

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

**Consolidated Financial Statements for the
Six months Ended June 30, 2017 and 2016 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' 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. (the "Company") and its subsidiaries (collectively the "Group") as of June 30, 2017 and 2016, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2017 and 2016, as well as changes in equity and cash flows for the six months ended June 30, 2017 and 2016. 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 June 30, 2017 and 2016 and for the three months and six months then ended were reviewed by other auditors and our review, insofar as it relates to the amounts and information disclosed, is based solely on the report of the other auditors. The accompanying consolidated financial statements of the Group include its investments accounted for using the equity method in SPIL of NT\$44,761,712 thousand and NT\$45,496,553 thousand, both constituting 13% of the Group's total assets, as of June 30, 2017 and 2016, respectively, and its share of profit in SPIL of NT\$718,205 thousand and NT\$934,498 thousand as well as NT\$1,025,919 thousand and NT\$1,335,345 thousand, constituting 9% and 21% as well as 9% and 16% of the Group's net profit for the three months and six months ended June 30, 2017 and 2016, respectively.

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 auditors, 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 Regulations 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.

As discussed in Notes 13 and 27 to the consolidated financial statements, the Group has completed the identification of the difference between the cost of the investments and the Group's share of the net fair value of the identifiable assets and liabilities in a subsidiary and associates. Therefore, the Group has retrospectively adjusted the initial accounting and related accounts recorded at the acquisition dates in the comparative financial statements of prior periods.



Deloitte & Touche
Taipei, Taiwan
Republic of China

August 11, 2017

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

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2017 (Reviewed)		December 31, 2016 (Retrospectively Adjusted and Audited)		June 30, 2016 (Retrospectively Adjusted and Reviewed)	
	NT\$	%	NT\$	%	NT\$	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 4 and 6)	\$ 43,890,571	12	\$ 38,392,524	11	\$ 36,872,544	10
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	3,083,765	1	3,069,812	1	2,709,539	-
Available-for-sale financial assets - current (Notes 4 and 8)	562,099	-	266,696	-	47,908	-
Trade receivables, net (Notes 4 and 9)	46,155,856	13	51,145,557	14	44,680,188	13
Other receivables (Note 4)	6,819,264	2	665,480	-	4,718,274	1
Current tax assets (Notes 4 and 24)	402,486	-	471,752	-	170,124	-
Inventories (Notes 4 and 10)	20,350,342	6	21,438,062	6	19,767,852	6
Inventories related to real estate business (Notes 4, 11, 23 and 35)	22,467,830	6	24,187,515	7	24,494,674	7
Other financial assets - current (Notes 4, 12 and 35)	491,727	-	558,686	-	830,339	-
Other current assets	2,780,184	1	2,593,575	1	2,679,202	1
Total current assets	<u>147,004,124</u>	<u>41</u>	<u>142,789,659</u>	<u>40</u>	<u>136,970,644</u>	<u>38</u>
NON-CURRENT ASSETS						
Available-for-sale financial assets - non-current (Notes 4 and 8)	1,069,483	-	1,028,338	1	859,750	1
Investments accounted for using the equity method (Notes 4, 5 and 13)	48,510,607	14	49,816,593	14	47,331,985	14
Property, plant and equipment (Notes 4, 14, 23 and 36)	140,378,067	39	143,880,241	40	147,649,548	42
Goodwill (Notes 4, 5, 15 and 27)	10,393,940	3	10,490,309	3	10,492,386	3
Other intangible assets (Notes 4, 16, 23, 27 and 34)	1,490,843	1	1,617,261	-	1,399,023	-
Deferred tax assets (Notes 4 and 24)	4,004,721	1	4,536,924	1	5,130,646	1
Other financial assets - non-current (Notes 4, 12 and 35)	1,297,441	-	1,320,381	-	1,351,102	-
Long-term prepayments for lease (Note 17)	2,065,207	1	2,237,033	1	2,402,111	1
Other non-current assets	408,470	-	205,740	-	434,365	-
Total non-current assets	<u>209,618,779</u>	<u>59</u>	<u>215,132,820</u>	<u>60</u>	<u>217,050,916</u>	<u>62</u>
TOTAL	<u>\$ 356,622,903</u>	<u>100</u>	<u>\$ 357,922,479</u>	<u>100</u>	<u>\$ 354,021,560</u>	<u>100</u>

