.6% (Fixed)	0.0%~5.0% (Floating)

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	March 31, 2016	December 31, 2015	March 31, 2015
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Open-end mutual funds	\$ 850,687	\$ 16,037	\$ 949,599
Limited partnership	450,067	476,612	459,187
Quoted ordinary shares	215,463	197,580	229,747
Unquoted ordinary shares	208,663	249,217	214,145
Unquoted preferred shares	<u>14,962</u>	<u>15,260</u>	<u>12,347</u>
	1,739,842	954,706	1,865,025
Current	<u>869,832</u>	<u>30,344</u>	<u>979,247</u>
Non-current	<u>\$ 870,010</u>	<u>\$ 924,362</u>	<u>\$ 885,778</u>

9. TRADE RECEIVABLES, NET

	March 31, 2016	December 31, 2015	March 31, 2015
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Trade receivables	\$ 40,592,748	\$ 45,014,393	\$ 43,104,975
Less: Allowance for doubtful debts	<u>65,207</u>	<u>82,906</u>	<u>95,494</u>
Trade receivables, net	<u>\$ 40,527,541</u>	<u>\$ 44,931,487</u>	<u>\$ 43,009,481</u>

a. Trade receivables

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

As of March 31, 2016, December 31, 2015 and March 31, 2015, except that the Group's five largest customers accounted for 28%, 26% and 26% of accounts receivable, respectively, the concentration of credit risk is insignificant for the remaining accounts receivable.

Aging of receivables

	March 31, 2016	December 31, 2015	March 31, 2015
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Not past due	\$ 37,286,984	\$ 40,409,227	\$ 39,470,599
1 to 30 days	2,854,711	3,901,300	3,217,701
31 to 90 days	285,104	495,664	289,008
More than 91 days	<u>165,949</u>	<u>208,202</u>	<u>127,667</u>
Total	<u>\$ 40,592,748</u>	<u>\$ 45,014,393</u>	<u>\$ 43,104,975</u>

Aging of receivables that were past due but not impaired

	March 31, 2016	December 31, 2015	March 31, 2015
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
1 to 30 days	\$ 2,215,118	\$ 3,086,796	\$ 3,111,186
31 to 90 days	194,049	344,265	169,952
More than 91 days	<u>-</u>	<u>-</u>	<u>2,346</u>
Total	<u>\$ 2,409,167</u>	<u>\$ 3,431,061</u>	<u>\$ 3,283,484</u>

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

Movement of the allowance for doubtful trade receivables

	Impaired Individually	Impaired Collectively	Total
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Balance at January 1, 2016	\$ 39,046	\$ 43,860	\$ 82,906
Impairment losses recognized (reversed)	(23,582)	5,670	(17,912)
Effect of foreign currency exchange differences	<u>(214)</u>	<u>427</u>	<u>213</u>
Balance at March 31, 2016	<u>\$ 15,250</u>	<u>\$ 49,957</u>	<u>\$ 65,207</u>
Balance at January 1, 2015	\$ 28,305	\$ 55,840	\$ 84,145
Impairment losses recognized (reversed)	18,782	(6,242)	12,540
Amount written off as uncollectible	-	(209)	(209)
Effect of foreign currency exchange differences	<u>(502)</u>	<u>(480)</u>	<u>(982)</u>
Balance at March 31, 2015	<u>\$ 46,585</u>	<u>\$ 48,909</u>	<u>\$ 95,494</u>

b. Transfers of financial assets

Factored trade receivables of the Company were as follows:

Counterparties	Receivables Sold (In Thousands)	Amounts Collected (In Thousands)	Advances Received At Period-end (In Thousands)	Interest Rates on Advances Received (%)	Credit Line (In Thousands)
For the three months ended March 31, 2016					
Citi bank	US\$ -	US\$ 41,849	US\$ -	-	US\$ 92,000
For the three months ended March 31, 2015					
Citi bank	US\$ -	US\$ -	US\$ -	-	US\$ 92,000

Pursuant to the factoring agreement, losses from commercial disputes (such as sales returns and discounts) should be borne by the Company, while losses from credit risk should be borne by the banks. The Company also issued promissory notes to the banks for commercial disputes which remained undrawn since. The promissory notes all amounted to US\$5,000 thousand as of March 31, 2016, December 31, 2015 and March 31, 2015, respectively. As of March 31, 2016, there was no significant losses from commercial disputes in the past and the Company does not expect any significant commercial dispute losses in the foreseeable future.

10. INVENTORIES

	March 31, 2016 NT\$	December 31, 2015 NT\$	March 31, 2015 NT\$
Finished goods	\$ 5,822,321	\$ 10,012,182	\$ 7,606,145
Work in process	3,049,617	1,692,346	4,236,873
Raw materials	9,002,402	9,672,894	9,775,154
Supplies	677,936	852,251	753,171
Raw materials and supplies in transit	<u>855,729</u>	<u>1,028,606</u>	<u>1,079,156</u>
	<u>\$ 19,408,005</u>	<u>\$ 23,258,279</u>	<u>\$ 23,450,499</u>

The cost of inventories recognized as operating costs for the three months ended March 31, 2016 and 2015 were NT\$49,735,010 thousand and NT\$52,348,719 thousand, respectively, which included write-down of inventories at NT\$53,882 thousand and reversal of write-down of inventories at NT\$216,787 thousand, respectively. Previous write-downs were reversed as a result of selling of inventories.

11. INVENTORIES RELATED TO REAL ESTATE BUSINESS

	March 31, 2016 NT\$	December 31, 2015 NT\$	March 31, 2015 NT\$
Land and buildings held for sale	\$ 130,911	\$ 5,431	\$ 5,475
Construction in progress	22,933,802	23,956,678	22,397,694

(Continued)

	March 31, 2016	December 31, 2015	March 31, 2015
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Land held for construction	\$ 1,751,429	\$ 1,751,429	\$ 1,751,428
	<u>\$ 24,816,142</u>	<u>\$ 25,713,538</u>	<u>\$ 24,154,597</u>

Land and buildings held for sale located in Shanghai Zhangjiang was completed and successively sold. Construction in progress is mainly located on Caobao Road and Hutai Road in Shanghai, China and Lidu Road and Xinhong Road in Kun Shan, China. The capitalized borrowing costs for the three months ended March 31, 2016 and 2015 is disclosed in Note 22.

As of March 31, 2016, December 31, 2015 and March 31, 2015, inventories related to real estate business of NT\$13,289,653 thousand, NT\$24,837,046 thousand and NT\$23,845,869 thousand, respectively, are expected to be recovered longer than twelve months.

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

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2016	December 31, 2015	March 31, 2015
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Investments in associates	\$ 50,508,551	\$ 36,809,068	\$ 1,589,231
Investments in joint ventures	<u>606,399</u>	<u>613,841</u>	<u>-</u>
	<u>\$ 51,114,950</u>	<u>\$ 37,422,909</u>	<u>\$ 1,589,231</u>

a. Investments in associates

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

Name of Associate	Main Business	Operating Location	Carrying Amount		
			March 31, 2016	December 31, 2015	March 31, 2015
			<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Material associate					
Siliconware Precision Industries Co., Ltd. ("SPIL")	Engaged in assembly, testing and turnkey services of integrated circuits	ROC	\$ 49,143,429	\$ 35,423,058	\$ -
Associates that are not individually material					
Hung Ching Development & Construction Co. ("HC")	Engaged in the development, construction and leasing of real estate properties	ROC	1,309,503	1,313,499	1,461,631
Hung Ching Kwan Co. ("HCK")	Engaged in the leasing of real estate properties	ROC	331,359	332,444	340,796
Advanced Microelectronic Products Inc. ("AMPI")	Engaged in integrated circuit	ROC	24,409	40,216	86,953
			<u>50,808,700</u>	<u>37,109,217</u>	<u>1,889,380</u>
	Less: Deferred gain on transfer of land		<u>300,149</u>	<u>300,149</u>	<u>300,149</u>
			<u>\$ 50,508,551</u>	<u>\$ 36,809,068</u>	<u>\$ 1,589,231</u>

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

	March 31, 2016	December 31, 2015	March 31, 2015
SPIL	33.02%	24.99%	-
HC	26.22%	26.22%	26.22%
AMPI	18.24%	18.24%	18.24%
HCK	27.31%	27.31%	27.31%

- 3) In September 2015, the Company acquired 725,749 thousand ordinary shares and 10,650 thousand units of ADS (one ADS represents five ordinary shares) of SPIL at NT\$45 per ordinary share. The percentage of ownership was 24.99% and, as a result, the Company obtained significant influence over SPIL.

In December 2015, the Company's board of directors resolved to purchase additional ordinary shares (including ordinary shares represented by ADS) of SPIL up to 770,000 thousand shares, accounting for approximately 24.71% of the outstanding ordinary shares of SPIL, through a tender offer for a consideration of NT\$55 per ordinary share and NT\$275 per ADS. As of March 17, 2016, as the Fair Trade Commission of the ROC had not yet approved the combination between the Company and SPIL, the condition to complete the tender offer was not satisfied.

In March 2016, the Company acquired 201,548 thousand ordinary shares and 9,690 thousand units of ADS of SPIL with a total consideration of NT\$13,296,307 thousand paid in cash and the percentage of ownership increased from 24.99% to 33.02%. As of March 31, 2016, the Company has not completed the calculation of the difference between the cost of the investment and the Company's share of the net fair value of SPIL's identifiable assets and liabilities.

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

	March 31, 2016	December 31, 2015	March 31, 2015
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
SPIL	<u>\$ 53,508,000</u>	<u>\$ 40,741,700</u>	<u>\$ -</u>
HC	<u>\$ 1,245,631</u>	<u>\$ 1,149,549</u>	<u>\$ 1,564,759</u>
AMPI	<u>\$ 105,255</u>	<u>\$ 104,255</u>	<u>\$ 146,557</u>

- 5) Summarized financial information in respect of the Group's material associate

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

	<u>March 31, 2016</u>
	NT\$
Current assets	\$ 46,930,177
Non-current assets	75,925,108
Current liabilities	(30,483,889)
Non-current liabilities	<u>(19,962,892)</u>
Equity	<u>\$ 72,408,504</u>

(Continued)

	<u>March 31, 2016</u> NT\$
Proportion of the Group's ownership interest in SPIL	33.02%
Net assets attributable to the Group	\$ 23,909,288
The difference between investment cost and net assets	<u>25,234,141</u>
Carrying amount of the Group's ownership interest in SPIL	<u>\$ 49,143,429</u> (Concluded)
	For the Three Month Ended March 31, 2016 NT\$
Operating revenue	<u>\$ 19,299,310</u>
Net profit for the period	\$ 1,604,028
Other comprehensive loss for the period	<u>203,834</u>
Total comprehensive income for the period	<u>\$ 1,807,862</u>

6) Aggregate information of associates that are not individually material

	For the Three Months Ended March 31	
	<u>2016</u> NT\$	<u>2015</u> NT\$
The Group's share of:		
Net loss for the period	\$ (13,277)	\$ (62,065)
Other comprehensive income (loss) for the period	<u>(12,478)</u>	<u>92,986</u>
Total comprehensive income (loss) for the period	<u>\$ (25,755)</u>	<u>\$ 30,921</u>

The investments accounted for using the equity method and the share of profit or loss and other comprehensive income of the investments in associates for the three months ended March 31, 2016 and 2015 was based on the associates' financial statements reviewed by the accountants for the same periods.

a. Investments in joint ventures

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

Name of Joint Venture	Main Business	Operation Location	March 31, 2016		December 31, 2015	
			Percentages of Ownership	Carrying Amount NT\$	Percentages of Ownership	Carrying Amount NT\$
ASE Embedded Electronics Inc. ("ASEEE")	Engaged in the production of embedded substrate	ROC	51.00%	\$ 606,399	51.00%	\$ 613,841

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

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

	For the Three Months Ended March 31, 2016
	NT\$
The Group’s share of:	
Net loss for the period	\$ (7,503)
Other comprehensive income for the period	<u>-</u>
Total comprehensive loss for the period	<u>\$ (7,503)</u>

The investments accounted for using the equity method and the share of loss and other comprehensive income for the investments in joint ventures for the three months ended March 31, 2016 was based on the joint venture’s financial statements reviewed by the auditors for the same period.

13. PROPERTY, PLANT AND EQUIPMENT

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

	March 31, 2016	December 31, 2015	March 31, 2015
	NT\$	NT\$	NT\$
Land	\$ 3,363,172	\$ 3,381,300	\$ 3,338,104
Buildings and improvements	59,878,239	59,801,054	56,117,941
Machinery and equipment	75,133,465	78,715,309	81,828,123
Other equipment	1,820,300	1,814,994	1,694,371
Construction in progress and machinery in transit	<u>7,038,564</u>	<u>6,284,418</u>	<u>7,076,830</u>
	<u>\$ 147,233,740</u>	<u>\$ 149,997,075</u>	<u>\$ 150,055,369</u>

For the three months ended March 31, 2016

	Land	Buildings and improvements	Machinery and equipment	Other equipment	Construction in progress and machinery in transit	Total
	NT\$	NT\$	NT\$	NT\$	NT\$	NT\$
<u>Cost</u>						
Balance at January 1, 2016	\$ 3,381,300	\$ 94,447,932	\$ 243,283,607	\$ 7,722,408	\$ 6,397,760	\$ 355,233,007
Additions	-	(8,204)	76,387	15,395	5,019,701	5,103,279
Disposals	-	(207,281)	(2,293,550)	(24,376)	(2,700)	(2,527,907)
Reclassification	-	1,703,062	2,423,802	216,732	(4,343,642)	(46)
Effect of foreign currency exchange differences	<u>(18,128)</u>	<u>(488,297)</u>	<u>(847,554)</u>	<u>(30,569)</u>	<u>80,121</u>	<u>(1,304,427)</u>
Balance at March 31, 2016	<u>\$ 3,363,172</u>	<u>\$ 95,447,212</u>	<u>\$ 242,642,692</u>	<u>\$ 7,899,590</u>	<u>\$ 7,151,240</u>	<u>\$ 356,503,906</u>

(Continued)

	Land	Buildings and improvements	Machinery and equipment	Other equipment	Construction in progress and machinery in transit	Total
	NT\$	NT\$	NT\$	NT\$	NT\$	NT\$
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2016	\$ -	\$ 34,646,878	\$ 164,568,298	\$ 5,907,414	\$ 113,342	\$ 205,235,932
Depreciation expense	-	1,281,544	5,754,648	204,544	-	7,240,736
Impairment losses recognized	-	8,556	-	5,564	821	14,941
Disposals	-	(206,529)	(2,248,526)	(17,681)	-	(2,472,736)
Reclassification	-	(314)	-	314	-	-
Effect of foreign currency exchange differences	-	(161,162)	(565,193)	(20,865)	(1,487)	(748,707)
Balance at March 31, 2016	<u>\$ -</u>	<u>\$ 35,568,973</u>	<u>\$ 167,509,227</u>	<u>\$ 6,079,290</u>	<u>\$ 112,676</u>	<u>\$ 209,270,166</u>

(Concluded)

For the three months ended March 31, 2015

	Land	Buildings and improvements	Machinery and equipment	Other equipment	Construction in progress and machinery in transit	Total
	NT\$	NT\$	NT\$	NT\$	NT\$	NT\$
<u>Cost</u>						
Balance at January 1, 2015	\$ 3,348,018	\$ 86,725,254	\$ 233,669,627	\$ 7,182,574	\$ 5,862,217	\$ 336,787,690
Additions	-	39,119	161,210	28,418	6,242,723	6,471,470
Disposals	-	(52,234)	(1,203,060)	(63,361)	(2,959)	(1,321,614)
Reclassification	-	1,243,898	3,903,169	60,746	(5,207,813)	-
Effect of foreign currency exchange differences	(9,914)	(668,696)	(1,654,216)	(73,924)	189,816	(2,216,934)
Balance at March 31, 2015	<u>\$ 3,338,104</u>	<u>\$ 87,287,341</u>	<u>\$ 234,876,730</u>	<u>\$ 7,134,453</u>	<u>\$ 7,083,984</u>	<u>\$ 339,720,612</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2015	\$ -	\$ 30,329,544	\$ 149,497,980	\$ 5,365,887	\$ 7,164	\$ 185,200,575
Depreciation expense	-	1,160,993	5,901,740	194,265	-	7,256,998
Disposals	-	(51,850)	(1,198,116)	(60,920)	-	(1,310,886)
Effect of foreign currency exchange differences	-	(269,287)	(1,152,997)	(59,150)	(10)	(1,481,444)
Balance at March 31, 2015	<u>\$ -</u>	<u>\$ 31,169,400</u>	<u>\$ 153,048,607</u>	<u>\$ 5,440,082</u>	<u>\$ 7,154</u>	<u>\$ 189,665,243</u>

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

Buildings and improvements

Main plant buildings	10-40 years
Cleanrooms	10-20 years
Others	3-20 years

Machinery and equipment

Other equipment	2-20 years
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The capitalized borrowing costs for the three months ended March 31, 2016 and 2015 are disclosed in Note 22.

14. GOODWILL

	Cost	Accumulated impairment	Carrying amount
	NT\$	NT\$	NT\$
Balance at January 1, 2016	\$ 12,495,515	\$ 1,988,996	\$ 10,506,519
Effect of foreign currency exchange differences	(33,767)	-	(33,767)
Balance at March 31, 2016	<u>\$ 12,461,748</u>	<u>\$ 1,988,996</u>	<u>\$ 10,472,752</u>

(Continued)

	<u>Cost</u> NT\$	<u>Accumulated impairment</u> NT\$	<u>Carrying amount</u> NT\$
Balance at January 1, 2015	\$ 12,434,411	\$ 1,988,996	\$ 10,445,415
Effect of foreign currency exchange differences	<u>(18,594)</u>	<u>-</u>	<u>(18,594)</u>
Balance at March 31, 2015	<u>\$ 12,415,817</u>	<u>\$ 1,988,996</u>	<u>\$ 10,426,821</u> (Concluded)

15. OTHER INTANGIBLE ASSETS

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

	<u>March 31, 2016</u> NT\$	<u>December 31, 2015</u> NT\$	<u>March 31, 2015</u> NT\$
Customer relationships	\$ 254,324	\$ 274,402	\$ 452,530
Computer software	984,576	953,322	876,969
Others	<u>149,202</u>	<u>154,369</u>	<u>158,177</u>
	<u>\$ 1,388,102</u>	<u>\$ 1,382,093</u>	<u>\$ 1,487,676</u>

For the three months ended March 31, 2016

	<u>Customer relationships</u> NT\$	<u>Computer software</u> NT\$	<u>Others</u> NT\$	<u>Total</u> NT\$
<u>Cost</u>				
Balance at January 1, 2016	\$ 915,636	\$ 3,338,360	\$ 347,420	\$ 4,601,416
Additions	-	119,979	-	119,979
Disposals	-	(17,243)	(30)	(17,273)
Effect of foreign currency exchange differences	<u>-</u>	<u>(3,458)</u>	<u>(1,387)</u>	<u>(4,845)</u>
Balance at March 31, 2016	<u>\$ 915,636</u>	<u>\$ 3,437,638</u>	<u>\$ 346,003</u>	<u>\$ 4,699,277</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2016	\$ 641,234	\$ 2,385,038	\$ 193,051	\$ 3,219,323
Amortization expense	20,078	83,686	5,465	109,229
Disposals	-	(14,954)	(30)	(14,984)
Effect of foreign currency exchange differences	<u>-</u>	<u>(708)</u>	<u>(1,685)</u>	<u>(2,393)</u>
Balance at March 31, 2016	<u>\$ 661,312</u>	<u>\$ 2,453,062</u>	<u>\$ 196,801</u>	<u>\$ 3,311,175</u>

For the three months ended March 31, 2015

	<u>Customer relationships</u>	<u>Computer software</u>	<u>Others</u>	<u>Total</u>
	NT\$	NT\$	NT\$	NT\$
<u>Cost</u>				
Balance at January 1, 2015	\$ 1,579,015	\$ 2,882,932	\$ 2,323,547	\$ 6,785,494
Additions	-	162,766	209	162,975
Disposals	-	(1,177)	(30)	(1,207)
Effect of foreign currency exchange differences	-	(29,201)	(1,277)	(30,478)
Balance at March 31, 2015	<u>\$ 1,579,015</u>	<u>\$ 3,015,320</u>	<u>\$ 2,322,449</u>	<u>\$ 6,916,784</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2015	\$ 1,077,514	\$ 2,084,805	\$ 2,155,304	\$ 3,219,323
Amortization expense	48,971	76,181	10,676	135,828
Disposals	-	(1,177)	(30)	(1,207)
Effect of foreign currency exchange differences	-	(21,458)	(1,678)	(23,136)
Balance at March 31, 2015	<u>\$ 1,126,485</u>	<u>\$ 2,138,351</u>	<u>\$ 2,164,272</u>	<u>\$ 5,429,108</u>

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

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

16. LONG-TERM PREPAYMENTS FOR LEASE

Long-term prepayments for lease mainly represent land use right located in China with periods for use from 50 to 70 years.

17. BORROWINGS

a. Short-term borrowings

Short-term borrowings mainly represented unsecured revolving bank loans with annual interest rates at 0.21%-5.78%, 0.57%-5.78% and 0.63%-5.60% as of March 31, 2016, December 31, 2015 and March 31, 2015, respectively.

b. Short-term bills payable

	<u>March 31, 2016</u>	<u>March 31, 2015</u>
	NT\$	NT\$
Commercial papers	\$ 5,850,000	\$ 4,350,000
Less: unamortized discounts	(2,395)	(1,946)
	<u>\$ 5,847,605</u>	<u>\$ 4,348,054</u>
Annual interest rate	0.73%	0.78%

c. Long-term borrowings

1) Bank loans

As of March 31, 2016, December 31, 2015 and March 31, 2015, the long-term bank loans with fixed interest rates were NT\$1,500,000 thousand, NT\$1,500,000 thousand and NT\$115,147 thousand, respectively, with annual interest rates at 1.17%, 1.17% and 6.15%, respectively. The long-term bank loans with fixed interest rate will be repayable through December 2018. As of March 31, 2016, December 31, 2015 and March 31, 2015, the current portion of long-term bank loans with fixed interest rates were nil, nil and NT\$115,147 thousand, respectively. The others with floating interest rate consisted of the followings:

	<u>March 31, 2016</u> NT\$	<u>December 31, 2015</u> NT\$	<u>March 31, 2015</u> NT\$
Working capital bank loans			
Syndicated bank loans - repayable through April 2016 to July 2018, annual interest rates were 1.72%-2.22%, 1.56%-1.92% and 1.33%-1.84% as of March 31, 2016, December 31, 2015 and March 31, 2015, respectively	\$ 11,921,968	\$ 12,159,037	\$ 11,602,910
Others - repayable through June 2016 to August 2019, annual interest rates were 0.95%-4.14%, 0.90%-3.98% and 0.94%-3.77% as of March 31, 2016, December 31, 2015 and March 31, 2015, respectively	17,548,563	25,660,638	11,709,200
Mortgage loans			
Repayable through July 2016 to June 2023, annual interest rates were 4.95%-5.39%, 4.95%-5.39% and 6.49%-6.77% as of March 31, 2016, December 31, 2015 and March 31, 2015, respectively	<u>4,186,025</u> 33,656,556	<u>3,251,139</u> 41,070,814	<u>2,496,988</u> 25,809,098
Less: unamortized arrangement fee	<u>15,493</u> 33,641,063	<u>18,670</u> 41,052,144	<u>26,991</u> 25,782,107
Less: current portion	<u>1,352,658</u>	<u>2,057,465</u>	<u>1,032,087</u>
	<u>\$ 32,288,405</u>	<u>\$ 38,994,679</u>	<u>\$ 24,750,020</u>

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

The Group had sufficient long term credit facility obtained before March 31, 2016 and December 31, 2015 to refinance a portion of loans on a long-term basis. Therefore, NT\$3,975,980 thousand and NT\$2,105,883 thousand were not classified as current portion of long-term borrowings as of March 31, 2016 and December 31, 2015, respectively.

2) Bills payable

Long-term bills payable represented unsecured commercial paper NT\$2,000,000 thousand both as of March 31, 2016 and December 31, 2015, less unamortized discounts of NT\$793 thousand and NT\$1,011 thousand, respectively, with annual interest rate both at 1.03%. The commercial paper contract was entered into with Ta Ching Bills Finance Corporation and the duration is 3 years.

18. BONDS PAYABLE

	March 31, 2016	December 31, 2015	March 31, 2015
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Secured domestic bonds - secured by banks			
Repayable at maturity in August 2016 and interest due annually with annual interest rate at 1.45%	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000
Unsecured domestic bonds			
Repayable at maturity in January 2021 and interest due annually with annual interest rate at 1.30%	7,000,000	-	-
Repayable at maturity in January 2023 and interest due annually with annual interest rate at 1.50%	2,000,000	-	-
Unsecured convertible overseas bonds			
US\$400,000 thousand	12,874,000	13,130,000	12,520,000
US\$200,000 thousand (linked to New Taiwan dollar)	6,185,600	6,185,600	-
Secured overseas bonds - secured by the Company			
US\$300,000 thousand, repayable at maturity in July 2017; interest due semi-annually with annual interest rate at 2.125%	9,655,500	9,847,500	9,390,000
CNY500,000 thousand, repayable at maturity in September 2016 and interest due semi-annually with annual interest rate at 4.25%	<u>2,490,636</u>	<u>2,527,489</u>	<u>2,547,947</u>
	48,205,736	39,690,589	32,457,947
Less: discounts on bonds payable	<u>1,141,953</u>	<u>1,264,339</u>	<u>1,365,292</u>
	47,063,783	38,426,250	31,092,655
Less: current portion	<u>14,481,680</u>	<u>14,685,866</u>	<u>-</u>
	<u>\$ 32,582,103</u>	<u>\$ 23,740,384</u>	<u>\$ 31,092,655</u>

The Group had sufficient long term credit facility obtained before March 31, 2016 and December 31, 2015 to refinance a portion of the bonds payable on a long-term basis. Therefore, NT\$8,000,000 thousand was not classified as current portion of bonds payable both as of March 31, 2016 and December 31, 2015, respectively.

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

The conversion price will be adjusted in accordance with the conversion provisions due to anti-dilution clause. As of March 31, 2106, December 31, 2015 and March 31, 2015, the conversion price was NT\$30.28, NT\$30.28 and NT\$31.93, respectively.

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

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

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

- b. In July 2015, the Company offered the forth unsecured convertible overseas bonds (the "Currency Linked Bonds") in US\$200,000 thousand. The Currency Linked Bonds is zero coupon bonds with the maturity of 2.75 years, in denominations of US\$200 thousand or in any integral multiples thereof. Repayment, redemption and put amount denominated in U.S. dollar will be converted into New Taiwan dollar amount using a fixed exchange rate of US\$1 to NT\$30.928 (the "Fixed Exchange Rate") and then converted back to U.S. dollar amount using the applicable prevailing rate at the time of repayment, redemption or put. Each holder of the Currency Linked Bonds has the right at any time on or after August 11, 2015 and up to (and including) March 17, 2018, except during legal lock-up period, to convert the Currency Linked Bonds into common shares at the conversion price NT\$54.55, determined on the basis of the Fixed Exchange Rate. The Company's treasury shares will be available for delivery upon conversion of the Currency Linked Bonds. The conversion price will be adjusted in accordance with the conversion provisions due to anti-dilution clause. As of March 31, 2016 and December 31, 2015, the conversion price was both NT\$51.73.

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

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

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

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

19. OTHER PAYABLES

	<u>March 31,</u> <u>2016</u>	<u>December 31,</u> <u>2015</u>	<u>March 31,</u> <u>2015</u>
	NT\$	NT\$	NT\$
Accrued salary and bonus	\$ 4,927,292	\$ 5,826,982	\$ 4,862,833
Payables for property, plant and equipment	4,798,638	4,782,357	6,117,364
Accrued employees' compensation and remuneration to directors or accrued bonus to employees and remuneration to directors and supervisors	2,714,089	2,270,608	3,099,005
Accrued employee insurance	573,708	599,218	583,458
Accrued utilities	428,448	466,956	445,851
Others	<u>5,183,093</u>	<u>5,248,697</u>	<u>4,826,717</u>
	<u>\$ 18,625,268</u>	<u>\$ 19,194,818</u>	<u>\$ 19,935,228</u>

20. RETIREMENT BENEFIT PLANS

The Group's retirement benefit plans consisted of defined contribution retirement plan and defined benefit retirement plan. Employee benefit expenses in respect of the Group's defined benefit retirement plans were calculated using the projected pension cost stated in 2015 and 2014 actuarial reports and recognized in the following line items in respective periods:

	For the Three Months Ended March 31	
	<u>2016</u>	<u>2015</u>
	NT\$	NT\$
Operating cost	\$ 75,706	\$ 80,980
Selling and marketing expenses	2,475	2,568
General and administrative expenses	10,254	11,735
Research and development expenses	<u>8,557</u>	<u>9,596</u>
	<u>\$ 96,992</u>	<u>\$ 104,879</u>

21. EQUITY

a. Share capital

Ordinary shares

	<u>March 31,</u> <u>2016</u>	<u>December 31,</u> <u>2015</u>	<u>March 31,</u> <u>2015</u>
Numbers of shares authorized (in thousands)	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>
Numbers of shares reserved (in thousands)			
Employee share options	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>

(Continued)

	March 31, 2016	December 31, 2015	March 31, 2015
Shares capital authorized	<u>\$ 100,000,000</u>	<u>\$ 100,000,000</u>	<u>\$ 100,000,000</u>
Shares capital reserved			
Employee share options	<u>\$ 8,000,000</u>	<u>\$ 8,000,000</u>	<u>\$ 8,000,000</u>
Numbers of shares registered (in thousands)	7,909,742	7,902,929	7,860,492
Numbers of shares subscribed in advance (in thousands)	<u>8,700</u>	<u>7,499</u>	<u>28,451</u>
Number of shares issued and fully paid (in thousands)	<u>7,918,442</u>	<u>7,910,428</u>	<u>7,888,943</u> (Concluded)

The holders of issued ordinary shares with a par value at \$10 per share are entitled the right to vote and receive dividends, except the shares held by the Group's subsidiaries which are not entitled the right to vote. As of March 31, 2016, December 31, 2015 and March 31, 2015, there were 500,000 thousand ordinary shares included in the authorized shares that were not yet required to complete the share registration process.

American Depositary Receipts

The Company issued ADSs and each ADS represents five ordinary shares. As of March 31, 2016, December 31, 2015 and March 31, 2015, 125,667 thousand, 115,240 thousand and 125,731 thousand ADSs were outstanding and represented approximately 628,336 thousand, 576,198 thousand and 628,657 thousand ordinary shares of the Company, respectively.

b. Capital surplus

	March 31, 2016	December 31, 2015	March 31, 2015
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Arising from issuance of ordinary shares	\$ 5,564,098	\$ 5,479,616	\$ 5,030,942
Arising from the difference between consideration received and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition (Note 26)	7,176,958	7,197,510	-
<u>May be used to offset a deficit only</u>			
Arising from changes in percentage of ownership interest in subsidiaries (2)	6,577,097	8,489,984	9,054,328
Arising from treasury share transactions	717,355	717,355	425,004
Arising from exercised employee share options	552,252	544,112	403,789
Arising from expired employee share options	3,626	3,626	3,626

(Continued)

	March 31, 2016	December 31, 2015	March 31, 2015
	NT\$	NT\$	NT\$
<u>May not be used for any purpose</u>			
Arising from employee share options	\$ 1,120,721	\$ 1,080,590	\$ 1,146,346
Arising from equity component of convertible bonds	214,022	214,022	-
Arising from share of changes in capital surplus of associates	<u>30,284</u>	<u>30,284</u>	<u>30,134</u>
	<u>\$ 21,956,413</u>	<u>\$ 23,757,099</u>	<u>\$ 16,094,169</u> (Concluded)

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).
- 2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary resulted from equity transactions other than actual disposal or acquisition, or from changes in capital surplus of subsidiaries accounted for by using equity method.

c. Retained earnings and dividend policy

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

- 1) Replenishment of deficits;
- 2) 10.0% as legal reserve;
- 3) Special reserve appropriated or reversed in accordance with laws or regulations set forth by the authorities concerned;
- 4) An amount equal to the excess of the income from investments accounted for using the equity method over cash dividends as special reserve;
- 5) Addition or deduction of realized gains or losses on equity instruments at fair value through other comprehensive income;
- 6) Not more than 1.0% of the remainder, from 1) to 5), as compensation to directors;
- 7) Between 7.0% to 11.0% of the remainder, from 1) to 5), as bonus to employees, of which 7.0% shall be distributed in accordance with the employee bonus plan and the excess shall be distributed to specified employees at the board of directors' discretion; and
- 8) Any remainder from above as dividends to shareholders.

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

The Company is currently in the mature growth stage. To meet the capital needs for business development now and in the future and satisfy the shareholders' demand for cash inflows, the Company shall use residual dividend policy to distribute dividends, of which the cash dividend is not lower than

30% of the total dividend distribution, with the remainder to be distributed in stock. A distribution plan is also to be made by the board of directors and passed for resolution in the shareholders' meeting.

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The consequential amendments to the Company's Articles of Incorporation had been proposed by the Company's board of directors in January 2016 and are subject to the resolution of the shareholders in their meeting to be held on June 28, 2016. For information about the accrual basis of the employees' compensation and remuneration to directors and the actual appropriations, please refer to employee benefits expense under profit before income tax in Note 22(f).

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

Under Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", the Company should appropriate or reverse to a special reserve.

Except for non-ROC resident shareholders, all shareholders receiving the dividends are allowed a tax credit equal to their proportionate share of the income tax paid by the Company.

The appropriations of earnings for 2015 proposed by the Company's board of directors in April 2016, and for 2014 resolved at the Company's annual shareholders' meetings in June 2015, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share	
	For Year 2015	For Year 2014	For Year 2015	For Year 2014
	NT\$	NT\$	NT\$	NT\$
			(in dollars)	(in dollars)
Legal reserve	\$ 1,947,887	\$ 2,359,267		
Cash dividends	<u>12,476,779</u>	<u>15,589,825</u>	\$ 1.60	\$ 2.00
	<u>\$ 14,424,666</u>	<u>\$ 17,949,092</u>		

d. Others equity items

1) Exchange differences on translating foreign operations

	2016	2015
	NT\$	NT\$
Balance at January 1	\$ 4,493,570	\$ 4,541,761
Exchange differences arising on translating foreign operations	(1,336,881)	(1,617,220)
Share of exchange difference of associates and joint ventures accounted for using the equity method	<u>(41,728)</u>	<u>(144)</u>
Balance at March 31	<u>\$ 3,114,961</u>	<u>\$ 2,924,397</u>

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

	<u>2016</u> NT\$	<u>2015</u> NT\$
Balance at January 1	\$ 588,119	\$ 526,778
Unrealized loss arising on revaluation of available-for-sale financial assets	(23,589)	(54,617)
Cumulative gain reclassified to profit or loss on disposal of available-for-sale financial assets	(35)	(404)
Share of unrealized gain on available-for-sale financial assets of associates accounted for using the equity method	<u>52,467</u>	<u>93,131</u>
Balance at March 31	<u>\$ 616,962</u>	<u>\$ 564,888</u>

f. Treasury shares (in thousand shares)

	<u>Beginning Balance</u>	<u>Addition</u>	<u>Decrease</u>	<u>Ending Balance</u>
<u>Three months ended March 31, 2016</u>				
Shares held by subsidiaries	145,883	-	-	145,883
Shares reserved for bonds conversion	<u>120,000</u>	<u>-</u>	<u>-</u>	<u>120,000</u>
	<u>265,883</u>	<u>-</u>	<u>-</u>	<u>265,883</u>
<u>Three months ended March 31, 2015</u>				
Shares held by subsidiaries	145,883	-	-	145,883
Shares reserved for bonds conversion	<u>-</u>	<u>120,000</u>	<u>-</u>	<u>120,000</u>
	<u>145,883</u>	<u>120,000</u>	<u>-</u>	<u>265,883</u>

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

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

	<u>Shares Held By Subsidiaries (in thousand shares)</u>	<u>Carrying amount NT\$</u>	<u>Fair Value NT\$</u>
<u>March 31, 2016</u>			
ASE Test	88,200	\$ 1,380,721	\$ 3,303,318 (Continued)

	Shares Held By Subsidiaries (in thousand shares)	Carrying amount NT\$	Fair Value NT\$
J&R Holding	\$ 46,704	\$ 381,709	\$ 1,749,056
ASE Test, Inc.	<u>10,979</u>	<u>196,677</u>	<u>411,115</u>
	<u>145,883</u>	<u>\$ 1,959,107</u>	<u>\$ 5,463,319</u>
<hr/> December 31, 2015 <hr/>			
ASE Test	88,200	\$ 1,380,721	\$ 3,351,618
J&R Holding	46,704	381,709	1,774,743
ASE Test, Inc.	<u>10,979</u>	<u>196,677</u>	<u>417,193</u>
	<u>145,883</u>	<u>\$ 1,959,107</u>	<u>\$ 5,543,554</u>
<hr/> March 31, 2015 <hr/>			
ASE Test	88,200	\$ 1,380,721	\$ 3,726,470
J&R Holding	46,704	381,709	1,973,234
ASE Test, Inc.	<u>10,979</u>	<u>196,677</u>	<u>463,853</u>
	<u>145,883</u>	<u>\$ 1,959,107</u>	<u>\$ 6,163,557</u>

(Concluded)