(Continued)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	June 30, 2017		December 31, 2016		June 30, 2016	
	(Reviewed)		(Retrospectively Adjusted and Audited)		(Retrospectively Adjusted and Reviewed)	
	NT\$	%	NT\$	%	NT\$	%
CURRENT LIABILITIES						
Short-term borrowings (Note 18)	\$ 14,209,426	4	\$ 20,955,522	6	\$ 18,318,578	5
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	2,937,400	1	1,763,660	-	2,555,705	1
Trade payables	32,470,709	9	35,803,984	10	31,340,210	9
Dividends payable (Note 22)	11,210,962	3	-	-	12,243,366	3
Other payables (Note 20)	21,228,741	6	21,522,034	6	20,809,697	6
Current tax liabilities (Note 4)	4,529,601	1	4,352,642	1	4,446,883	1
Advance real estate receipts (Note 4)	12,381	-	60,550	-	145,410	-
Current portion of bonds payable (Notes 4 and 19)	15,236,436	5	9,658,346	3	22,549,945	6
Current portion of long-term borrowings (Notes 18 and 35)	7,407,939	2	6,567,565	2	5,214,953	2
Other current liabilities	3,891,203	1	3,791,563	1	3,143,546	1
Total current liabilities	<u>113,134,798</u>	<u>32</u>	<u>104,475,866</u>	<u>29</u>	<u>120,768,293</u>	<u>34</u>
NON-CURRENT LIABILITIES						
Bonds payable (Notes 4 and 19)	25,844,833	8	27,341,557	8	24,652,492	7
Long-term borrowings (Notes 18 and 35)	28,435,581	8	46,547,998	13	39,339,333	11
Deferred tax liabilities (Notes 4 and 24)	4,841,279	1	4,856,549	2	4,744,127	2
Net defined benefit liabilities (Notes 4 and 21)	4,216,128	1	4,172,253	1	4,164,074	1
Other non-current liabilities	1,087,466	-	1,201,480	-	1,045,224	-
Total non-current liabilities	<u>64,425,287</u>	<u>18</u>	<u>84,119,837</u>	<u>24</u>	<u>73,945,250</u>	<u>21</u>
Total liabilities	<u>177,560,085</u>	<u>50</u>	<u>188,595,703</u>	<u>53</u>	<u>194,713,543</u>	<u>55</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 22)						
Share capital						
Ordinary shares	82,735,460	23	79,364,735	22	79,182,729	22
Shares subscribed in advance	1,078,019	-	203,305	-	122,297	-
Total share capital	<u>83,813,479</u>	<u>23</u>	<u>79,568,040</u>	<u>22</u>	<u>79,305,026</u>	<u>22</u>
Capital surplus	<u>32,792,270</u>	<u>9</u>	<u>22,265,049</u>	<u>6</u>	<u>22,340,511</u>	<u>6</u>
Retained earnings (Note 13)						
Legal reserve	16,765,066	5	14,597,032	4	14,597,032	4
Special reserve	3,353,938	1	3,353,938	1	3,353,938	1
Unappropriated earnings	43,530,834	12	46,710,051	13	33,653,206	10
Total retained earnings	<u>63,649,838</u>	<u>18</u>	<u>64,661,021</u>	<u>18</u>	<u>51,604,176</u>	<u>15</u>
Accumulated other comprehensive income	<u>(6,125,044)</u>	<u>(2)</u>	<u>(1,883,574)</u>	<u>-</u>	<u>2,465,406</u>	<u>1</u>
Treasury shares	<u>(7,292,513)</u>	<u>(2)</u>	<u>(7,292,513)</u>	<u>(2)</u>	<u>(7,292,513)</u>	<u>(2)</u>
Equity attributable to owners of the Company	166,838,030	46	157,318,023	44	148,422,606	42
NON-CONTROLLING INTERESTS (Notes 4 and 22)						
	<u>12,224,788</u>	<u>4</u>	<u>12,008,753</u>	<u>3</u>	<u>10,885,411</u>	<u>3</u>
Total equity	<u>179,062,818</u>	<u>50</u>	<u>169,326,776</u>	<u>47</u>	<u>159,308,017</u>	<u>45</u>
TOTAL	<u>\$ 356,622,903</u>	<u>100</u>	<u>\$ 357,922,479</u>	<u>100</u>	<u>\$ 354,021,560</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated August 11, 2017)