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

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

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

g. Non-controlling interests

	2016 NT\$	2015 NT\$
Balance at January 1	\$ 11,503,878	\$ 8,219,098
Attributable to non-controlling interests:		
Share of profit for the period	174,119	181,235
Exchange difference on translating foreign operations	(132,439)	(98,299)
Unrealized gain on available-for-sale financial assets	174	311
Additional non-controlling interests arising from partial disposal of subsidiaries (Note 26)	26,436	-

(Continued)

	<u>2016</u>	<u>2015</u>
	NT\$	NT\$
Repurchase of outstanding ordinary shares of subsidiaries (Note 26)	\$ (912,886)	\$ -
Non-controlling interest relating to outstanding vested share options held by the employees of subsidiaries	<u>61,506</u>	<u>16,396</u>
Balance at March 31	<u>\$ 10,720,788</u>	<u>\$ 8,318,741</u>

22. PROFIT BEFORE INCOME TAX

a. Other income

	For the Three Months Ended March 31	
	<u>2016</u>	<u>2015</u>
	NT\$	NT\$
Government subsidy	\$ 82,366	\$ 45,522
Interest income	66,383	51,305
Rental income	12,091	16,131
Dividends income	<u>5,351</u>	<u>65,750</u>
	<u>\$ 166,191</u>	<u>\$ 178,708</u>

b. Other gains (losses), net

	For the Three Months Ended March 31	
	<u>2016</u>	<u>2015</u>
	NT\$	NT\$
Net gains on financial assets designated as at FVTPL	\$ 41,743	\$ 144,385
Net losses arising on financial instruments held for trading	(402,187)	(1,113,303)
Foreign exchange gains, net	881,441	539,877
Others	<u>(11,008)</u>	<u>43,265</u>
	<u>\$ 509,989</u>	<u>\$ (385,776)</u>

c. Finance costs

	For the Three Months Ended March 31	
	<u>2016</u>	<u>2015</u>
	NT\$	NT\$
Total interest expense for financial liabilities measured at amortized cost	\$ 662,846	\$ 637,427
Less: Amounts included in the cost of qualifying assets		
Inventories related to real estate business	(57,070)	(48,156)
Property, plant and equipment	<u>(12,458)</u>	<u>(11,939)</u>
	593,318	577,332
Other finance costs	<u>17,986</u>	<u>5,056</u>
	<u>\$ 611,304</u>	<u>\$ 582,388</u>

Information relating to the capitalized borrowing costs was as follows:

	For the Three Months Ended March 31	
	2016	2015
Annual interest capitalization rates		
Inventories related to real estate business	4.35%-6.00%	5.60%-6.77%
Property, plant and equipment	1.15%-4.00%	0.86%-6.15%
d. Depreciation and amortization		
	For the Three Months Ended March 31	
	2016	2015
	NT\$	NT\$
Property, plant and equipment	\$ 7,240,736	\$ 7,256,998
Intangible assets	<u>109,229</u>	<u>135,828</u>
Total	<u>\$ 7,349,965</u>	<u>\$ 7,392,826</u>
Summary of depreciation by function		
Operating costs	\$ 6,739,005	\$ 6,794,062
Operating expenses	<u>501,731</u>	<u>462,936</u>
	<u>\$ 7,240,736</u>	<u>\$ 7,256,998</u>
Summary of amortization by function		
Operating costs	\$ 34,634	\$ 31,263
Operating expenses	<u>74,595</u>	<u>104,565</u>
	<u>\$ 109,229</u>	<u>\$ 135,828</u>
e. Employee benefits expense		
	For the Three Months Ended March 31	
	2016	2015
	NT\$	NT\$
Post-employment benefits		
Defined contribution plans	\$ 429,001	\$ 410,806
Defined benefit plans	<u>96,992</u>	<u>104,879</u>
	525,993	515,685
Equity-settled share-based payments	120,617	12,875
Salary, incentives and bonus	9,953,067	10,425,557
Other employee benefits	<u>1,563,381</u>	<u>1,581,010</u>
	<u>\$ 12,163,058</u>	<u>\$ 12,535,127</u>
Summary of employee benefits expense by function		
Operating costs	\$ 8,283,809	\$ 8,695,488
Operating expenses	<u>3,879,249</u>	<u>3,839,639</u>
	<u>\$ 12,163,058</u>	<u>\$ 12,535,127</u>

The existing Articles of Incorporation of the Company stipulate to distribute bonus to employees and remuneration to directors and supervisors at the rates in 7%-11% and no higher than 1% from net income (net of the bonus and remuneration) , respectively (retained earnings and dividend policy in Note 21c). For the three months ended March 31, 2015, the bonus to employees and the remuneration to directors and supervisors were NT\$443,424 thousand and NT\$40,311 thousand, respectively, representing 11% and 1%, respectively, of the net income (net of the bonus and remuneration).

To be in compliance with the Company Act as amended in May 2015, the amended Articles of Incorporation of the Company, as proposed by the board of directors in January 2016, stipulate to distribute employees' compensation and remuneration to directors at the rates in 5.25%-8.25% and no higher than 0.75%, respectively, of net profit before income tax, employees' compensation and remuneration to directors. For the three months ended March 31, 2016, the employees' compensation and the remuneration to directors were NT\$398,060 thousand and NT\$36,187 thousand, respectively, which were accrued based on 8.25% and 0.75% of net profit before income tax, employees' compensation and remuneration to directors, respectively.

If there is a change in the proposed amounts after the consolidated financial statements authorized for issue, the differences are recorded as a change in accounting estimate.

The appropriations of employees' compensation and remuneration to directors for 2015 having been resolved by the board of directors in April 2016, and the appropriations of bonus to employees and remuneration to directors and supervisors for 2014 having been approved in the shareholders' meetings in June 2015, respectively, were stated as below. The employees' compensation and remuneration to directors for 2015 are subject to the resolution of the amendments to the Company's Articles of Incorporation for adoption by the shareholders in their meeting to be held on June 28, 2016, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

	<u>For Year 2015</u>	<u>For Year 2014</u>
	NT\$	NT\$
Employees' compensation/ bonus to employees	\$ 2,033,800	\$ 2,335,600
Remuneration to directors/ directors and supervisors	140,000	211,200

The differences between the resolved amounts of the employees' compensation and the remuneration to directors and the accrued amounts reflected in the consolidated financial statements for the years ended December 31, 2015 and the bonus to employees and remuneration to directors and supervisors and the accrued amounts reflected in the consolidated financial statements for the years ended December 31, 2014 were deemed changes in estimates. The difference was NT\$44,200 thousand and NT\$1,330 thousand and had been adjusted in earnings for the years ended December 31, 2016 and 2015, respectively.

Information on the employees' compensation and the remuneration to directors for 2015 resolved by the Company's board of directors in 2016 and the bonus to employees and the remuneration to directors and supervisors resolved by the shareholders' meeting in 2015 are available on the Market Observation Post System website of the TSE.

23. INCOME TAX

- a. Income tax recognized in profit or loss

The major components of income tax expense were as follows:

	For the Three Months Ended March 31	
	2016	2015
	NT\$	NT\$
Current income tax		
In respect of the current period	\$1,519,369	\$ 871,438
Income tax on unappropriated earnings	62,807	49,452
Adjustments for prior periods	<u>25,423</u>	<u>23,935</u>
	<u>1,607,599</u>	<u>944,825</u>
Deferred income tax		
In respect of the current period	(289,421)	(16,993)
Adjustments to deferred tax attributable to changes in tax rates	14,184	-
Effect of foreign currency exchange differences	<u>(14,119)</u>	<u>(71,652)</u>
	<u>(289,356)</u>	<u>(88,645)</u>
Income tax expense recognized in profit or loss	<u>\$1,318,243</u>	<u>\$ 856,180</u>

b. Integrated income tax

As of March 31, 2016, December 31, 2015 and March 31, 2015, unappropriated earnings were all generated on and after January 1, 1998. As of March 31, 2016, December 31, 2015 and March 31, 2015, the balance of the Imputation Credit Account (“ICA”) was NT\$1,913,243 thousand, NT\$1,913,243 thousand and NT\$951,809 thousand, respectively.

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

c. Income tax assessments

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

24. EARNINGS PER SHARE

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

Net profit for the period

	For the Three Months Ended March 31	
	2016	2015
	NT\$	NT\$
Profit for the period attributable to owners of the Company	\$ 4,163,477	\$ 4,469,201
Effect of potentially dilutive ordinary shares:		
Employee share options issued by subsidiaries	(90,529)	(50,910)
Investments in associates	(32,573)	
Convertible bonds	<u>(457,434)</u>	<u>-</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 3,582,941</u>	<u>\$ 4,418,291</u>

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

	For the Three Months Ended March 31	
	2016	2015
Weighted average number of ordinary shares in computation of basic earnings per share	7,649,386	7,706,555
Effect of potentially dilutive ordinary shares:		
Convertible bonds	515,295	-
Employee share options	65,992	97,694
Employees' compensation / bonus to employees	<u>62,605</u>	<u>63,902</u>
Weighted average number of ordinary shares in computation of diluted earnings per share	<u>8,293,278</u>	<u>7,868,151</u>

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

If the outstanding convertible bonds issued by the Company were converted to ordinary shares, earnings used in the computation of diluted earnings per share would have increased for the three months ended March 31, 2015. Therefore, they were anti-dilutive and excluded from the computation of diluted earnings per share for the three months ended March 31, 2015.

25. SHARE-BASED PAYMENT ARRANGEMENTS

Employee share option plans of the Company and its subsidiaries

In order to attract, retain and reward employees, ASE Inc. has five employee share option plans for full-time employees of the Group, including 100,000 thousand share options approved to be granted in April 2015. There are 5,730 thousand share options of the fifth employee stock option plan will no longer be issued due to the expiration of grant period There are Each share option represents the right to purchase one ordinary share of ASE Inc. when exercised. Under the terms of the plans, share options are granted at an exercise price equal to or not less than the closing price of the ordinary shares listed on the TSE at the grant date. The option rights of these plans are valid for 10 years, non-transferable and exercisable at certain percentages subsequent to the second anniversary of the grant date. For any subsequent changes in the Company's capital structure, the exercise price is accordingly adjusted.

a. ASE Inc. Option Plans

Information about share options was as follows:

	For the Three Months Ended March 31			
	2016		2015	
	Number of Options (In Thousands)	Weighted Average Exercise Price Per Share (NT\$)	Number of Options (In Thousands)	Weighted Average Exercise Price Per Share (NT\$)
Balance at January 1	252,607	\$26.6	209,745	\$20.7
Options forfeited	(1,057)	33.6	(238)	20.8
Options exercised	<u>(8,014)</u>	20.9	<u>(27,218)</u>	20.5
Balance at March 31	<u>243,536</u>	26.7	<u>182,289</u>	20.8
Options exercisable, end of period	<u>150,054</u>	20.8	<u>162,370</u>	20.7

The weighted average share prices at the dates of exercise of share options for the three months ended March 31, 2016 and 2015 was NT\$36.1 and NT\$41.4, respectively.

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

	Range of Exercise Price Per Share (NT\$)	Weighted Average Remaining Contractual Life (Years)
March 31, 2016	\$ 20.4-22.6 36.5	3.2 9.4
December 31, 2015	20.4-22.6 36.5	3.5 9.7
March 31, 2015	11.1-13.5 20.4-22.6	0.1 4.2

b. ASE Mauritius Inc. Option Plan

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

Information about share options was as follows:

	For the Three Months Ended March 31			
	2016		2015	
	Number of Options (In Thousands)	Exercise Price Per Share (US\$)	Number of Options (In Thousands)	Exercise Price Per Share (US\$)
Balance at January 1	28,470	\$ 1.7	28,545	\$ 1.7
Options forfeited	<u>-</u>	-	<u>(75)</u>	1.7
Balance at March 31	<u>28,470</u>	1.7	<u>28,470</u>	1.7
Options exercisable, end of period	<u>28,470</u>	1.7	<u>28,545</u>	1.7

As of March 31, 2016, December 31, 2015 and March 31, 2015, the remaining contractual life was 1.7 years, 2 years and 2.7 years, respectively.

c. USIE Option Plans

The terms of the plans issued by USIE were the same with those of the Company's option plans. USIE modified its option plan granted in 2007 by extending the contractual life to 13 years. The incremental fair value was all recognized as employee benefits expense in the years of modifications since the options were all vested.

Information about share options was as follows:

	For the Three Months Ended March 31			
	2016		2015	
	Number of Options (In Thousands)	Weighted Average Exercise Price Per Share (US\$)	Number of Options (In Thousands)	Weighted Average Exercise Price Per Share (US\$)
Balance at January 1	29,695	\$ 2.1	34,159	\$ 2.1
Options forfeited	<u>-</u>	-	<u>(36)</u>	2.7
Balance at March 31	<u>29,695</u>	2.1	<u>34,123</u>	2.1
Options exercisable, end of period	<u>28,917</u>	2.1	<u>30,871</u>	2.0

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

	Range of Exercise Price Per Share (US\$)	Weighted Average Remaining Contractual Life (Years)
March 31, 2016	\$ 1.5 2.4-2.9	4.7 4.6
December 31, 2015	1.5 2.4-2.9	5.0 4.9

(Continued)

	Range of Exercise Price Per Share (US\$)	Weighted Average Remaining Contractual Life (Years)
March 31, 2015	1.5 2.4-2.9	4.7 5.6 (Concluded)

d. USISH Option Plan

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

Information about share options was as follows:

	For the Three Months Ended March 31 2016	
	Number of Options (In Thousands)	Exercise Price Per Share (CNY)
Balance at January 1	26,627	\$ 15.5
Options forfeited	<u>(405)</u>	15.5
Balance at March 31	<u><u>26,222</u></u>	15.5
Options exercisable, end of period	<u><u>-</u></u>	-

As of March 31, 2016 and December 31, 2015, the remaining contractual life of the share options was 9.7 years and 9.9 years, respectively.

Fair value of share options

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

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

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

26. EQUITY TRANSACTION WITH NON-CONTROLLING INTERESTS

In February 2016, USIE repurchased 4,501 thousand shares of USIE's outstanding ordinary shares and, as a result, the Group's shareholdings of USIE increased from 96.7% to 98.8%. The transaction was accounted for as an equity transaction since the Group did not cease to have control over USIE and capital surplus was decreased by NT\$1,912,887 thousand in the first quarter of 2016.

In February 2016, the Company, with a total consideration of NT\$ 792,064 thousand, completed the disposal of 39,603 thousand shares in USI to the Company's subsidiary, UGTW, at NT\$20 per share and, as a result, the Group's shareholdings of USI decreased from 99.0% to 76.5%. The transaction was accounted for as an equity transaction since the Group did not cease to have control over USI and capital surplus was decreased by NT\$20,552 thousand in the first quarter of 2016.

27. NON-CASH TRANSACTIONS

For the three months ended March 31, 2016 and 2015, the Group entered into the following non-cash investing activities which were not reflected in the consolidated statements of cash flows:

	For the Three Months Ended March 31	
	2016	2015
	NT\$	NT\$
Payments for property, plant and equipment		
Purchase of property, plant and equipment	\$ 5,103,279	\$ 6,471,470
Increase in prepayments for property, plant and equipment (recorded under the line item of other non-current assets)	31,770	323,152
Decrease (increase) in payables for property, plant and equipment	(16,281)	979,765
Capitalized borrowing costs	<u>(12,458)</u>	<u>(11,939)</u>
	<u>\$ 5,106,310</u>	<u>\$ 7,762,448</u>
Proceeds from disposal of property, plant and equipment		
Consideration from disposal of property, plant and equipment	\$ 37,029	\$ 11,919
Decrease (increase) in other receivables	<u>(2,112)</u>	<u>19,336</u>
	<u>\$ 34,917</u>	<u>\$ 31,255</u>

28. OPERATING LEASE ARRANGEMENTS

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

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

The Group recognized rental expense of NT\$325,243 thousand and NT\$365,508 thousand for the three months ended March 31, 2016 and 2015, respectively.

29. CAPITAL MANAGEMENT

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

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

30. FINANCIAL INSTRUMENTS

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

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

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

The carrying amounts and fair value of bonds payable as of March 31, 2016, December 31, 2015 and March 31, 2015, respectively, were as follows:

	<u>Carrying Amount</u> NT\$	<u>Fair Value</u> NT\$
March 31, 2016	\$ 47,063,783	\$ 47,146,290
December 31, 2015	38,426,250	38,465,355
March 31, 2015	31,092,655	31,656,393

2) Fair value hierarchy

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

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

1) Fair value hierarchy

	<u>Level 1</u> NT\$	<u>Level 2</u> NT\$	<u>Level 3</u> NT\$	<u>Total</u> NT\$
<u>March 31, 2016</u>				
Financial assets at FVTPL				
Financial assets designated as at FVTPL				
Structured time deposits	\$ -	\$ 1,613,105	\$ -	\$ 1,613,105
Private-placement convertible bonds	-	100,500	-	100,500

(Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	NT\$	NT\$	NT\$	NT\$
Derivative financial assets				
Swap contracts	\$ -	\$ 537,947	\$ -	\$ 537,947
Forward exchange contracts	-	231,129	-	231,129
Non-derivative financial assets held for trading				
Open-end mutual funds	583,880	-	-	583,880
Quoted shares	<u>34,614</u>	<u>-</u>	<u>-</u>	<u>34,614</u>
	<u>\$ 618,494</u>	<u>\$ 2,482,681</u>	<u>\$ -</u>	<u>\$ 3,101,175</u>
Available-for-sale financial assets				
Open-end mutual funds	\$ 850,687	\$ -	\$ -	\$ 850,687
Unquoted shares	-	-	223,625	223,625
Quoted shares	215,463	-	-	215,463
Limited partnership	<u>-</u>	<u>-</u>	<u>450,067</u>	<u>450,067</u>
	<u>\$ 1,066,150</u>	<u>\$ -</u>	<u>\$ 673,692</u>	<u>\$ 1,739,842</u>
Financial liabilities at FVTPL				
Derivative financial liabilities				
Conversion option, redemption option and put option of convertible bonds	\$ -	\$ 2,288,997	\$ -	\$ 2,288,997
Swap contracts	-	945,445	-	945,445
Interest rate swap contracts	-	44,833	-	44,833
Forward exchange contracts	-	23,203	-	23,203
Foreign currency option contracts	<u>-</u>	<u>1,712</u>	<u>-</u>	<u>1,712</u>
	<u>\$ -</u>	<u>\$ 3,304,190</u>	<u>\$ -</u>	<u>\$ 3,304,190</u>
<u>December 31, 2015</u>				
Financial assets at FVTPL				
Financial assets designated as at FVTPL				
Structured time deposits	\$ -	\$ 1,646,357	\$ -	\$ 1,646,357
Private-placement convertible bonds	-	100,500	-	100,500
Derivative financial assets				
Swap contracts	-	1,452,611	-	1,452,611
Forward exchange contracts	-	18,913	-	18,913
Forward currency option contracts	-	5,020	-	5,020
Non-derivative financial assets held for trading				
Open-end mutual funds	573,242	-	-	573,242
Quoted shares	<u>37,058</u>	<u>-</u>	<u>-</u>	<u>37,058</u>
	<u>\$ 610,300</u>	<u>\$ 3,223,401</u>	<u>\$ -</u>	<u>\$ 3,833,701</u>

(Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	NT\$	NT\$	NT\$	NT\$
Available-for-sale financial assets				
Limited Partnership	\$ -	\$ -	\$ 476,612	\$ 476,612
Unquoted shares	-	-	264,477	264,477
Quoted shares	197,580	-	-	197,580
Open-end mutual funds	<u>16,037</u>	<u>-</u>	<u>-</u>	<u>16,037</u>
	<u>\$ 213,617</u>	<u>\$ -</u>	<u>\$ 741,089</u>	<u>\$ 954,706</u>
Financial liabilities at FVTPL				
Derivative financial liabilities				
Conversion option, redemption option and put option of convertible bonds	\$ -	\$ 2,632,565	\$ -	\$ 2,632,565
Swap contracts	-	290,176	-	290,176
Forward exchange contracts	-	69,207	-	69,207
Foreign currency option contracts	-	13,659	-	13,659
Interest rate swap contracts	<u>-</u>	<u>119</u>	<u>-</u>	<u>119</u>
	<u>\$ -</u>	<u>\$ 3,005,726</u>	<u>\$ -</u>	<u>\$ 3,005,726</u>
<hr/>				
March 31, 2015				
Financial assets at FVTPL				
Financial assets designated as at FVTPL				
Structured time deposits	\$ -	\$ 2,349,660	\$ -	\$ 2,349,660
Private-placement convertible bonds	-	100,500	-	100,500
Derivative financial assets				
Swap contracts	-	1,313,588	-	1,313,588
Forward exchange contracts	-	182,200	-	182,200
Non-derivative financial assets held for trading				
Open-end mutual funds	534,322	-	-	534,322
Quoted shares	37,242	-	-	37,242
Repurchase agreements collateralized by bonds	<u>12,779</u>	<u>-</u>	<u>-</u>	<u>12,779</u>
	<u>\$ 584,343</u>	<u>\$ 3,945,948</u>	<u>\$ -</u>	<u>\$ 4,530,291</u>
Available-for-sale financial assets				
Open-end mutual funds	\$ 949,599	\$ -	\$ -	\$ 949,599
Limited partnership	-	-	459,187	459,187
Quoted shares	229,747	-	-	229,747
Unquoted shares	<u>-</u>	<u>-</u>	<u>226,492</u>	<u>226,492</u>
	<u>\$ 1,179,346</u>	<u>\$ -</u>	<u>\$ 685,679</u>	<u>\$ 1,865,025</u>

(Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	NT\$	NT\$	NT\$	NT\$
Financial liabilities at FVTPL				
Derivative financial liabilities				
Conversion option, redemption option and put option of convertible bonds	\$ -	\$ 3,456,772	\$ -	\$ 3,456,772
Swap contracts	-	142,815	-	142,815
Foreign currency option contracts	-	90,692	-	90,692
Forward exchange contracts	-	11,071	-	11,071
	<u>\$ -</u>	<u>\$ 3,701,350</u>	<u>\$ -</u>	<u>\$ 3,701,350</u>
				(Concluded)

For the financial assets and liabilities that were measured at fair value on a recurring basis held for the three months ended March 31, 2016 and 2015, there were no transfers between Level 1 and Level 2 of the fair value hierarchy.

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

The financial assets measured at Level 3 fair value were equity investments with no quoted prices and classified as available-for-sale financial assets - non-current. Reconciliations for the three months ended March 31, 2016 and 2015 were as follows:

	<u>2016</u>	<u>2015</u>
	NT\$	NT\$
Balance at January 1	\$ 741,089	\$ 778,866
Purchases	6,678	1,279
Total losses recognized in other comprehensive income	(48,953)	(94,466)
Disposals	<u>(25,122)</u>	<u>-</u>
Balance at March 31	<u>\$ 673,692</u>	<u>\$ 685,679</u>

As of March 31, 2016 and 2015, unrealized loss of NT\$52,532 thousand and NT\$113,071 thousand, recorded in other comprehensive income under the heading of unrealized loss on available-for-sale financial assets, were included in the carrying amount of the financial assets at fair value on Level 3 fair value measurement.

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

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

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Derivatives - swap contracts, forward exchange contracts, foreign currency option contracts and interest rate swap contracts	Discounted cash flows - Future cash flows are estimated based on observable forward exchange rates or interest rates at balance sheet dates and contract forward exchange rates or interest rates, discounted at rates that reflected the credit risk of various counterparties.

(Continued)

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

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

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

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

- c. Categories of financial instruments

	<u>March 31,</u> <u>2016</u> <u>NT\$</u>	<u>December 31,</u> <u>2015</u> <u>NT\$</u>	<u>March 31,</u> <u>2015</u> <u>NT\$</u>
<u>Financial assets</u>			
FVTPL			
Designated as at FVTPL	\$ 1,713,605	\$ 1,746,857	\$ 2,450,160
Held for trading	1,387,570	2,086,844	2,080,131
Available-for-sale financial assets	1,739,842	954,706	1,865,025
Loans and receivables (Note 1)	86,856,475	101,259,880	93,957,781
Financial liabilities			
FVTPL			
Held for trading	3,304,190	3,005,726	3,701,350
Measured at amortized cost (Note 2)	165,890,262	173,294,140	145,291,870

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

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

d. Financial risk management objectives and policies

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

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

1) Market risk

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

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

a) Foreign currency exchange rate risk

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

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities (including those eliminated upon consolidation) as well as derivative instruments which exposed the Group to foreign currency exchange rate risk at each balance sheet date are presented in Note 34.

The Group was principally subject to the impact to exchange rate fluctuation in U.S. dollars and Japanese yen against NT\$ or Chinese Yuan Renminbi ("CNY"). 1% is the sensitivity rate used when reporting foreign currency exchange rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign currency exchange rates. The sensitivity analysis included financial assets and liabilities and inter-company receivables and payables within the Group. The changes in profit before income tax due to a 1% change in U.S. dollars and Japanese yen both against NT\$ and CNY would be NT\$24,000 thousand and NT\$21,000 thousand for the three months ended March 31, 2016 and 2015, respectively. Hedging contracts and hedged items have been taken into account while measuring the changes in profit before income tax. The abovementioned sensitivity analysis mainly focused on the foreign currency monetary items at the end of the reporting period. As the period-end exposure did not reflect the exposure for the three months ended March 31, 2016 and 2015, the abovementioned sensitivity analysis was unrepresentative of those periods.

b) Interest rate risk

Except a portion of long-term borrowings and bonds payable at fixed interest rates, the Group was exposed to interest rate risk because group entities borrowed funds at floating interest rates. Changes in market interest rates will lead to variances in effective interest rates of borrowings from which the future cash flow fluctuations arise. The Group entered into a variety of derivative financial instruments to hedge interest rate risk to minimize the fluctuations of assets and liabilities denominated in interest rate.

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

	March 31, 2016	December 31, 2015	March 31, 2015
	NT\$	NT\$	NT\$
Fair value interest rate risk			
Financial liabilities	\$ 26,834,781	\$ 18,030,482	\$ 32,650,080
Cash flow interest rate risk			
Financial assets	41,835,967	53,475,994	45,107,352
Financial liabilities	51,515,293	65,213,083	49,192,986

For assets and liabilities with floating interest rates, a 100 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel. If interest rates had been 100 basis points (1%) higher or lower and all other variables held constant, the Group's profit before income tax for the three months ended March 31, 2016 and 2015 would have decreased or increased approximately by NT\$22,000 thousand and NT\$11,000 thousand, respectively. Hedging contracts and hedged items have been taken into account while measuring the changes in profit before income tax. The abovementioned sensitivity analysis mainly focused on the interest rate items at the end of the reporting period. As the period-end exposure did not reflect the exposure for the three months ended March 31, 2016 and 2015, the abovementioned sensitivity analysis was unrepresentative of those periods.

c) Other price risk

The Group was exposed to equity or debt price risk through its investments in financial assets at FVTPL, including private-placement convertible bonds, quoted shares, open-end mutual funds, repurchase agreements collateralized by bonds, and available-for-sale financial assets. If equity or debt prices were 1% higher or lower, profit before income tax for the three months ended March 31, 2016 and 2015 would have increased or decreased approximately by NT\$7,200 thousand and NT\$6,900 thousand, respectively, and other comprehensive income before income tax for the three months ended March 31, 2016 and 2015 would have increased or decreased approximately by NT\$17,000 thousand and NT\$19,000 thousand, respectively.

In addition, the Group was also exposed to the Company's ordinary share price risk through Bonds Options recognized as financial liabilities held for trading. 7% is the sensitivity rate used when reporting price risk internally to key management personnel. If the Company's ordinary share price increased or decreased by 7%, profit before income tax for the three months ended March 31, 2016 and 2015 would have decreased approximately by NT\$660,000 thousand and NT\$820,000 thousand, respectively, or increased approximately by NT\$540,000 thousand and NT\$750,000 thousand, respectively.

2) Credit risk

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

The Group dealt with counterparties creditworthy and has a credit policy and trade receivable management procedures to ensure recovery and evaluation of trade receivables. Except for those discussed in Note 9, the Group's counterparties consisted of a large number of customers and banks and there was no significant concentration of credit risk exposure.

3) Liquidity risk

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

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

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

	On Demand or Less than 1 Month	1 to 3 Months	3 Months to 1 Year	1 to 5 Years	More than 5 Years
	NT\$	NT\$	NT\$	NT\$	NT\$
<u>March 31, 2016</u>					
Non-derivative financial liabilities					
Non-interest bearing	\$ 18,585,549	\$ 14,908,284	\$ 6,888,727	\$ 1,903	\$ 190,557
Floating interest rate liabilities	6,992,010	4,189,451	10,834,358	30,013,690	1,437,411
Fixed interest rate liabilities	<u>16,578,742</u>	<u>1,368,241</u>	<u>24,253,415</u>	<u>25,259,893</u>	<u>2,062,500</u>
	<u>\$ 42,156,301</u>	<u>\$ 20,465,976</u>	<u>\$ 41,976,500</u>	<u>\$ 55,275,486</u>	<u>\$ 3,690,468</u>
<u>December 31, 2015</u>					
Non-derivative financial liabilities					
Non-interest bearing	\$ 19,393,406	\$ 19,626,026	\$ 6,493,504	\$ 1,926	\$ 194,346
Floating interest rate liabilities	6,617,050	5,677,129	10,582,324	39,202,454	775,273
Fixed interest rate liabilities	<u>16,168,484</u>	<u>2,463,617</u>	<u>24,787,238</u>	<u>18,078,920</u>	<u>-</u>
	<u>\$ 42,178,940</u>	<u>\$ 27,766,772</u>	<u>\$ 41,863,066</u>	<u>\$ 57,283,300</u>	<u>\$ 969,619</u>
<u>March 31, 2015</u>					
Non-derivative financial liabilities					
Non-interest bearing	\$ 21,402,615	\$ 18,335,866	\$ 3,991,953	\$ 158,295	\$ 28,817
Floating interest rate liabilities	10,917,633	5,951,171	8,260,435	25,471,004	142,975
Fixed interest rate liabilities	<u>9,149,721</u>	<u>2,855,138</u>	<u>1,856,541</u>	<u>32,928,356</u>	<u>-</u>
	<u>\$ 41,469,969</u>	<u>\$ 27,142,175</u>	<u>\$ 14,108,929</u>	<u>\$ 58,557,655</u>	<u>\$ 171,792</u>

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

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

	On Demand or Less than 1 Month NT\$	1 to 3 Months NT\$	3 Months to 1 Year NT\$
<u>March 31, 2016</u>			
Net settled			
Forward exchange contracts	\$ 64,930	\$ 49,820	\$ 26,450
Gross settled			
Forward exchange contracts			
Inflows	\$ 5,610,530	\$ 2,194,546	\$ 521,694
Outflows	<u>(5,562,890)</u>	<u>(2,166,916)</u>	<u>(514,960)</u>
	47,640	27,630	6,734
Swap contracts			
Inflows	10,514,900	17,936,073	40,520,915
Outflows	<u>(10,436,336)</u>	<u>(17,926,839)</u>	<u>(40,787,565)</u>
	78,564	9,234	(266,650)
Interest rate swap contracts			
Outflows	<u>(11,468)</u>	-	<u>(23,063)</u>
Foreign currency option contracts			
Inflows	<u>2,186</u>	-	-
	\$ 116,922	\$ 36,864	\$ (282,979)
<u>December 31, 2015</u>			
Net settled			
Forward exchange contracts	\$ (230)	\$ 3,435	\$ -
Foreign currency option contracts	\$ 2,054	\$ 8,735	\$ -
Gross settled			
Forward exchange contracts			
Inflows	\$ 2,822,265	\$ 2,421,602	\$ -
Outflows	<u>(2,836,080)</u>	<u>(2,429,050)</u>	<u>-</u>
	(13,815)	(7,448)	-
Swap contracts			
Inflows	16,561,521	22,476,799	36,796,825
Outflows	<u>(16,564,549)</u>	<u>(22,007,274)</u>	<u>(35,813,527)</u>
	(3,028)	469,525	983,298

(Continued)

	On Demand or Less than 1 Month NT\$	1 to 3 Months NT\$	3 Months to 1 Year NT\$
Interest rate swap contracts			
Inflows	\$ 12,603	\$ 12,466	\$ 25,069
Outflows	<u>(11,595)</u>	<u>(11,469)</u>	<u>(23,063)</u>
	<u>1,008</u>	<u>997</u>	<u>2,006</u>
	<u>\$ (15,835)</u>	<u>\$ 463,074</u>	<u>\$ 985,304</u>
March 31, 2015			
Net settled			
Forward exchange contracts	<u>\$ 42,770</u>	<u>\$ 31,550</u>	<u>\$ -</u>
Gross settled			
Forward exchange contracts			
Inflows	\$ 4,429,731	\$ 3,124,080	\$ -
Outflows	<u>(4,357,138)</u>	<u>(3,061,620)</u>	<u>-</u>
	<u>72,593</u>	<u>62,460</u>	<u>-</u>
Swap contracts			
Inflows	11,515,758	13,338,518	36,186,615
Outflows	<u>(11,427,204)</u>	<u>(13,023,847)</u>	<u>(35,216,495)</u>
	<u>88,554</u>	<u>314,671</u>	<u>970,120</u>
Foreign currency option contracts			
Inflows	250,400	-	-
Outflows	<u>(243,760)</u>	<u>-</u>	<u>-</u>
	<u>6,640</u>	<u>-</u>	<u>-</u>
	<u>\$ 167,787</u>	<u>\$ 377,131</u>	<u>\$ 970,120</u>
			(Concluded)

31. RELATED PARTY TRANSACTIONS

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

- a. The Company contributed each NT\$100,000 thousand to ASE Cultural and Educational Foundation in January 2016 and 2015, respectively, for environmental charity in promoting the related domestic environmental protection and public service activities (Note 33). Except for the aforementioned, the Group had no material transactions with related parties for the three months ended March 31, 2016 and 2015.
- a. In February 2016, USIE repurchased 1,801 thousand shares of USIE's outstanding ordinary shares from the Group's key management personnel, with approximately NT\$ 1,130,650 thousand.

c. Compensation to key management personnel

	For the Three Months Ended March 31	
	2016	2015
	NT\$	NT\$
Short-term employee benefits	\$ 200,392	\$ 247,992
Post-employment benefits	915	799
Share-based payments	<u>16,206</u>	<u>5,883</u>
	<u>\$ 217,513</u>	<u>\$ 254,674</u>

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

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	March 31, 2016	December 31, 2015	March 31, 2015
	NT\$	NT\$	NT\$
Inventories related to real estate business	\$ 19,699,758	\$ 16,312,519	\$ 15,245,880
Other financial assets (including current and non-current)	<u>244,342</u>	<u>229,613</u>	<u>267,140</u>
	<u>\$ 19,944,100</u>	<u>\$ 16,542,132</u>	<u>\$ 15,513,020</u>

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

a. Significant commitments

- 1) As of March 31, 2016, December 31, 2015 and March 31, 2015, unused letters of credit of the Group were approximately NT\$77,000 thousand, NT\$93,000 thousand and NT\$63,000 thousand, respectively.
- 2) As of March 31, 2016, December 31, 2015 and March 31, 2015, outstanding commitments to purchase property, plant and equipment of the Group were approximately NT\$8,632,342 thousand, NT\$8,089,200 thousand and NT\$13,083,000 thousand, respectively, of which NT\$1,624,402 thousand, NT\$1,756,990 thousand and NT\$2,204,144 thousand had been prepaid, respectively.
- 3) As of March 31, 2016, December 31, 2015 and March 31, 2015, the unpaid amounts that the Group has contracted for the construction related to our real estate business were approximately NT\$2,057,850 thousand, NT\$2,745,400 thousand and NT\$2,405,806 thousand, respectively.
- 4) In consideration of corporate social responsibility for environmental protection, the Company's board of directors, in December 2013, approved contributions to be made in the next 30 years, at a total amount of NT\$3,000,000 thousand, at the minimum, to environmental protection efforts in Taiwan.

b. Non-cancellable operating lease commitments

	<u>March 31, 2016</u>
	NT\$
Less than 1 year	\$ 236,970
1 to 5 years	431,081
More than 5 years	<u>560,970</u>
	<u>\$1,229,021</u>

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	Foreign Currencies (In Thousand)	Exchange Rate	Carrying Amount (In Thousand)
<u>March 31, 2016</u>			
Monetary financial assets			
US\$	\$ 2,934,513	US\$1=NT\$32.185	\$ 94,447,288
US\$	901,021	US\$1=CNY6.4612	28,999,366
JPY	3,072,811	JPY1=NT\$0.2863	879,746
JPY	7,119,349	JPY1=US\$0.0089	2,038,270
Monetary financial liabilities			
US\$	2,843,661	US\$1=NT\$32.185	91,523,220
US\$	910,358	US\$1=CNY6.4612	29,299,862
JPY	3,643,213	JPY1=NT\$0.2863	1,043,052
JPY	7,364,071	JPY1=US\$0.0089	2,108,334
<u>December 31, 2015</u>			
Monetary financial assets			
US\$	2,926,597	US\$1=NT\$32.825	96,065,552
US\$	1,008,097	US\$1=CNY6.4936	33,090,795
JPY	3,380,683	JPY1=NT\$0.2727	921,912
JPY	8,467,689	JPY1=US\$0.0083	2,309,139
Monetary financial liabilities			
US\$	2,988,953	US\$1=NT\$32.825	\$ 98,112,393
US\$	995,195	US\$1=CNY6.4936	32,667,265
JPY	3,747,333	JPY1=NT\$0.2727	1,021,898
JPY	8,775,382	JPY1=US\$0.0083	2,393,047

(Continued)