(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 June 30				For the Six Months Ended June 30			
	2017		2016 (Retrospectively Adjusted)		2017		2016 (Retrospectively Adjusted)	
	NT\$	%	NT\$	%	NT\$	%	NT\$	%
OPERATING REVENUES (Note 4)	\$ 66,026,105	100	\$ 62,600,703	100	\$ 132,576,789	100	\$ 124,971,785	100
OPERATING COSTS (Notes 10, 23 and 27)	53,910,558	82	50,347,556	81	108,485,921	82	101,269,357	81
GROSS PROFIT	12,115,547	18	12,253,147	19	24,090,868	18	23,702,428	19
OPERATING EXPENSES (Notes 23 and 27)								
Selling and marketing expenses	814,518	1	897,113	1	1,623,608	1	1,772,755	1
General and administrative expenses	3,130,813	5	2,722,896	4	6,308,480	5	5,481,981	5
Research and development expenses	2,951,295	4	2,744,712	4	5,714,879	4	5,353,237	4
Total operating expenses	6,896,626	10	6,364,721	9	13,646,967	10	12,607,973	10
PROFIT FROM OPERATIONS	5,218,921	8	5,888,426	10	10,443,901	8	11,094,455	9
NON-OPERATING INCOME AND EXPENSES								
Other income (Note 23)	239,721	-	116,176	-	348,168	-	282,367	-
Other gains, net (Note 23)	6,112,258	9	121,964	-	5,287,239	4	631,953	-
Finance costs (Note 23)	(434,553)	(1)	(587,823)	(1)	(926,819)	(1)	(1,199,127)	(1)
Share of profit of associates and joint ventures (Notes 4 and 5)	253,828	1	541,045	1	82,847	-	644,622	1
Total non-operating income and expenses	6,171,254	9	191,362	-	4,791,435	3	359,815	-
PROFIT BEFORE INCOME TAX EXPENSE	11,390,175	17	6,079,788	10	15,235,336	11	11,454,270	9
INCOME TAX EXPENSE (Notes 4 and 24)	3,207,162	5	1,523,014	2	4,092,643	3	2,841,257	2
NET PROFIT FOR THE PERIOD	8,183,013	12	4,556,774	8	11,142,693	8	8,613,013	7
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translating foreign operations	1,712,602	3	(1,242,104)	(2)	(5,231,012)	(4)	(2,711,424)	(2)
Unrealized gain (loss) on available-for-sale financial assets	77,368	-	4,592	-	121,470	-	(18,858)	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	312,740	-	(183,321)	-	483,171	-	(172,582)	-

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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 June 30				For the Six Months Ended June 30			
	2017		2016 (Retrospectively Adjusted)		2017		2016 (Retrospectively Adjusted)	
	NT\$	%	NT\$	%	NT\$	%	NT\$	%
Other comprehensive income for the period, net of income tax	\$ 2,102,710	3	\$ (1,420,833)	(2)	\$ (4,626,371)	(4)	\$ (2,902,864)	(2)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 10,285,723</u>	<u>15</u>	<u>\$ 3,135,941</u>	<u>6</u>	<u>\$ 6,516,322</u>	<u>4</u>	<u>\$ 5,710,149</u>	<u>5</u>
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ 7,847,514	12	\$ 4,302,008	8	\$ 10,406,227	8	\$ 8,184,127	7
Non-controlling interests	<u>335,499</u>	<u>-</u>	<u>254,766</u>	<u>-</u>	<u>736,466</u>	<u>-</u>	<u>428,886</u>	<u>-</u>
	<u>\$ 8,183,013</u>	<u>12</u>	<u>\$ 4,556,774</u>	<u>8</u>	<u>\$ 11,142,693</u>	<u>8</u>	<u>\$ 8,613,013</u>	<u>7</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 9,788,676	14	\$ 3,035,491	6	\$ 6,164,757	4	\$ 5,567,844	5
Non-controlling interests	<u>497,047</u>	<u>1</u>	<u>100,450</u>	<u>-</u>	<u>351,565</u>	<u>-</u>	<u>142,305</u>	<u>-</u>
	<u>\$ 10,285,723</u>	<u>15</u>	<u>\$ 3,135,941</u>	<u>6</u>	<u>\$ 6,516,322</u>	<u>4</u>	<u>\$ 5,710,149</u>	<u>5</u>
EARNINGS PER SHARE (Note 25)								
Basic	\$ 0.97		\$ 0.56		\$ 1.32		\$ 1.07	
Diluted	<u>\$ 0.89</u>		<u>\$ 0.47</u>		<u>\$ 1.22</u>		<u>\$ 0.87</u>	

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

(With Deloitte & Touche review report dated August 11, 2017)

(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													
	Share Capital		Capital Surplus	Retained Earnings				Other Equity		Treasury Shares	Total	Non-controlling Interests	Total Equity	
	Shares (In Thousands)	Amounts		Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating Foreign Operations	Unrealized Gain (loss) on Available-for-sale Financial Assets					
ADJUSTED BALANCE AT JANUARY 1, 2016 (Note 13)	7,910,428	\$ 79,185,660	\$ 23,757,099	\$ 12,649,145	\$ 3,353,938	\$ 39,899,629	\$ 55,902,712	\$ 4,493,570	\$ 588,119	\$ 5,081,689	\$ (7,292,513)	\$ 156,634,647	\$ 11,503,878	\$ 168,138,525
Profit for the six months ended June 30, 2016 (After retrospectively adjusted) (Notes 13 and 27)	-	-	-	-	-	8,184,127	8,184,127	-	-	-	-	8,184,127	428,886	8,613,013
Other comprehensive income (loss) for the six months ended June 30, 2016, net of income tax	-	-	-	-	-	-	-	(2,548,794)	(67,489)	(2,616,283)	-	(2,616,283)	(286,581)	(2,902,864)
Total comprehensive income for the six months ended June 30, 2016 (After retrospectively adjusted)	-	-	-	-	-	8,184,127	8,184,127	(2,548,794)	(67,489)	(2,616,283)	-	5,567,844	142,305	5,710,149
Appropriation of 2015 earnings														
Legal reserve	-	-	-	1,947,887	-	(1,947,887)	-	-	-	-	-	-	-	-
Cash dividends declared by the Company	-	-	-	-	-	(12,476,779)	(12,476,779)	-	-	-	-	(12,476,779)	-	(12,476,779)
Issue of dividends received by subsidiaries from the Company	-	-	233,412	-	-	-	-	-	-	-	-	233,412	-	233,412
Partial disposal of interest in subsidiaries and additional acquisition of majority-owned subsidiaries (Note 29)	-	-	(20,552)	-	-	(5,884)	(5,884)	-	-	-	-	(26,436)	26,436	-
Changes in percentage of ownership interest in subsidiaries (Note 29)	-	-	(1,912,887)	-	-	-	-	-	-	-	-	(1,912,887)	(912,886)	(2,825,773)
Issue of ordinary shares under employee share options	13,690	119,366	283,439	-	-	-	-	-	-	-	-	402,805	-	402,805
Non-controlling interest arising from acquisition of subsidiaries (After retrospectively adjusted) (Note 27)	-	-	-	-	-	-	-	-	-	-	-	-	42,857	42,857
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(236,426)	(236,426)
Additional non-controlling interest arising on issue of employee share options by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	319,247	319,247
ADJUSTED BALANCE AT JUNE 30, 2016	7,924,118	\$ 79,305,026	\$ 22,340,511	\$ 14,597,032	\$ 3,353,938	\$ 33,653,206	\$ 51,604,176	\$ 1,944,776	\$ 520,630	\$ 2,465,406	\$ (7,292,513)	\$ 148,422,606	\$ 10,885,411	\$ 159,308,017
ADJUSTED BALANCE AT JANUARY 1, 2017 (Notes 13 and 27)	7,946,184	\$ 79,568,040	\$ 22,265,049	\$ 14,597,032	\$ 3,353,938	\$ 46,710,051	\$ 64,661,021	\$ (1,642,724)	\$ (240,850)	\$ (1,883,574)	\$ (7,292,513)	\$ 157,318,023	\$ 12,008,753	\$ 169,326,776
Change in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	187	-	-	(2,212)	(2,212)	-	-	-	-	(2,025)	-	(2,025)
Profit for the six months ended June 30, 2017 (Notes 13 and 27)	-	-	-	-	-	10,406,227	10,406,227	-	-	-	-	10,406,227	736,466	11,142,693
Other comprehensive income (loss) for the six months ended June 30, 2017, net of income tax	-	-	-	-	-	-	-	(5,016,036)	774,566	(4,241,470)	-	(4,241,470)	(384,901)	(4,626,371)
Total comprehensive income (loss) for the six months ended June 30, 2017	-	-	-	-	-	10,406,227	10,406,227	(5,016,036)	774,566	(4,241,470)	-	6,164,757	351,565	6,516,322