	Foreign Currencies (In Thousand)	Exchange Rate	Carrying Amount (In Thousand)
March 31, 2015			
Monetary financial assets			
US\$	\$ 3,013,817	US\$1=NT\$31.30	\$ 94,332,472
US\$	899,483	US\$1=CNY6.1422	28,153,818
JPY	2,990,021	JPY1=NT\$0.2604	778,601
JPY	9,069,796	JPY1=US\$0.0083	2,361,775
Monetary financial liabilities			
US\$	2,760,153	US\$1=NT\$31.30	86,392,789
US\$	1,213,318	US\$1=CNY6.1422	37,976,853
JPY	3,363,106	JPY1=NT\$0.2604	875,753
JPY	9,223,101	JPY1=US\$0.0083	2,401,695
			(Concluded)

The significant realized and unrealized foreign exchange gains (losses) were as follows:

Foreign Currencies	For the Three Months Ended March 31, 2016		For the Three Months Ended March 31, 2015	
	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
US\$	US\$1=NT\$32.185	\$ (126,475)	US\$1=NT\$31.30	\$ 63,660
NT\$		1,119,418		478,250
CNY	CNY1=NT\$4.9813	<u>(47,129)</u>	CNY1=NT\$5.0959	<u>(33,857)</u>
		<u>\$ 945,814</u>		<u>\$ 508,053</u>

35. OTHERS

- a) In November 2015, the Company received a legal brief made by SPIL in connection with a lawsuit brought by SPIL against the Company which was filed with Kaohsiung District Court. SPIL filed a civil lawsuit against the Company seeking to confirm that Company does not have the right to request SPIL to register it as a shareholder in SPIL's shareholder register. The Company has engaged attorney to defend this case and will submit defense brief to the court to protect the Company's interest. The Kaohsiung District Court has scheduled a hearing on this case on April 29, 2016. The Company does not expect the lawsuit to have material impact on the financial position and the result of operations of the Company.
- b) On December 20, 2013, the Kaohsiung Environmental Protection Bureau ("KEPB") imposed a fine of NT\$102,014 thousand ("the Administrative Fine") upon the Company for the violation of the Water Pollution Control Act. The Company filed an administrative appeal to nullify the Administrative Fine, which, however, was dismissed by the Kaohsiung City Government. The Company then filed a lawsuit with the Kaohsiung High Administrative Court seeking to revoke the dismissal decision made by the Kaohsiung City Government (the "Administrative Appeal Decision") and the Administrative Fine, and to demand a refund of the fine paid by the Company. The judgment of the Kaohsiung High Administrative Court was rendered on March 22, 2016, ruling to revoke the Administrative Appeal Decision and the Administrative Fine, and to dismiss the other complaint filed by the Company (i.e., to demand a refund of the fine paid by the Company). On April 14, 2016, the Company appealed against

the unfavorable ruling to the Supreme Administrative Court. Meanwhile, owing to the event above, in January 2014, the Kaohsiung District Prosecutors Office charged the Company with violation of the Waste Disposal Act. The Kaohsiung District Court handed down the judgment and the Company was fined NT\$3,000 thousand. Then the Company appealed against the judgment to the Kaohsiung Branch of Taiwan High Court, and the Kaohsiung Branch of Taiwan High Court rendered on September 29, 2015 a final judgment of finding the Company not guilty of the criminal charge.

36. ADDITIONAL DISCLOSURES

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

- a. Financial provided: Please see Table 1 attached;
- b. Endorsement/guarantee provided: Please see Table 2 attached;
- c. Marketable securities held (excluding investments in subsidiaries, associates and joint venture): Please see Table 3 attached;
- d. Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: Please see Table 4 attached;
- e. Acquisition of individual real estate properties at costs of at least NT\$300 million or 20% of the paid-in capital: None;
- f. Disposal of individual real estate properties at prices of at least NT\$300 million or 20% of the paid-in capital: None;
- g. Total purchase from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: Please see Table 5 attached;
- h. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Please see Table 6 attached;
- i. Information about the derivative financial instruments transaction: Please see Note 7 and 9;
- j. Others: The business relationship between the parent and the subsidiaries and significant transactions between them: Please see Table 9 attached;
- k. Names, locations, and related information of investees over which ASE Inc. exercises significant influence (excluding information on investment in Mainland China): Please see Table 7 attached;
- l. Information on investment in Mainland China
 - 1) The name of the investee in Mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee: Please see Table 8 attached;
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Please see Table 5 attached;

- b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: None;
- c) The amount of property transactions and the amount of the resultant gains or losses: No significant transactions;
- d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Please see Table 2 attached;
- e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None;
- f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: None.

37. OPERATING SEGMENTS INFORMATION

The Group has the following reportable segments: Packaging, Testing, EMS and Estate. The Group packages bare semiconductors into finished semiconductors with enhanced electrical and thermal characteristics; provides testing services, including front-end engineering testing, wafer probing and final testing services; engages in the designing, assembling, manufacturing and sale of electronic components and telecommunications equipment motherboards, real estate business. Information about other business activities and operating segments that are not reportable are combined and disclosed in "Others." The Group engages in other activities such as substrate production.

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

Segment information for the three months ended March 31, 2016 and 2015 was as follows:

Segment revenues and results

	<u>Packaging</u> NT\$	<u>Testing</u> NT\$	<u>EMS</u> NT\$	<u>Estate</u> NT\$	<u>Others</u> NT\$	<u>Adjustment and Elimination</u> NT\$	<u>Total</u> NT\$
<u>For the three months ended March 31, 2016</u>							
Revenue from external customers	\$ 28,036,135	\$ 5,995,319	\$ 24,748,770	\$ 2,699,221	\$ 891,637	\$ -	\$ 62,371,082
Inter-segment revenues (Note)	\$ 632,158	\$ 53,382	\$ 11,228,124	\$ -	\$ 2,119,606	\$ (14,033,270)	\$ -
Segment profit before income tax	\$ 2,420,728	\$ 1,288,408	\$ 440,652	\$ 1,409,716	\$ 96,335	\$ -	\$ 5,655,839
<u>As of March 31, 2016</u>							
Segment assets	\$ 203,205,707	\$ 42,064,470	\$ 66,116,459	\$ 29,179,644	\$ 15,923,951	\$ -	\$ 356,490,231
<u>For the three months ended March 31, 2015</u>							
Revenue from external customers	\$ 29,320,940	\$ 6,179,494	\$ 28,300,126	\$ 449	\$ 861,149	\$ -	\$ 64,662,158
Inter-segment revenues (Note)	\$ 2,321,374	\$ 41,548	\$ 13,840,869	\$ -	\$ 1,908,166	\$ (18,111,957)	\$ -
Segment profit before income tax	\$ 3,113,244	\$ 1,439,318	\$ 850,120	\$ (38,822)	\$ 142,756	\$ -	\$ 5,506,616
<u>As of March 31, 2015</u>							
Segment assets	\$ 161,566,543	\$ 42,655,418	\$ 75,160,530	\$ 26,981,584	\$ 16,125,457	\$ -	\$ 322,489,532

Note: Inter-segment revenues were eliminated upon consolidation.

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

FINANCINGS PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2016
(Amounts In Thousands of New Taiwan Dollars)

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the period	Ending Balance	Amount Actual Drawn	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 1)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
1	A.S.E. Holding Limited	The Company	Other receivables form related parties	Yes	\$ 2,802,240	\$ 2,413,875	\$ 2,413,875	0.83~0.84	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 3,047,883	\$ 6,095,767
		ASE Trading (Shanghai) Ltd.	Long-term receivables form related parties	Yes	834,000	804,625	-	-	The need for short-term financing	-	Operating capital Payments for equipment	-	-	-	15,801,661	23,702,492
2	J & R Holding Limited	The Company	Other receivables form related parties	Yes	9,407,520	9,076,170	9,076,170	0.83~0.84	The need for short-term financing	-	Operating capital	-	-	-	10,091,346	20,182,692
		Global Advanced Packaging Technology Limited, Cayman Islands	Other receivables form related parties	Yes	2,502,000	2,413,875	2,413,875	0.83~0.84	The need for short-term financing	-	Operating capital	-	-	-	15,801,661	23,702,492
		ASE WeiHai Inc.	Other receivables form related parties	Yes	1,401,120	1,351,770	1,351,770	0.76~1.04	The need for short-term financing	-	Operating capital	-	-	-	15,801,661	23,702,492
		Omniquest Industrial Limited	Long-term receivables form related parties	Yes	1,504,536	1,451,544	3,219	0.83~0.84	The need for short-term financing	-	Operating capital	-	-	-	15,801,661	23,702,492
		ASE Assembly & Test (Shanghai) Limited	Long-term receivables form related parties	Yes	567,120	547,145	547,145	0.84~1.03	The need for short-term financing	-	Operating capital	-	-	-	15,801,661	23,702,492
		Anstock Limited	Long-term receivables form related parties	Yes	763,785	747,195	747,195	5.24~6.59	The need for short-term financing	-	Operating capital	-	-	-	15,801,661	23,702,492
		ASE Trading (Shanghai) Ltd.	Long-term receivables form related parties	Yes	5,004,000	4,827,750	-	-	The need for short-term financing	-	Operating capital Payments for equipment	-	-	-	15,801,661	23,702,492
		Innosource Limited	Long-term receivables form related parties	Yes	733,920	708,070	708,070	0.83~0.84	The need for short-term financing	-	Operating capital	-	-	-	15,801,661	23,702,492
3	ASE Test Limited	Real Tech Holdings Limited	Other receivables form related parties	Yes	2,168,400	2,092,025	2,092,025	0.83~0.84	The need for short-term financing	-	Operating capital	-	-	-	10,091,346	20,182,692
		The Company	Other receivables form related parties	Yes	5,938,080	4,344,975	4,344,975	0.83~0.84	The need for short-term financing	-	Operating capital	-	-	-	6,073,032	12,146,065
		A.S.E. Holding Limited	Other receivables form related parties	Yes	1,668,000	1,255,215	1,255,215	0.83~0.84	The need for short-term financing	-	Operating capital	-	-	-	15,801,661	23,702,492
		Omniquest Industrial Limited	Long-term receivables form related parties	Yes	3,057,575	3,057,575	3,057,575	0.83~0.84	The need for short-term financing	-	Operating capital	-	-	-	15,801,661	23,702,492
4	ASE Test, Inc.	ASE Investment (Labuan) Inc.	Long-term receivables form related parties	Yes	482,775	482,775	482,775	0.84	The need for short-term financing	-	Operating capital	-	-	-	15,801,661	23,702,492
		The Company	Other receivables form related parties	Yes	5,600,000	3,800,000	3,800,000	0.80~0.81	The need for short-term financing	-	Operating capital	-	-	-	6,070,561	12,141,122
		ASE Trading (Shanghai) Ltd.	Other receivables form related parties	Yes	667,200	643,700	-	-	The need for short-term financing	-	Operating capital	-	-	-	6,070,561	12,141,122
		ASE Corporation	Other receivables form related parties	Yes	1,910,076	1,842,800	1,800,000	0.80~0.81	The need for short-term financing	-	Operating capital	-	-	-	6,070,561	12,141,122
5	J&R Industrial Inc.	ASE Investment (Labuan) Inc.	Other receivables form related parties	Yes	2,668,800	2,574,800	2,500,000	0.80	The need for short-term financing	-	Operating capital	-	-	-	6,070,561	12,141,122
		The Company	Other receivables form related parties	Yes	190,000	190,000	190,000	0.80~0.81	The need for short-term financing	-	Operating capital	-	-	-	199,734	399,468
6	ISE Labs, Inc.	ASE Electronics Inc.	Other receivables form related parties	Yes	190,000	190,000	190,000	0.80~0.81	The need for short-term financing	-	Operating capital	-	-	-	199,734	399,468
		J & R Holding Limited	Other receivables form related parties	Yes	1,534,560	1,480,510	1,480,510	0.92~1.04	The need for short-term financing	-	Operating capital	-	-	-	15,801,661	23,702,492
7	ASE (Korea) Inc.	J & R Holding Limited	Long-term receivables form related parties	Yes												
		The Company	Other receivables form related parties	Yes	3,002,400	2,896,650	2,574,800	3.43~3.44	The need for short-term financing	-	Operating capital	-	-	-	3,118,769	6,237,538
8	ASE Japan Co., Ltd.	ASE WeiHai Inc.	Other receivables form related parties	Yes	1,668,000	1,609,250	1,609,250	3.43~3.44	The need for short-term financing	-	Operating capital	-	-	-	15,801,661	23,702,492
		J & R Holding Limited	Other receivables form related parties	Yes	2,446,840	1,946,840	1,946,840	0.47~0.53	The need for short-term financing	-	Operating capital	-	-	-	15,801,661	23,702,492

(Continued)

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the period	Ending Balance	Amount Actual Drawn	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 1)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
9	USI Enterprise Limited	The Company	Other receivables form related parties	Yes	\$ 2,668,800	\$ 2,574,800	\$ 2,574,800	0.83~0.84	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 7,857,220	\$ 15,714,439
		USIINC	Other receivables form related parties	Yes	2,268,480	2,188,580	2,188,580	0.83~0.84	The need for short-term financing	-	Operating capital	-	-	-	7,857,220	15,714,439
		J&R Holding Limited	Other receivables form related parties	Yes	6,475,392	6,276,185	6,276,185	0.83~3.37	The need for short-term financing	-	Operating capital	-	-	-	7,857,220	15,714,439
10	Huntington Holdings International Co.Ltd.	The Company	Other receivables form related parties	Yes	1,834,800	1,770,175	1,770,175	0.83~0.84	The need for short-term financing	-	Operating capital	-	-	-	8,738,971	17,477,942
11	Anstock Limited	ASE Assembly & Test (Shanghai) Limited	Other receivables form related parties	Yes	3,274,092	3,202,976	3,202,976	4.45	The need for short-term financing	-	Operating capital	-	-	-	15,801,661	23,702,492
12	ASE (Kun Shan) Inc.	ASE Investment (Kun Shan) Limited	Other receivables form related parties	Yes	2,037	1,993	1,993	4.85	The need for short-term financing	-	Operating capital	-	-	-	15,801,661	23,702,492
13	Real Tech Holdings Limited	The Company	Other receivables form related parties	Yes	4,003,200	3,862,200	3,862,200	0.83~0.84	The need for short-term financing	-	Operating capital	-	-	-	8,293,576	16,587,153
14	Shanghai Ding Hui Real Estate Development Co., Ltd.	Kun Shan Ding Hong Real Estate Development Co., Ltd.	Other receivables form related parties	Yes	687,407	224,159	224,159	4.35~6.00	The need for short-term financing	-	Operating capital	-	-	-	15,801,661	23,702,492
		Shanghai Ding Qi Property Management Co., Ltd.	Other receivables form related parties	Yes	14,944	14,944	14,944	4.35	The need for short-term financing	-	Operating capital	-	-	-	15,801,661	23,702,492
15	Universal Scientific Industrial (Shanghai) Co., Ltd.	Universal Global Technology (Kunshan) Co., Ltd.	Other receivables form related parties	Yes	1,527,570	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	6,935,928	13,871,856
		Universal Global Technology (Shanghai) Co., Ltd.	Other receivables form related parties	Yes	6,475,690	6,475,690	2,839,216	0.80~1.75	The need for short-term financing	-	Operating capital	-	-	-	6,935,928	13,871,856
		Universal Global Technology Co., Limited	Other receivables form related parties	Yes	6,110,280	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	6,935,928	13,871,856
		Universal Global Electronics (Shanghai) Co., Ltd.	Other receivables form related parties	Yes	509,190	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	6,935,928	13,871,856
16	Omniquest Industrial Limited	The Company	Other receivables form related parties	Yes	3,169,200	3,057,575	3,057,575	0.83~0.84	The need for short-term financing	-	Operating capital	-	-	-	3,296,163	6,592,326
17	Anstock II Limited	J & R Holding Limited	Long-term receivables form related parties	Yes	9,907,920	9,558,945	9,558,945	2.45	The need for short-term financing	-	Operating capital	-	-	-	15,801,661	23,702,492
18	USI Electronics (Shenzhen) Co., Ltd.	Universal Scientific Industrial (Shanghai) Co., Ltd.	Other receivables form related parties	Yes	1,322,590	1,293,863	1,190,851	0.80	The need for short-term financing	-	Operating capital	-	-	-	1,745,808	3,491,616
		Universal Global Technology Co., Limited	Other receivables form related parties	Yes	1,476,651	1,444,577	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,745,808	3,491,616
19	ASE Assembly & Test (Shanghai) Limited	ASE Trading (Shanghai) Ltd.	Long-term receivables form related parties	Yes	1,000,800	965,550	-	-	The need for short-term financing	-	Operating capital	-	-	-	15,801,661	23,702,492
20	ASE Trading (Shanghai) Ltd.	J & R Holding Limited	Long-term receivables form related parties	Yes	6,672,000	6,437,000	-	-	The need for short-term financing	-	Operating capital	-	-	-	15,801,661	23,702,492
		A.S.E. Holding Limited	Long-term receivables form related parties	Yes	3,336,000	3,218,500	-	-	The need for short-term financing	-	Operating capital	-	-	-	15,801,661	23,702,492
21	ASE (Shanghai) Inc.	ASE WeiHai Inc.	Other receivables form related parties	Yes	166,800	160,925	160,925	1.12~1.79	The need for short-term financing	-	Operating capital	-	-	-	15,801,661	23,702,492
22	Innosource Limited	The Company	Other receivables form related parties	Yes	733,920	708,070	708,070	0.83~0.84	The need for short-term financing	-	Operating capital	-	-	-	809,107	1,618,214

(Continued)

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the period	Ending Balance	Amount Actual Drawn	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 1)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
23	ASE Investment (Labuan) Inc.	The Company	Other receivables form related parties	Yes	\$ 3,169,200	\$ 3,057,575	\$ 2,979,557	0.80~0.84	The need for short-term financing	-	Operating capital	\$ -	-	\$ -	\$ 3,152,722	\$ 6,305,444
24	Global Advanced Packaging Technology Limited, Cayman Islands	The Company	Other receivables form related parties	Yes	1,968,240	1,898,915	1,898,915	0.83~0.84	The need for short-term financing	-	Operating capital	-	-	-	2,169,790	4,339,579
25	ASE Corporation	The Company	Other receivables form related parties	Yes	1,910,076	1,842,800	1,800,000	0.80~0.81	The need for short-term financing	-	Operating capital	-	-	-	3,297,033	6,594,066
26	ASE Electronics Inc.	The Company	Other receivables form related parties	Yes	200,000	120,000	120,000	0.80~0.81	The need for short-term financing	-	Operating capital	-	-	-	778,572	1,557,143
27	ASE Singapore Pte. Ltd.	A.S.E. Holding Limited	Other receivables form related parties	Yes	400,320	386,220	386,220	0.83~0.84	The need for short-term financing	-	Operating capital	-	-	-	15,801,661	23,702,492
28	Universal Scientific (Kunshan) Co., Ltd.	Universal Global Technology (Shanghai) Co., Ltd.	Other receivables form related parties	Yes	398,504	398,504	249,065	1.75	The need for short-term financing	-	Operating capital	-	-	-	486,723	973,446

(Concluded)

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

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

Note 3: Amount was eliminated based on the reviewed financial statements.