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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											Non-controlling Interests	Total Equity	
	Share Capital		Capital Surplus	Retained Earnings				Exchange Differences on Translating Foreign Operations	Other Equity		Treasury Shares			
	Shares (In Thousands)	Amounts		Legal Reserve	Special Reserve	Unappropriated Earnings	Total		Unrealized Gain (loss) on Available-for-sale Financial Assets	Total				
Appropriation of 2016 earnings														
Legal reserve	-	\$ -	\$ -	\$ 2,168,034	\$ -	\$ (2,168,034)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash dividends declared by the Company	-	-	-	-	-	(11,415,198)	(11,415,198)	-	-	-	-	-	(11,415,198)	(11,415,198)
	-	-	-	2,168,034	-	(13,583,232)	(11,415,198)	-	-	-	-	-	(11,415,198)	(11,415,198)
Issue of ordinary shares for capital increase by cash (Note 22)	300,000	3,000,000	7,290,000	-	-	-	-	-	-	-	-	-	10,290,000	10,290,000
Issue of ordinary shares under conversion of bonds (Notes 19 and 22)	101,164	1,011,636	2,369,876	-	-	-	-	-	-	-	-	-	3,381,512	3,381,512
Issue of dividends received by subsidiaries from the Company	-	-	204,236	-	-	-	-	-	-	-	-	-	204,236	204,236
Changes in percentage of ownership interest in subsidiaries (Note 29)	-	-	3,055	-	-	-	-	-	-	-	-	-	3,055	(3,055)
Issue of ordinary shares under employee share options	34,000	233,803	659,867	-	-	-	-	-	-	-	-	-	893,670	893,670
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(246,440)
Additional non-controlling interest arising on issue of employee share options by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	113,965
BALANCE AT JUNE 30, 2017	8,381,348	\$ 83,813,479	\$ 32,792,270	\$ 16,765,066	\$ 3,353,938	\$ 43,530,834	\$ 63,649,838	\$ (6,658,760)	\$ 533,716	\$ (6,125,044)	\$ (7,292,513)	\$ 166,838,030	\$ 12,224,788	\$ 179,062,818

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

(With Deloitte & Touche review report dated August 11, 2017)

(Concluded)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2017	2016
	NT\$	(Retrospectively Adjusted) NT\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 15,235,336	\$ 11,454,270
Adjustments for:		
Depreciation expense	14,216,097	14,442,402
Amortization expense	230,654	266,554
Net (gain) loss on fair value change of financial assets and liabilities at fair value through profit or loss	3,163,731	(505,651)
Finance costs	926,819	1,199,127
Interest income	(114,340)	(114,186)
Dividend income	(26,788)	(17,731)
Compensation cost of employee share options	300,711	240,697
Share of profit of associates and joint ventures	(82,847)	(644,622)
Loss (gain) on disposal of property, plant and equipment	(387,005)	57,987
Impairment loss recognized on financial assets	78,304	-
Reversal of impairment loss on financial assets	-	(28,016)
Impairment loss recognized on non-financial assets	469,294	667,567
Reversal of impairment loss recognized on non-financial assets	(1,652)	-
Gain on disposal of subsidiaries	(5,643,773)	-
Net gain on foreign currency exchange	(1,664,868)	(446,120)
Others	310,423	204,516
Changes in operating assets and liabilities		
Financial assets held for trading	962,642	2,049,607
Trade receivables	4,976,101	279,536
Other receivables	(79,643)	(237,299)
Inventories	1,290,454	4,680,635
Other current assets	(335,704)	96,285
Financial liabilities held for trading	(2,552,982)	(1,006,608)
Trade payables	(3,333,275)	(2,798,354)
Other payables	(43,716)	276,944
Advance real estate receipts	(48,169)	(2,558,296)
Other current liabilities	111,182	95,142
Other operating activities items	(58,319)	42,385
	<u>27,898,667</u>	<u>27,696,771</u>
Interest received	114,450	107,993
Dividend received	26,788	17,731
Interest paid	(855,571)	(840,591)
Income tax paid	<u>(3,426,091)</u>	<u>(3,170,858)</u>
Net cash generated from operating activities	<u>23,758,243</u>	<u>23,811,046</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets designated as at fair value through profit or loss	(28,898,763)	(38,950,756)

(Continued)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2017	2016
	NT\$	(Retrospectively Adjusted)
	NT\$	NT\$
Purchase of available-for-sale financial assets	\$ (302,648)	\$ (881,678)
Proceeds on sale of available-for-sale financial assets	20,047	867,336
Cash received from return of capital by available-for-sale financial assets	-	28,927
Acquisition of associates and joint ventures	-	(13,735,498)
Net cash outflow on acquisition of subsidiaries	-	(73,437)
Net cash inflow from disposal of subsidiaries	3,526,755	-
Payments for property, plant and equipment	(14,444,242)	(12,973,022)
Proceeds from disposal of property, plant and equipment	719,395	79,504
Payments for intangible assets	(178,030)	(190,639)
Proceeds from disposal of intangible assets	34,827	5,532
Decrease (increase) in other financial assets	89,899	(1,533,560)
Decrease (increase) in other non-current assets	12,356	(259,456)
Net cash used in investing activities	<u>(10,556,124)</u>	<u>(28,630,154)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of short-term borrowings	(5,874,104)	(13,798,233)
Repayment of short-term bills payable	-	(4,348,054)
Proceeds from issue of bonds	8,000,000	9,000,000
Proceeds from long-term borrowings	16,661,856	25,980,526
Repayment of long-term borrowings	(33,129,770)	(25,488,809)
Proceeds from issue of ordinary shares	10,290,000	-
Proceeds from exercise of employee share options	706,924	282,810
Decrease in non-controlling interests	(246,440)	(2,863,654)
Other financing activities items	(21,817)	(76,997)
Net cash used in financing activities	<u>(3,613,351)</u>	<u>(11,312,411)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS		
	<u>(4,090,721)</u>	<u>(2,247,118)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	5,498,047	(18,378,637)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>38,392,524</u>	<u>55,251,181</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 43,890,571</u>	<u>\$ 36,872,544</u>

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated August 11, 2017)

(Concluded)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2017 AND 2016 (Amounts in Thousands, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

Advanced Semiconductor Engineering, Inc. (the “Company”) is a corporation incorporated in Nantze Export Processing Zone under the laws of Republic of China (the “ROC”). 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 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 August 11, 2017.

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

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (“FSC”).

Except for the additional disclosures required by the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, whenever applied, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC would not have any material impact on the Group’s accounting policies:

Amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers

The amendments include additions of several accounting items and requirements for disclosures of impairment of non-financial assets as a consequence of the IFRSs endorsed and issued into effect by the FSC. In addition, as a result of the post implementation review of IFRSs in Taiwan, the amendments also include emphasis on certain recognition and measurement considerations and add requirements for disclosures of related party transactions and goodwill.

The amendments stipulate that other companies or institutions of which the chairman of the board of directors or president serves as the chairman of the board of directors or the president, or is the spouse or second immediate family of the chairman of the board of directors or president of the Group are deemed to have a substantive related party relationship, unless it can be demonstrated that no control, joint control, or significant influence exists. Furthermore, the amendments require the disclosure of the names of the related parties and the relationship with whom the Group has significant transaction. If the transaction or balance with a specific related party is 10% or more of the Group's respective total transaction or balance, such transaction should be separately disclosed by the name of each related party.

The amendments also require additional disclosure if there is a significant difference between the actual operation after business combination and the expected benefit on acquisition date.

The disclosures of related party transactions were enhanced when the amendments are retrospectively applied from January 1, 2017. Refer to Note 34 for related disclosures.

- b. The Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed by the FSC for application starting from 2018.

New IFRSs	Effective Date Announced by International Accounting Standards Board ("IASB") (Note 1)
Annual Improvements to IFRSs 2014-2016 Cycle	Note 2
Amendments to IFRS 2 "Classification and Measurement of Share-based Payment Transactions"	January 1, 2018
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
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
Amendments to IFRS 15 "Clarifications to IFRS15 Revenue from Contracts with Customers"	January 1, 2018
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 40 "Transfers of investment property"	January 1, 2018
IFRIC 22 "Foreign Currency Transactions and Advance Consideration"	January 1, 2018

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 12 is retrospectively applied for annual periods beginning on or after January 1, 2017; the amendment to IAS 28 is retrospectively applied for annual periods beginning on or after January 1, 2018.