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2016
(Amounts In Thousands of New Taiwan Dollars)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement /Guarantee Amount Provided to Each	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/Guarantee to Net Equity per Latest Financial Statement	Maximum Endorsement /Guarantee Amount Allowable (Note 2)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in CHINA
	Name	Name	Nature of Relationship	Guaranteed Party (Note 1)									
0	The Company	Anstock Limited	100% voting shares indirectly owned by the Company	\$ 47,404,984	\$ 2,653,363 (Note3)	\$ 2,542,948 (Note3)	\$ 2,493,550 (Note3)	\$ -	1.6	\$ 63,206,646	Yes	No	No
		Anstock II Limited	100% voting shares indirectly owned by the Company	47,404,984	10,327,005 (Note3)	9,963,269 (Note3)	9,695,396 (Note3)	-	6.3	63,206,646	Yes	No	No
1	Shanghai Ding Hui Real Estate Development Co., Ltd.	Shanghai Ding Wei Real Estate Development Co., Ltd.	100% voting shares directly owned by the Company	14,093,878	631,947 (Note3)	631,947 (Note3)	373,801 (Note3)	-	3.2	20,134,111	Yes	No	Yes

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

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

Note 3: Amount was included principal and interest.

TABLE 3

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

MARCH 31, 2016

(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	March 31, 2016				Note
				Shares/ Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
The Company	Stock							
	H&HH Venture Investment Corporation	-	Available-for-sale financial assets - non-current	884,832	\$ 143	15	\$ 143	
	H&D Venture Capital Investment Corporation	-	Available-for-sale financial assets - non-current	1,613,793	25,108	13	25,108	
	MiTAC Information Technology Corp	-	Available-for-sale financial assets - non-current	4,203	27	-	27	
	Asia Pacific Emerging Industry Venture Capital Co, Ltd.	-	Available-for-sale financial assets - non-current	6,000,000	37,524	7	37,524	
	StarChips Technology Inc.	-	Available-for-sale financial assets - non-current	333,334	-	6	-	
	Bond							
AMPI Second Private of Domestic Unsecured Convertible Bonds	-	Financial assets at fair value through profit or loss - current	1,000	100,500	-	100,500		
The Company	Limited Liability Partnership							
	Ripley Cable Holdings I, L.P.	-	Available-for-sale financial assets - non-current	-	390,987	4	390,987	
ASE Test, Inc.	Stock							
	The Company	Parent Company	Available-for-sale financial assets - non-current	10,978,776	411,155	-	411,155	
	MiTAC Information Technology Corp	-	Available-for-sale financial assets - non-current	1,133,363	7,314	1	7,314	
	Fund							
	UPAMC JAMES BOND MONEY MARKET FUND	-	Available-for-sale financial assets - current	18,170,696	300,242	-	300,242	
	CTBC Hua-win Money Market Fund	-	Available-for-sale financial assets - current	18,376,948	200,164	-	200,164	
	Union Money Market Fund	-	Available-for-sale financial assets - current	11,497,248	150,122	-	150,122	
J&R Industrial Inc.	Franklin Templeton SinoAm Money Market Fund	-	Available-for-sale financial assets - current	4,901,624	50,040	-	50,040	
	FUBON CHI-HSIANG MONEY MARKET FUND	-	Available-for-sale financial assets - current	9,677,544	150,120	-	150,120	
J&R Industrial Inc.	Fund							
	Taishin Ta Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	33,664,705	472,646	-	472,646	
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,575,019	23,053	-	23,053	
	Hua Nan Kirin Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,616,592	30,984	-	30,984	
Luchu Development Corporation	Hua Nan Phoenix Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,833,825	45,586	-	45,586	
	Stock							
	Powerchip Technology Corporation	-	Available-for-sale financial assets - non-current	1,677,166	27,530	-	27,530	
	A.S.E. Holding Limited	Stock						
Global Strategic Investment Inc.		-	Available-for-sale financial assets - non-current	490,000	US\$ 284 thousand	3	US\$ 284 thousand	
SiPhoton, Inc.		-	Available-for-sale financial assets - non-current	544,800	US\$ - thousand	4	US\$ - thousand	
J & R Holding Limited	Global Strategic Investment, Inc. (Samoa)	-	Available-for-sale financial assets - non-current	869,891	US\$ 575 thousand	2	US\$ 575 thousand	
	Stock							
The Company	Parent Company	Available-for-sale financial assets - non-current	46,703,763	US\$ 54,344 thousand	1	US\$ 54,344 thousand		

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	March 31, 2016				Note
				Shares/ Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
ASE Test Limited	Limited Liability Partnership							
	Crimson Velocity Fund, L.P.	-	Available-for-sale financial assets - non-current	-	US\$ 810 thousand	-	US\$ 810 thousand	
	H&QAP Greater China Growth Fund, L.P.	-	Available-for-sale financial assets - non-current	-	US\$ 1,025 thousand	8	US\$ 1,025 thousand	
	Stock							
	The Company	Parent Company	Available-for-sale financial assets - non-current	88,200,472 (Note)	US\$ 102,629 thousand	1	US\$ 102,629 thousand	
Shanghai Ding Hui Real Estate Development Co., Ltd.	Fund							
	180ETF	-	Financial assets at fair value through profit or loss - current	447,825	CNY 1,241 thousand	-	CNY 1,241 thousand	
	300ETF	-	Financial assets at fair value through profit or loss - current	339,700	CNY 1,090 thousand	-	CNY 1,090 thousand	
	Stock							
	Gree Electric Appliances, Inc. Of Zhuhai	-	Financial assets at fair value through profit or loss - current	28,000	CNY 538 thousand	-	CNY 538 thousand	
	Saic Motor Corporation Limited	-	Financial assets at fair value through profit or loss - current	19,250	CNY 386 thousand	-	CNY 386 thousand	
USIINC	Stock							
	Allied Circuit Co., Ltd	-	Available-for-sale financial assets - current	827,009	\$ 19,145	2	\$ 19,145	
	Universal Venture Capital Investment Corporation	-	Available-for-sale financial assets - non-current	6,200,000	35,789	5	35,789	
	Gapertise Inc.	-	Available-for-sale financial assets - non-current	247,500	4,950	4	4,950	
	WellySun Inc.	-	Available-for-sale financial assets - non-current	108,000	1,728	1	1,728	
	Plasmag Technology Inc.	-	Available-for-sale financial assets - non-current	733,000	-	2	-	
Huntington Holdings International Co., Ltd.	Stock							
	United Pacific Industrial Ltd.	-	Financial assets at fair value through profit or loss - current	5,548,800	US\$ 351 thousand	-	US\$ 351 thousand	
	Cadence Design SYS Inc.	-	Financial assets at fair value through profit or loss - current	9,633	US\$ 227 thousand	-	US\$ 227 thousand	
	Solid Gain Investments Ltd.	-	Available-for-sale financial assets - non-current	1,439,500	US\$ 818 thousand	20	US\$ 818 thousand	
	Preferred stock							
	Techgains I Corporation	-	Available-for-sale financial assets - non-current	526,732	US\$ 268 thousand	10	US\$ 268 thousand	
	Techgains II Corporation	-	Available-for-sale financial assets - non-current	669,705	US\$ 197 thousand	4	US\$ 197 thousand	
Unitech Holdings International Co., Ltd.	Stock							
	United Pacific Industrial Ltd.	-	Financial assets at fair value through profit or loss - current	5,613,600	US\$ 355 thousand	-	US\$ 355 thousand	
	WacomCo., Ltd.	-	Available-for-sale financial assets - non-current	1,200,000	US\$ 5,092 thousand	1	US\$ 5,092 thousand	
	Sequans Communications SA	-	Available-for-sale financial assets - non-current	370,554	US\$ 1,008 thousand	1	US\$ 1,008 thousand	
	Asia Global Venture Co., Ltd.	-	Available-for-sale financial assets - non-current	1,000,000	US\$ 454 thousand	10	US\$ 454 thousand	

(Concluded)

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

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE THREE MONTHS ENDED MARCH 31, 2016

(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal			Ending Balance		
					Shares/Units	Amount (Note 1)	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain/Loss on Disposal	Shares/Units	Amount (Note 1)
The Company	Stock USI	Investments accounted for using the equity method	(Note 2)	Subsidiary	39,603,222	\$ 1,187,548	-	\$ -	39,603,222	\$ 792,064	\$ 1,242,836	\$ -	-	\$ -
	SPIL	Investments accounted for using the equity method	(Note 3)	Associate	779,000,000	35,423,058	250,000,000	13,296,307	-	-	-	-	1,029,000,000	49,143,429
ASE Test, Inc.	Fund UPAMC JAMES BOND MONEY MARKET FUND	Available-for-sale financial assets - current	-	-	-	-	18,170,696	300,000	-	-	-	-	18,170,696	300,242
UGTW	Stock USI	Investments accounted for using the equity method	(Note 2)	Subsidiary	-	-	39,603,000	894,612	-	-	-	-	39,603,000	982,710

Note 1: The ending balance of Long-Term Stock Investment-Equity Method includes share of profits/losses of investees and other related adjustment to equity. The ending balance of other financial assets includes the adjustment to fair value.

Note 2: Organizational restructuring due to the acquiring of USI by UG-TW.

Note 3: Acquired by Public Market

TABLE 5

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2016
(Amounts In Thousands of New Taiwan Dollars)**

Buyer	Related Party	Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Company	ASE (Shanghai) Inc.	Subsidiary	Purchases	\$ 537,690	7	Net 60 days from the end of the month of when invoice is issued	\$ -	-	\$ (550,075)	(7)	Note
	ASE Electronics Inc.	Subsidiary	Purchases	537,827	7	Net 60 days from the end of the month of when invoice is issued	-	-	(518,888)	(6)	Note
	Universal Scientific Industrial Co., Ltd.	Subsidiary	Sales	(557,634)	(3)	Net 60 days from the end of the month of when invoice is issued	-	-	648,335	4	Note
ASE Assembly & Test (Shanghai) Limited	ASE (Shanghai) Inc.	Associate	Purchases	104,225	13	Net 60 days from the end of the month of when invoice is issued	-	-	(93,049)	(14)	Note
Advanced Semiconductor Engineering (HK) Limited	ASE (Shanghai) Inc.	Parent company	Purchases	319,386	100	Net 90 days from the end of the month of when invoice is issued	-	-	(313,444)	(100)	Note
Universal Scientific Industrial Co., Ltd.	The Company	The Ultimate Parent of the Company	Purchases	557,634	12	Net 60 days from the end of the month of when invoice is issued	-	-	(647,510)	(32)	Note
ASE (Shanghai) Inc.	The Company	The Ultimate Parent of the Company	Sales	(537,690)	(45)	Net 60 days from the end of the month of when invoice is issued	-	-	551,075	52	Note
	ASE Assembly & Test (Shanghai) Limited	Associate	Sales	(104,225)	(9)	Net 60 days from invoice date	-	-	93,049	9	Note
	Advanced Semiconductor Engineering (HK) Limited	Subsidiary	Sales	(319,386)	(26)	Net 90 days from the end of the month of when invoice is issued	-	-	313,473	29	Note
ASE Electronics Inc.	The Company	The Ultimate Parent of the Company	Sales	(537,827)	(51)	Net 60 days from the end of the month of when invoice is issued	-	-	542,872	54	Note
Suzhou ASEN Semiconductors Co., Ltd.	NXP Semiconductors Taiwan Ltd.	Subsidiary of the company has significant influence over Suzhou ASEN Semiconductors Co., Ltd. – Subsidiary of NXP B.V	Sales	(496,618)	(36)	Net 90 days from the end of the month of when invoice is issued	-	-	678,121	50	Note
USI Electronics (Shenzhen) Co., Ltd.	Universal Global Industrial Co., Limited	Associate	Purchases	CNY 153,866 thousand	25	T/T 75 days	-	-	(CNY 111,773 thousand)	(11)	Note
			Sales	(CNY 623,617 thousand)	(57)	T/T 75 days	-	-	CNY 533,487 thousand	55	Note
Universal Scientific Industrial (Shanghai) Co., Ltd.	Universal Global Technology Co., Limited	Subsidiary	Purchases	CNY 243,577 thousand	18	T/T 75 days	-	-	(CNY 436,443 thousand)	(36)	Note
Universal Global Technology Co., Limited	Universal Scientific Industrial (Shanghai) Co., Ltd.	Parent company	Sales	(US\$ 36,684 thousand)	(61)	T/T 75 days	-	-	US\$ 67,562 thousand	72	Note
	Universal Global Technology (Kunshan) Co., Ltd.	Associate	Sales	(US\$ 23,845 thousand)	(39)	T/T 75 days	-	-	US\$ 26,642 thousand	28	Note
Universal Global Industrial Co., Limited	USI Electronics (Shenzhen) Co., Ltd.	Associate	Purchases	US\$ 95,574 thousand	61	T/T 75 days	-	-	(US\$ 82,568 thousand)	(57)	Note
	Universal Global Scientific Industrial Co., Ltd.	Associate	Sales	(US\$ 22,628 thousand)	(14)	T/T 75 days	-	-	US\$ 17,062 thousand	12	Note
			Sales	(US\$ 107,266 thousand)	(69)	T/T 75 days	-	-	US\$ 94,101 thousand	66	Note

(Continued)

Buyer	Related Party	Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Universal Global Industrial Co., Limited	Universal Global Technology (Kunshan) Co., Ltd.	Associate	Purchases	US\$ 35,558 thousand	23	T/T 75 days	US\$ -	-	(US\$ 22,459 thousand)	(15)	Note
Universal Global Scientific Industrial Co., Ltd.	Universal Global Industrial Co., Limited Universal Scientific Industrial Co., Ltd.	Associate Subsidiary	Purchases	\$ 3,560,171	90	T/T 75 days	\$ -	-	\$ (3,027,771)	(85)	Note
			Sales	(158,528)	(4)	T/T 75 days	-	-	166,083	4	Note
Universal Global Technology (Kunshan) Co., Ltd.	Universal Global Technology Co., Limited Universal Global Industrial Co., Limited	Associate Associate	Purchases	CNY 170,480 thousand	44	T/T 75 days	-	-	(CNY 171,946 thousand)	(42)	Note
			Sales	(CNY 234,928 thousand)	(51)	T/T 75 days	-	-	CNY 147,803 thousand	37	Note

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

(Concluded)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

MARCH 31, 2016

(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Related Party	Relationships	Ending Balance (Note 1)	Turnover Rate (Note 2)	Overdue (Note 1)		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Actions Taken		
The Company	Universal Scientific Industrial Co., Ltd.	Subsidiary	\$ 648,335 (Note5)	2	\$ 77,875	Continued collection	\$ 196,654	\$ -
ASE Electronics Inc.	The Company	The Ultimate Parent of the Company	666,301 (Note5)	4	395	Continued collection	188,214	-
Omniquest Industrial Limited	The Company	Parent company	3,057,575 (Notes 3,5)	-	-	-	-	-
ISE Labs, Inc.	J & R Holding Limited	Parent company	1,480,888 (Notes 3,5)	-	-	-	-	-
Anstock Limited	ASE Assembly & Test (Shanghai) Limited	Associate	3,209,689 (Notes 3,5)	-	-	-	-	-
Anstock II Limited	J & R Holding Limited	Parent company	9,618,144 (Notes 3,5)	-	-	-	-	-
A.S.E. Holding Limited	The Company	Parent company	2,413,875 (Notes 3,5)	-	-	-	-	-
ASE Test, Inc.	The Company	Parent company	5,398,071 (Notes 3,4,5)	-	286	-	2,375,428	-
	ASE Corporation	Associate	1,800,000 (Notes 3,5)	-	-	-	-	-
	ASE Investment (Labuan) Inc.	Associate	2,500,000 (Notes 3,5)	-	-	-	-	-
ASE Test Limited	The Company	The Ultimate Parent of the Company	4,344,975 (Notes 3,5)	-	-	-	-	-
	A.S.E. Holding Limited	Associate	1,280,275 (Notes 3,5)	-	-	-	-	-
	Omniquest Industrial Limited	Associate	3,064,293 (Notes 3,5)	-	-	-	-	-
	ASE Investment (Labuan) Inc.	Associate	482,809 (Notes 3,5)	-	-	-	-	-
ASE Singapore Pte. Ltd.	A.S.E. Holding Limited	Associate	386,499 (Notes 3,5)	-	-	-	-	-
ASE (Korea) Inc.	The Company	The Ultimate Parent of the Company	2,574,919 (Notes 3,5)	-	-	-	119	-
	ASE WeiHai Inc.	Subsidiary	1,612,106 (Notes 3,5)	-	-	-	-	-
J & R Holding Limited	The Company	Parent company	9,076,170 (Notes 3,5)	-	-	-	514,960	-
	Global Advanced Packaging Technology Limited, Cayman Islands.	Subsidiary	2,428,072 (Notes 3,5)	-	-	-	-	-
	Anstock Limited	Subsidiary	800,974 (Notes 3,5)	-	-	-	-	-
	ASE WeiHai Inc.	Associate	1,356,184 (Notes 3,5)	-	-	-	-	-
	ASE Assembly & Test (Shanghai) Limited	Associate	550,715 (Notes 3,5)	-	-	-	-	-
	Innosource Limited	Associate	710,828 (Notes 3,5)	-	-	-	-	-
	Real Tech Holdings Limited	Associate	2,093,536 (Notes 3,5)	-	-	-	-	-
Innosource Limited	The Company	Parent company	708,070 (Notes 3,5)	-	-	-	-	-
J&R Industrial Inc.	The Company	The Ultimate Parent of the Company	190,000 (Notes 3,5)	-	-	-	-	-
	ASE Electronics Inc.	Associate	190,000 (Notes 3,5)	-	-	-	-	-
Global Advanced Packaging Technology Limited, Cayman Islands.	The Company	The Ultimate Parent of the Company	1,898,915 (Notes 3,5)	-	-	-	-	-

(Continued)

Company Name	Related Party	Relationships	Ending Balance (Note 1)	Turnover Rate (Note 2)	Overdue (Note 1)		Amounts Received in Subsequent Period	Allowance for Bad Debts	
					Amount	Actions Taken			
ASE Japan Co., Ltd.	J & R Holding Limited	Parent company	\$ 1,947,680 (Notes 3,5)	-	\$ -	-	\$ -	\$ -	
ASE Investment (Labuan) Inc.	The Company	The Ultimate Parent of the Company	2,979,557 (Notes 3,5)	-	-	-	-	-	
ASE Corporation	The Company	The Ultimate Parent of the Company	1,800,000 (Notes 3,5)	-	-	-	-	-	
ASE (Shanghai) Inc.	The Company	The Ultimate Parent of the Company	551,075 (Note 5)	4	24,544	Continued collection	154,873	-	
			Advanced Semiconductor Engineering (HK) Limited Subsidiary	313,473 (Note 5)	4	-	-	-	-
			ASE Assembly & Test (Shanghai) Limited Associate	100,206 (Note 5)	5	19,195	Continued collection	44,322	-
			ASE WeiHai Inc. Associate	161,840 (Notes 3,5)	-	-	-	-	-
Shanghai Ding Hui Real Estate Development Co., Ltd.	Kun Shan Ding Hong Real Estate Development Co., Ltd.	Subsidiary	227,575 (Notes 3,5)	-	-	-	-	-	
USI Enterprise Limited	The Company	The Ultimate Parent of the Company	2,574,800 (Notes 3,5)	-	-	-	-	-	
			J & R Holding Limited Associate	6,290,372 (Notes 3,5)	-	-	-	2,106,326	-
			USI Inc. Parent company	2,193,226 (Notes 3,5)	-	-	-	2,193,215	-
Huntington Holdings International Co. Ltd.	The Company	The Ultimate Parent of the Company	1,770,175 (Notes 3,5)	-	-	-	1,126,475	-	
Real Tech Holdings Limited	The Company	The Ultimate Parent of the Company	3,862,200 (Notes 3,5)	-	-	-	1,287,400	-	
Suzhou ASEN Semiconductors Co., Ltd.	NXP Semiconductors Taiwan Ltd.	Subsidiary of the company has significant influence over Suzhou ASEN Semiconductors Co., Ltd.	680,275	3	-	-	163,770	-	
USI Electronics (Shenzhen) Co., Ltd.	Universal Scientific Industrial (Shanghai) Co., Ltd.	Associate	CNY 533,487 thousand (Note 5)	4	-	-	-	-	
			CNY 240,700 thousand (Note 5)	-	-	-	-	-	
Universal Scientific Industrial (Shanghai) Co., Ltd.	Universal Global Technology (Shanghai) Co., Ltd.	Subsidiary	CNY 571,321 thousand (Note 5)	-	-	-	-	-	
Universal Global Technology Co., Limited	Universal Scientific Industrial (Shanghai) Co., Ltd.	Parent company	US\$ 67,631 thousand (Note 5)	1	-	-	US\$ 40,428 thousand	-	
			Universal Global Technology (Kunshan) Co., Ltd. Associate	US\$ 26,642 thousand (Note 5)	5	-	-	-	-
Universal Global Industrial Co., Limited	USI Electronics (Shenzhen) Co., Ltd.	Associate	US\$ 17,372 thousand (Note 5)	4	-	-	-	-	
			Universal Global Scientific Industrial Co., Ltd. Associate	US\$ 94,562 thousand (Note 5)	4	-	-	US\$ 10,000 thousand	-
Universal Global Scientific Industrial Co., Ltd.	Universal Scientific Industrial Co., Ltd.	Subsidiary	166,237 (Note 5)	2	27	Continued collection	8,709	-	
Universal Global Technology (Kunshan) Co., Ltd.	Universal Global Industrial Co., Limited	Associate	CNY 147,803 thousand (Note 5)	5	-	-	CNY 64,734 thousand	-	
			Universal Global Technology (Shanghai) Co., Ltd. Associate	CNY 50,010 thousand (Note 5)	-	-	-	-	-

(Concluded)

Note 1: Include Accounts receivables and Other receivables

Note 2: Exclude other receivables

Note 3: Intercompany Loan, please refer to Table 1.

Note 4: Turnkey transaction.

Note 5: All the transactions had been eliminated when preparing consolidated financial statements.

TABLE 7

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

NAMES, LOCATION, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE

FOR THE THREE MONTHS ENDED MARCH 31, 2016

(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2016			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee (Note 1)	Note
				March 31, 2016	December 31, 2015	Shares	Percentage of Ownership	Carrying Value			
The Company	A.S.E. Holding Limited	Bermuda	Investment activities	US\$ 283,966 thousand	US\$ 283,966 thousand	243,966	100	\$ 14,976,320	\$ (2,102)	\$ (2,102)	Subsidiary
	J & R Holding Limited	Bermuda	Investment activities	US\$ 479,693 thousand	US\$ 479,693 thousand	435,128	100	47,961,215	857,503	855,659	Subsidiary
	ASE Marketing & Service Japan Co., Ltd.	Japan	Engaged in marketing and sales services	JPY 60,000 thousand	JPY 60,000 thousand	1,200	100	30,017	629	629	Subsidiary
	Omniquest Industrial Limited	British Virgin Islands	Investment activities	US\$ 250,504 thousand	US\$ 250,504 thousand	250,504,067	71	11,342,143	483,662	332,887	Subsidiary
	Innosource Limited	British Virgin Islands	Investment activities	US\$ 86,000 thousand	US\$ 86,000 thousand	86,000,000	100	4,049,448	100,742	98,166	Subsidiary
	HCK	Taiwan	Engaged in the leasing of real estate properties	\$ 390,470	\$ 390,470	35,497,273	27	331,359	(3,972)	(1,085)	Associate
	HC	Taiwan	Engaged in the development, construction and leasing of real estate properties	2,845,913	2,845,913	68,629,782	26	1,309,503	13,789	8,482	Associate
	Universal Scientific Industrial Co., Ltd.	Taiwan	Engaged in the manufacturing, processing and sale of computers, computer peripherals and related accessories	-	520,490	-	-	-	(34,564)	55,288	Subsidiary
	ASE Test, Inc.	Taiwan	Engaged in the testing of semiconductors	20,698,867	20,698,867	851,997,366	100	30,037,449	559,751	559,751	Subsidiary
	USI Inc.	Taiwan	Investment activities	20,836,477	20,836,477	990,080,566	99	42,893,862	300,236	284,799	Subsidiary
	Luchu Development Corporation	Taiwan	Engaged in the development of real estate properties	1,366,238	1,366,238	131,961,457	67	1,332,146	(633)	(425)	Subsidiary
	AEEEE	Taiwan	Engaged in the production of embedded substrate	618,097	618,097	61,809,660	51	606,399	(14,712)	(7,503)	Associate
	SPIL	Taiwan	Engaged in assembly, testing and turnkey services of integrated circuits	48,351,307	35,055,000	1,029,000,000	33	49,143,429	1,604,028	400,847	Associate
	AMPI	Taiwan	Engaged in integrated circuit	178,861	178,861	33,308,452	18	24,409	(86,660)	(15,807)	Associate
ASE Test, Inc.	Alto Enterprises Limited	British Virgin Islands	Investment activities	US\$ 188,000 thousand	US\$ 188,000 thousand	188,000,000	100	4,449,082	24,363	(Note 2)	Subsidiary
	Super Zone Holdings Limited	Hong Kong	Investment activities	US\$ 100,000 thousand	US\$ 100,000 thousand	100,000,000	100	3,267,694	16,412)	(Note 2)	Subsidiary
	Luchu Development Corporation	Taiwan	Engaged in the development of real estate properties	372,504	372,504	37,250,448	19	375,963	(633)	(Note 2)	Subsidiary
A.S.E. Holding Limited	ASE Test Limited	Singapore	Investment activities	US\$ 84,889 thousand	US\$ 84,889 thousand	11,148,000	10	US\$ 104,704 thousand	US\$ 6,735 thousand	(Note 2)	Subsidiary
	ASE Investment (Labuan) Inc.	Malaysia	Investment activities	US\$ 168,643 thousand	US\$ 168,643 thousand	168,642,842	70	US\$ 342,847 thousand	(US\$ 1,223 thousand)	(Note 2)	Subsidiary
J & R Holding Limited	ASE Test Limited	Singapore	Investment activities	US\$ 964,524 thousand	US\$ 964,524 thousand	98,276,087	90	US\$ 1,046,531 thousand	US\$ 6,735 thousand	(Note 2)	Subsidiary
	Omniquest Industrial Limited	British Virgin Islands	Investment activities	US\$ 30,200 thousand	US\$ 30,200 thousand	30,200,000	8	US\$ 43,577 thousand	US\$ 14,678 thousand	(Note 2)	Subsidiary
	J&R Industrial Inc.	Taiwan	Engaged in leasing equipment and investing activity	US\$ 51,344 thousand	US\$ 51,344 thousand	170,000,006	100	US\$ 31,029 thousand	US\$ 29 thousand	(Note 2)	Subsidiary
ASE Japan Co., Ltd.	ASE Japan Co., Ltd.	Japan	Engaged in the packaging and testing of semiconductors	US\$ 25,606 thousand	US\$ 25,606 thousand	7,200	100	US\$ 75,903 thousand	US\$ 69 thousand	(Note 2)	Subsidiary
	ASE (U.S.) Inc.	U.S.A	After-sales service and sales support	US\$ 4,600 thousand	US\$ 4,600 thousand	1,000	100	US\$ 12,282 thousand	US\$ 264 thousand	(Note 2)	Subsidiary
	Global Advanced Packaging Technology Limited, Cayman Islands	British Cayman Islands	Investment activities	US\$ 190,000 thousand	US\$ 190,000 thousand	190,000,000	100	US\$ 349,775 thousand	US\$ 19,435 thousand	(Note 2)	Subsidiary
	Anstock Limited	British Cayman Islands	Investment activities	US\$ 10 thousand	US\$ 10 thousand	10,000	100	US\$ 530 thousand	(US\$ 483 thousand)	(Note 2)	Subsidiary
	Anstock II Limited	British Cayman Islands	Investment activities	US\$ 10 thousand	US\$ 10 thousand	10,000	100	US\$ 90 thousand	US\$ 56 thousand	(Note 2)	Subsidiary
	ASE Investment (Labuan) Inc.	ASE (Korea) Inc.	Korea	Engaged in the packaging and testing of semiconductors	US\$ 160,000 thousand	US\$ 160,000 thousand	20,741,363	100	US\$ 489,778 thousand	(US\$ 1,283 thousand)	(Note 2)
ASE Test Limited	ASE Holdings (Singapore) Pte Ltd	Singapore	Investment activities	US\$ 65,520 thousand	US\$ 65,520 thousand	71,428,902	100	US\$ 145,058 thousand	US\$ 2,568 thousand	(Note 2)	Subsidiary
	ASE Test Holdings, Ltd.	British Cayman Islands	Investment activities	US\$ 222,399 thousand	US\$ 222,399 thousand	5	100	US\$ 99,904 thousand	US\$ 412 thousand	(Note 2)	Subsidiary
	ASE Investment (Labuan) Inc.	Malaysia	Investment activities	US\$ 72,304 thousand	US\$ 72,304 thousand	72,304,040	30	US\$ 146,934 thousand	(US\$ 1,223 thousand)	(Note 2)	Subsidiary
	ASE Singapore Pte. Ltd.	Singapore	Engaged in the packaging and testing of semiconductors	US\$ 55,815 thousand	US\$ 55,815 thousand	30,100,000	100	US\$ 163,267 thousand	US\$ 3,685 thousand	(Note 2)	Subsidiary
ASE Test Holdings, Ltd.	ISE Labs, Inc.	U.S.A	Engaged in the testing of semiconductors	US\$ 221,145 thousand	US\$ 221,145 thousand	26,250,000	100	US\$ 99,903 thousand	US\$ 412 thousand	(Note 2)	Subsidiary
ASE Holdings (Singapore) Pte Ltd	ASE Electronics (M) Sdn. Bhd.	Malaysia	Engaged in the packaging and testing of semiconductors	US\$ 60,000 thousand	US\$ 60,000 thousand	159,715,000	100	US\$ 145,058 thousand	US\$ 2,568 thousand	(Note 2)	Subsidiary
Omniquest Industrial Limited	ASE Corporation	British Cayman Islands	Investment activities	US\$ 352,784 thousand	US\$ 352,784 thousand	352,784,067	100	US\$ 512,200 thousand	US\$ 14,701 thousand	(Note 2)	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2016			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee (Note 1)	Note
				March 31, 2016	December 31, 2015	Shares	Percentage of Ownership	Carrying Value			
ASE Corporation ASE Labuan Inc.	ASE Mauritius Inc.	Mauritius	Investment activities	US\$ 217,800 thousand	US\$ 217,800 thousand	217,800,000	100	US\$ 390,584 thousand	US\$ 12,805 thousand	(Note 2)	Subsidiary
	ASE Labuan Inc.	Malaysia	Investment activities	US\$ 126,184 thousand	US\$ 126,184 thousand	126,184,067	100	US\$ 121,525 thousand	US\$ 1,914 thousand	(Note 2)	Subsidiary
	ASE Electronics Inc.	Taiwan	Engaged in the production of substrates	US\$ 125,813 thousand	US\$ 125,813 thousand	398,981,900	100	US\$ 120,953 thousand	US\$ 1,916 thousand	(Note 2)	Subsidiary
Innosource Limited ASE (Shanghai) Inc.	Omniquest Industrial Limited	British Virgin Islands	Investment activities	US\$ 74,000 thousand	US\$ 74,000 thousand	74,000,000	21	US\$ 106,817 thousand	US\$ 14,678 thousand	(Note 2)	Subsidiary
	Advanced Semiconductor Engineering (HK) Limited	Hong Kong	Engaged in the trading of substrates	US\$ 1,000 thousand	US\$ 1,000 thousand	-	100	US\$ 9,125 thousand	(US\$ 16 thousand)	(Note 2)	Subsidiary
USI Inc.	Huntington Holdings International Co. Ltd.	British Virgin Islands	Holding company	\$ 8,370,606	\$ 8,370,606	255,856,840	100	\$ 43,694,004	\$ 336,239	(Note 2)	Subsidiary
Huntington Holdings International Co. Ltd.	Unitech Holdings International Co. Ltd.	British Virgin Islands	Holding company	US\$ 3,000 thousand	US\$ 3,000 thousand	3,000,000	100	US\$ 9,610 thousand	(US\$ 39 thousand)	(Note 2)	Subsidiary
	Real Tech Holdings Limited	British Virgin Islands	Holding company	US\$ 149,151 thousand	US\$ 149,151 thousand	149,151,000	100	US\$ 1,288,423 thousand	US\$ 11,181 thousand	(Note 2)	Subsidiary
	Universal ABIT Holding Co., Ltd.	British Cayman Islands	Holding company	US\$ 28,125 thousand	US\$ 28,125 thousand	90,000,000	100	US\$ 12 thousand	(US\$ 1 thousand)	(Note 2)	Subsidiary
	Rising Capital Investment Limited	British Virgin Islands	Holding company	US\$ 6,000 thousand	US\$ 6,000 thousand	6,000,000	100	US\$ 1,137 thousand	US\$ 1 thousand	(Note 2)	Subsidiary
	Rise Accord Limited	British Virgin Islands	Holding company	US\$ 2,000 thousand	US\$ 2,000 thousand	20,000	100	US\$ 151 thousand	US\$ - thousand	(Note 2)	Subsidiary
Real Tech Holdings Limited	USI Enterprise Limited	Hong Kong	Engaged in the services of investment advisory and warehousing management	US\$ 210,900 thousand	US\$ 210,900 thousand	210,900,000	99.59	US\$ 1,215,629 thousand	US\$ 11,274 thousand	(Note 2)	Subsidiary
Universal Scientific Industrial (Shanghai) Co., Ltd.	Universal Global Technology Co., Limited	Hong Kong	Holding company	CNY 324,185 thousand	CNY 324,185 thousand	390,000,000	100	CNY 1,513,278 thousand	CNY 56,236 thousand	(Note 2)	Subsidiary
Universal Global Technology Co., Limited	Universal Global Industrial Co., Limited	Hong Kong	Engaged in manufacturing, trading and investing activity	US\$ 11,000 thousand	US\$ 11,000 thousand	85,800,000	100	US\$ 19,455 thousand	US\$ 823 thousand	(Note 2)	Subsidiary
	Universal Global Scientific Industrial Co., Ltd.	Taiwan	Engaged in the manufacturing of components of telecomm and cars and provision of related R&D services	US\$ 30,400 thousand	US\$ 30,400 thousand	98,000,000	100	US\$ 90,008 thousand	US\$ 439 thousand	(Note 2)	Subsidiary
	USI Japan Co., Ltd	Japan	Engaged in the manufacturing and sale of computer peripherals, integrated chip and other related accessories	US\$ 885 thousand	US\$ 885 thousand	6,400	100	US\$ 803 thousand	(US\$ 3 thousand)	(Note 2)	Subsidiary
	Universal Scientific Industrial De Mexico S.A. De C.V.	Mexico	Engaged in the assembling of motherboards and computer components	US\$ 23,963 thousand	US\$ 23,963 thousand	281,085,325	100	US\$ 42,363 thousand	US\$ 632 thousand	(Note 2)	Subsidiary
	USI America Inc.	U.S.A	Engaged in the manufacturing and processing of motherboards and wireless network communication and provision of related technical service	US\$ 9,500 thousand	US\$ 9,500 thousand	250,000	100	US\$ 5,410 thousand	US\$ 45 thousand	(Note 2)	Subsidiary
Universal Global Industrial Co., Limited	Universal Scientific Industrial De Mexico S.A. De C.V.	Mexico	Engaged in the assembling of motherboards and computer components	US\$ - thousand	US\$ - thousand	1	-	US\$ - thousand	US\$ 632 thousand	(Note 2)	Subsidiary
Universal Global Scientific Industrial Co., Ltd.	Universal Scientific Industrial Co., Ltd.	Taiwan	Engaged in the manufacturing, processing and sale of computers, computer peripherals and related accessories	792,060	-	39,603,000	99	982,710	55,140	(Note 2)	Subsidiary

(Concluded)

Note 1: The share of profits/losses of investee includes the effect of unrealized gross profit on intercompany transaction.

Note 2: The share of profits/losses of investee company is not reflected herein as such amount is already included in the share of profits/losses of the investor company.

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2016

(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee Company	Main Business Activities	Paid-in Capital	Investment Method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2016	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the three months ended March 31,2016		Accumulated amount of remittance from Taiwan to Mainland China as of March 31,2016	Net income of investee as of March 31,2016	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three months ended March 31,2016	Book value of investments in Mainland China as of March 31,2016	Accumulated amount of investment income remitted back to Taiwan as of March 31,2016
					Remitted to Mainland China	Remitted back to Taiwan						
ASE (Shanghai) Inc.	Engaged in the production of substrates	\$ 4,236,563 (US\$ 133,812 thousand)	Note 1 (1)	\$ 4,398,576 (US\$ 137,800 thousand)	\$ -	\$ -	\$ 4,398,576 (US\$ 137,800 thousand)	\$ 411,543 (US\$ 12,492 thousand) (Note 5)	100	\$ 411,543 (US\$ 12,492 thousand) (Note 5)	\$ 10,629,028 (US\$ 330,248 thousand)	None
ASE (Kun Shan) Inc.	Engaged in the packaging and testing of semiconductors	8,350,204 (US\$ 268,000 thousand)	Note 1 (2)	8,350,204 (US\$ 268,000 thousand) (Note 10)	-	-	8,350,204 (US\$ 268,000 thousand)	34,822 (US\$ 1,061 thousand) (Note 4)	100	34,822 (US\$ 1,061 thousand) (Note 4)	6,344,795 (US\$ 197,135 thousand)	None
ASE Module (Shanghai) Inc.	Engage in the production and sale of electronic components and printed circuit boards	383,640 (US\$ 12,000 thousand)	Note 1 (3)	383,640 (US\$ 12,000 thousand)	-	-	383,640 (US\$ 12,000 thousand)	154 (US\$ 5 thousand) (Note 5)	100	154 (US\$ 5 thousand) (Note 5)	607,522 (US\$ 18,876 thousand)	None
ASE Assembly & Test (Shanghai) Limited	Engaged in the packaging and testing of semiconductors	6,501,336 (US\$ 203,580 thousand)	Note 1 (4)	5,792,530 (US\$ 180,000 thousand)	-	-	5,792,530 (US\$ 180,000 thousand)	642,944 (US\$ 19,499 thousand) (Note 4)	100	642,944 (US\$ 19,499 thousand) (Note 4)	11,366,456 (US\$ 353,160 thousand)	None
Suzhou ASEN Semiconductors Co., Ltd.	Engaged in the packaging and testing of semiconductors	1,568,467 (US\$ 48,672 thousand)	Note 1 (5)	711,180 (US\$ 21,600 thousand)	-	-	711,180 (US\$ 21,600 thousand)	133,639 (US\$ 4,044 thousand) (Note 5)	60	80,183 (US\$ 2,426 thousand) (Note 5)	2,291,926 (US\$ 71,211 thousand)	None
ASE WeiHai Inc.	Engaged in the packaging and testing of semiconductors	4,507,081 (US\$ 152,200 thousand)	Note 1 (6)	1,295,307 (US\$ 40,000 thousand)	-	-	1,295,307 (US\$ 40,000 thousand)	(27,618) (US\$ -828 thousand) (Note 5)	100	(27,618) (US\$ -828 thousand) (Note 5)	1,672,267 (US\$ 51,958 thousand)	None
Shanghai Ding Hui Real Estate Development Co., Ltd.	Engaged in the development, construction and sale of real estate properties	16,345,070 (CNY 3,600,000 thousand)	Note 2	- (Note 2)	-	-	- (註2)	768,202 (CNY 151,809 thousand) (Note 5)	100	702,470 (CNY 138,819 thousand) (Note 5)	20,270,996 (CNY 4,069,441 thousand)	None
Shanghai Ding Wei Real Estate Development Co., Ltd.	Engaged in the development, construction and sale of real estate properties	6,908,089 (CNY 1,548,000 thousand)	Note 2	- (Note 2)	-	-	- (註2)	(9,253) (CNY -1,829 thousand) (Note 5)	100	(9,253) (CNY -1,829 thousand) (Note 5)	7,627,681 (CNY 1,531,271 thousand)	None
Shanghai Ding Yu Real Estate Development Co., Ltd.	Engaged in the development, construction and sale of real estate properties	4,936,538 (CNY 1,100,000 thousand)	Note 2	- (Note 2)	-	-	- (註2)	(3,043) (CNY -601 thousand) (Note 5)	100	(3,043) (CNY -601 thousand) (Note 5)	5,484,560 (CNY 1,101,036 thousand)	None
Kun Shan Ding Hong Real Estate Development Co., Ltd.	Engaged in the development, construction and sale of real estate properties	3,139,662 (CNY 670,000 thousand)	Note 2	- (Note 2)	-	-	- (註2)	(1,284) (CNY -253 thousand) (Note 5)	100	(1,284) (CNY -253 thousand) (Note 5)	3,330,325 (CNY 668,569 thousand)	None
Kun Shan Ding Yue Real Estate Development Co., Ltd.	Engaged in the development, construction and sale of real estate properties	1,546,415 (CNY 330,000 thousand)	Note 2	- (Note 2)	-	-	- (註2)	35 (CNY -7 thousand) (Note 5)	100	35 (CNY -7 thousand) (Note 5)	1,642,455 (CNY 329,726 thousand)	None
Advanced Semiconductor Engineering (China) Ltd.	Engage in the packaging and testing of semiconductors	3,149,000 (US\$ 100,000 thousand)	Note 1 (7)	3,149,000 (US\$ 100,000 thousand)	-	-	3,149,000 (US\$ 100,000 thousand)	(16,412) (US\$ -499 thousand) (Note 4)	100	(16,412) (US\$ -499 thousand) (Note 4)	3,267,571 (US\$ 101,525 thousand)	None
ASE Investment (Kun Shan) Limited	Holding company	3,717,318 (US\$ 122,000 thousand)	Note 1 (8)	3,717,318 (US\$ 122,000 thousand) (Note 10)	-	-	3,717,318 (US\$ 122,000 thousand)	15,786 (US\$ 481 thousand) (Note 4)	100	15,786 (US\$ 481 thousand) (Note 4)	2,886,359 (US\$ 89,680 thousand)	None

(Continued)

Investee Company	Main Business Activities	Paid-in Capital	Investment Method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2016	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the three months ended March 31,2016		Accumulated amount of remittance from Taiwan to Mainland China as of March 31,2016	Net income of investee as of March 31,2016	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three months ended March 31,2016	Book value of investments in Mainland China as of March 31,2016	Accumulated amount of investment income remitted back to Taiwan as of March 31,2016
					Remitted to Mainland China	Remitted back to Taiwan						
Wuxi Tongzhi Microelectronics Co., Ltd.	Engage in the packaging and testing of semiconductors	\$ 356,682 (CNY 73,461 thousand)	(Note 2)	\$ - (Note 2)	\$ -	\$ -	\$ - (Note 2)	\$ 7,987 (CNY 1,578 thousand) (Note 4)	100	\$ 7,987 (CNY 1,578 thousand) (Note 4)	\$ 456,194 (CNY 91,582 thousand)	None
ASE Trading (Shanghai) Ltd.	Engaged in trading activity	2,566 (CNY 500 thousand)	(Note 2)	- (Note 2)	-	-	- (Note 2)	(9) (CNY -2 thousand) (Note 4)	100	(9) (CNY -2 thousand) (Note 4)	2,236 (CNY 449 thousand)	None
Shanghai Ding Qi Property Management Co., Ltd.	Engaged in the management of real estate properties	5,078 (CNY 1,000 thousand)	(Note 2)	- (Note 2)	-	-	- (Note 2)	(1,741) (CNY -344 thousand) (Note 5)	100	(1,741) (CNY -344 thousand) (Note 5)	(114) (CNY -23 thousand)	None
USI Electronics (Shenzhen) Co., Ltd	Engaged in the processing and sales of computer and communication peripherals as well as business in import and export of goods and technology	2,270,625 (US\$ 75,000 thousand)	Note 1 (9)	1,180,746	-	-	1,180,746	511,821 (CNY 101,060 thousand) (Note 6)	77	394,997 (US\$ 11,944 thousand) (Note 6)	6,735,598 (US\$ 209,278 thousand)	\$ 1,196,256 (US\$ 41,243 thousand)
Universal Scientific Industrial (Shanghai) Co., Ltd.	Engaged in the designing, manufacturing and sale of electronic components	10,649,110 (CNY 2,175,924 thousand)	Note 1 (9)	1,668,233	-	-	1,668,233	456,412 (US\$ 13,801 thousand) (Note 6)	77	352,619 (US\$ 10,662 thousand) (Note 6)	26,790,958 (US\$ 832,405 thousand)	None
Universal Scientific Industrial (Kunshan) Co., Ltd.	Engaged in the manufacturing and sale of computer assistance system and related peripherals	383,201 (US\$ 12,000 thousand)	Note 1 (9)	383,201	-	-	383,201	(981) (US\$ -30 thousand) (Note 6)	99	(973) (US\$ -29 thousand) (Note 6)	340,018 (US\$ 10,564 thousand)	None
e-Cloud Corporation	Engaged in the sale of electronic components and telecommunications equipment	147,450 (US\$ 5,000 thousand)	Note 1 (11)	147,450	-	-	147,450	-	-	-	- (Note 11)	None
Siargo(SH), Ltd.	Engaged in manufacturing and sale of MEMS mass flow sensors	227,063 (US\$ 7,500 thousand)	(Note 3)	3,035	-	-	3,035	-	-	-	-	None
Universal Global Technology (Kunshan) Co., Ltd.	Engaged in the designing and manufacturing of electronic components	1,202,223 (CNY 250,000 thousand)	(Note 2)	- (Note 2)	-	-	- (Note 2)	146,013 (CNY 28,831 thousand) (Note 6)	77	112,796 (CNY 22,272 thousand) (Note 6)	1,875,561 (CNY 376,522 thousand)	None
Universal Global Technology (Shanghai) Co., Ltd.	Engaged in the processing and sales of computer and communication peripherals as well as business in import and export of goods and technology	6,652,140 (CNY 1,330,000 thousand)	(Note 2)	- (Note 2)	-	-	- (Note 2)	(302,343) (CNY --59,699 thousand) (Note 6)	77	(231,969) (CNY -45,803 thousand) (Note 6)	2,573,808 (CNY 516,697 thousand)	None
Universal Global Electronics (Shanghai) Co., Ltd.	Engaged in the sale of electronic components and telecommunications equipment	240,850 (CNY 50,000 thousand)	(Note 2)	- (Note 2)	-	-	- (Note 2)	1,666 (CNY 329 thousand) (Note 6)	77	1,278 (CNY 252 thousand) (Note 6)	203,860 (CNY 40,925 thousand)	None

(Continued)

Investee Company	Accumulated Investment in Mainland China as of March 31, 2016	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The company	\$ 15,203,097 (US\$ 471,400 thousand)	\$ 16,790,306 (US\$ 576,400 thousand)(Note 9)	\$ - (Note 7)
ASE Test, Inc.	8,878,838 (US\$ 288,000 thousand)	8,878,838 (US\$ 288,000 thousand)	18,211,683 (Note 8)
USI Inc.	3,382,665	22,736,663 (US\$731,695 thousand)	- (Note 7)

Note 1: Investments through a holding company registered in a third region. The holding companies are as follow:

- (1) ASE Mauritius Inc., ASE Corporation, Omniquest Industrial Limited, Innosource Limited and J&R Holding Limited.
- (2) ASE Mauritius Inc., Alto Enterprises Limited, Innosource Limited, ASE Corporation, Omniquest Industrial Limited and J&R Holding Limited.
- (3) Innosource Limited.
- (4) Global Advanced Packaging Technology Ltd. and J&R Holding Limited.
- (5) J&R Holding Limited.
- (6) ASE (Korea) Inc., ASE Test Limited, ASE Investment (Labuan) Inc., ASE Holding Ltd. and J&R Holding Limited.
- (7) Super Zone Holdings Limited.
- (8) Alto Enterprises Limited.
- (9) Real Tech Holdings Limited and Huntington Holdings International Co. Ltd..
- (10) Rise Accord Limited and Huntington Holdings International Co. Ltd..
- (11) Rise Capital Investment Limited and Huntington Holdings International Co. Ltd..

Note 2: Invested by companies in Mainland China.

Note 3: The company was invested by Asia Global Venture Co. Ltd which is invested by UHI as available-for-sale. Asia Global Venture Co. Ltd disposed all of the company's shares in October, 2013, therefore as of March 31, 2016 UHI does not invest to any company in Mainland China.

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

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

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

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

Note 8: The upper limit on investment of ASET, Inc is calculated as follow: $\$30,352,805 \times 60\% = 18,211,683$

Note 9: USD \$80,000 thousand was directly remitted by the subsidiary, ASE (Korea), and USD \$25,000 thousand was by means of Debt for Equity Swap. Therefore, there is USD\$105,000 thousand difference between MOEA approved investment amount and accumulated outflow of investment from Taiwan.

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

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

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2016

(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Company Name	Related Party	Nature of Relationships	Intercompany Transactions			Percentage of Consolidated Net Revenue or Total Assets
				Financial Statement Account	Amount (Note)	Terms	
0	The Company	ASE Test, Inc.	Parent company to subsidiary	Other payables	\$ 5,397,847	The transaction has the same terms with other companies The transaction has the same terms with other companies It is calculated by fixed ratio based on actual expenses. There is an upper limit to the expenses. The transaction has the same terms with other companies	2
		Universal Scientific Industrial Co., Ltd.	Parent company to subsidiary	Trade receivables	648,335		-
		ASE (Shanghai) Inc.	Parent company to subsidiary	Operating revenues	557,634		1
		ASE (U.S.) Inc.	Parent company to subsidiary	Trade payables	550,075		-
		ASE Electronics Inc.	Parent company to subsidiary	Operating costs	537,690		1
		ASE Electronics Inc.	Parent company to subsidiary	Operating expenses	231,578		-
		ASE Electronics Inc.	Parent company to subsidiary	Trade payables	518,888		-
		ASE Electronics Inc.	Parent company to subsidiary	Other payables	147,413		-
		ASE Electronics Inc.	Parent company to subsidiary	Operating costs	537,827		1
		J & R Holding Limited	Parent company to subsidiary	Other payables	9,076,170		3
		Omniquet Industrial Limited	Parent company to subsidiary	Other payables	3,057,575		1
		Innosource Limited	Parent company to subsidiary	Other payables	708,070		-
		ASE Test Limited	Parent company to subsidiary	Other payables	4,344,975		1
		Global Advanced Packaging Technology Limited, Cayman Islands	Parent company to subsidiary	Other payables	1,898,915		1
		ASE Investment (Labuan) Inc.	Parent company to subsidiary	Other payables	2,979,557		1
		J&R Industrial Inc.	Parent company to subsidiary	Other payables	190,000		-
		ASE (Korea) Inc.	Parent company to subsidiary	Other payables	2,574,919		1
		Huntington Holdings International Co., Ltd.	Parent company to subsidiary	Other payables	1,770,175		-
		USI Enterprise Limited	Parent company to subsidiary	Other payables	2,574,800		1
		Real Tech Holdings Limited	Parent company to subsidiary	Other payables	3,862,200		1
ASE Corporation	Parent company to subsidiary	Other payables	1,800,000	1			
A.S.E. Holding Limited	Parent company to subsidiary	Other payables	2,413,875	1			
1	ASE (Shanghai) Inc.	ASE Assembly & Test (Shanghai) Limited	Subsidiary to subsidiary	Operating revenues	104,225	-	
		Advanced Semiconductor Engineering (HK) Limited	Subsidiary to subsidiary	Trade receivables	313,473	-	
		Advanced Semiconductor Engineering (HK) Limited	Subsidiary to subsidiary	Operating revenues	319,386	1	
2	Shanghai Ding Hui Real Estate Development Co., Ltd.	Kun Shan Ding Hong Real Estate Development Co., Ltd.	Subsidiary to subsidiary	Other receivables	227,575	-	
3	ASE Investment (Labuan) Inc.	ASE Test Limited	Subsidiary to subsidiary	Other liabilities	482,809	-	
4	A.S.E. Holding Limited	ASE Test Limited	Subsidiary to subsidiary	Other payables	1,280,275	-	
		ASE Singapore Pte. Ltd.	Subsidiary to subsidiary	Other payables	386,499	-	
5	Omniquet Industrial Limited	ASE Test Limited	Subsidiary to subsidiary	Other liabilities	3,064,293	1	

(Continued)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2016
(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Company Name	Related Party	Nature of Relationships	Intercompany Transactions			Percentage of Consolidated Net Revenue or Total Assets
				Financial Statement Account	Amount (Note)	Terms	
6	J & R Holding Limited	Global Advanced Packaging Technology Limited, Cayman Islands	Subsidiary to subsidiary	Other receivables	\$ 2,428,072		1
		Innosource Limited	Subsidiary to subsidiary	Other assets	710,828		-
		Anstock Limited	Subsidiary to subsidiary	Other assets	800,974		-
		Real Tech Holdings Limited	Subsidiary to subsidiary	Other receivables	2,093,536		1
		ISE Labs, Inc.	Subsidiary to subsidiary	Other payables	965,743		-
			Subsidiary to subsidiary	Other liabilities	515,145		-
		Anstock II Limited	Subsidiary to subsidiary	Other liabilities	9,558,945		3
		ASE Japan Co., Ltd.	Subsidiary to subsidiary	Other payables	1,947,680		1
		ASE Assembly & Test (Shanghai) Limited	Subsidiary to subsidiary	Other assets	550,715		-
		ASE WeiHai Inc.	Subsidiary to subsidiary	Other receivables	1,356,184		-
	USI Enterprise Limited	Subsidiary to subsidiary	Other payables	6,290,372		2	
7	ASE Electronics Inc.	J&R Industrial Inc.	Subsidiary to subsidiary	Other payables	190,000		-
8	ASE Test, Inc.	ASE Investment (Labuan) Inc.	Subsidiary to subsidiary	Other receivables	2,500,000		1
		ASE Corporation	Subsidiary to subsidiary	Other receivables	1,800,000		1
9	ASE Assembly & Test (Shanghai) Limited	Anstock Limited	Subsidiary to subsidiary	Other payables	3,209,689		1
10	ASE WeiHai Inc.	ASE (Korea) Inc.	Subsidiary to subsidiary	Other payables	1,612,106		-
		ASE (Shanghai) Inc.	Subsidiary to subsidiary	Other payables	161,840		-
11	Universal Scientific Industrial Co., Ltd.	Universal Global Scientific Industrial Co., Ltd.	Subsidiary to subsidiary	Operating costs	158,528		-
			Subsidiary to subsidiary	Trade payables	166,083		-
12	USI Inc.	USI Enterprise Limited	Subsidiary to subsidiary	Other payables	2,188,580		1

(Continued)

No.	Company Name	Related Party	Nature of Relationships	Intercompany Transactions			Percentage of Consolidated Net Revenue or Total Assets
				Financial Statement Account	Amount (Note)	Terms	
13	Universal Scientific Industrial (Shanghai) Co., Ltd.	Universal Global Technology Co., Limited	Subsidiary to subsidiary	Operating costs	\$ 1,212,368		2
				Trade payables	2,174,043		1
				Other receivables	2,845,907		1
14	Universal Global Industrial Co., Limited	USI Electronics (Shenzhen) Co., Ltd	Subsidiary to subsidiary	Operating revenues	748,347		1
				Operating costs	3,157,392		5
				Trade receivables	549,130		-
		Universal Global Scientific Industrial Co., Ltd.	Subsidiary to subsidiary	Trade payables	2,657,446		1
				Operating revenues	3,545,365		6
				Trade receivables	3,028,656		1
				Operating costs	1,189,423		2
Universal Global Technology (Kunshan) Co., Ltd.	Subsidiary to subsidiary	Trade payables	722,843		-		
15	Universal Global Technology Co., Limited	Universal Global Technology (Kunshan) Co., Ltd.	Subsidiary to subsidiary	Operating revenues	788,244		1
				Trade receivables	857,462		-
16	USI Electronics (Shenzhen) Co., Ltd	Universal Scientific Industrial (Shanghai) Co., Ltd.	Subsidiary to subsidiary	Other receivables	1,198,994		-
17	Universal Global Technology (Kunshan) Co., Ltd.	Universal Scientific Industrial (Shanghai) Co., Ltd.	Subsidiary to subsidiary	Other receivables	249,112		-

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

(Concluded)