1) IFRS 9 "Financial Instruments"

Recognition, measurement and impairment 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.

IFRS 9 requires that impairment loss on financial assets is recognized by using the "Expected Credit Losses Model". The 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.

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 cost of 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.

Transition

Financial instruments that have been derecognized prior to the effective date of IFRS 9 cannot be reversed to apply IFRS 9 when it becomes effective. Under IFRS 9, the requirements for classification, measurement and impairment of financial assets are applied retrospectively with the difference between the previous carrying amount and the carrying amount at the date of initial application recognized in the current period and restatement of prior periods is not required. The requirements for general hedge accounting shall be applied prospectively and the accounting for hedging options shall be applied retrospectively.

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.

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 Group satisfies a performance obligation.

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.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue by the board of directors, 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.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note)
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
IFRS 16 “Leases”	January 1, 2019
IFRIC 23 “Uncertainty over Income Tax Treatments”	January 1, 2019

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

1) 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 over a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

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

eliminated.

2) 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.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue by the board of directors, 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 issued into effect 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

The basis for the consolidated financial statements

The basis for the consolidated financial statements applied in these interim consolidated financial statements is consistent with those applied in the consolidated financial statements for the year ended December 31, 2016.

The subsidiaries in the consolidated financial statements

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

Name of Investee	Main Businesses	Establishment and Operating Location	Percentage of Ownership (%)		
			June 30, 2017	December 31, 2016	June 30, 2016
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
Omniquest 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 investment	Nantou, ROC	99.2	99.2	99.2
Luchu Development Corporation	Engaged in the development of real estate properties	Taipei, ROC	86.1	86.1	86.1
TLJ Intertech Inc. (“TLJ”)	Engaged in information software services	Taipei, ROC	60.0	60.0	60.0
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. (“ASEN”)	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.	Absorbed by ASE (Shanghai) Inc. in February 2017	Shanghai, China	-	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	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
Shanghai Ding Fan Department Store Co., Ltd.	Engaged in department store business, and was established in July 2016	Shanghai, China	100.0	100.0	-
Kun Shan Ding Yue Real Estate Development Co., Ltd. (“KSDY”)	Engaged in the development, construction and leasing of real estate properties and was disposed of in June 2017 (Note 28)	Kun Shan, China	-	100.0	100.0
Kun Shan Ding Hong Real Estate Development Co., Ltd.	Engaged in the development, construction and leasing of real estate properties	Kun Shan, China	100.0	100.0	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
ASE Holdings (Singapore) Pte Ltd	Holding company	Singapore	100.0	100.0	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

(Continued)

Name of Investee	Main Businesses	Establishment and Operating Location	Percentage of Ownership (%)		
			June 30, 2017	December 31, 2016	June 30, 2016
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
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
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	97.0	97.0	98.8
Universal Scientific Industrial (Shanghai) Co., Ltd. (“USISH”)	Engaged in the designing, manufacturing and sale of electronic components	Shanghai, China	75.9	75.9	77.3
Universal Global Technology Co., Limited	Holding company	Hong Kong	75.9	75.9	77.3
Universal Global Technology (Kunshan) Co., Ltd.	Engaged in the designing and manufacturing of electronic components	Kun Shan, China	75.9	75.9	77.3
Universal Global Technology (Shanghai) Co., Ltd.	Engaged in the processing and sales of computer and communication peripherals as well as business in import and export of goods and technology	Shanghai, China	75.9	75.9	77.3
Universal Global Electronics (Shanghai) Co., Ltd.	Engaged in the sale of electronic components and telecommunications equipment	Shanghai, China	75.9	75.9	77.3
Universal Global Industrial Co., Limited	Engaged in manufacturing, trading and investing activity	Hong Kong	75.9	75.9	77.3
Universal Global Scientific Industrial Co., Ltd. (“UGTW”)	Engaged in the manufacturing of components of telecomm and cars and provision of related R&D services	Nantou, ROC	75.9	75.9	77.3
USI America Inc.	Engaged in the manufacturing and processing of motherboards and wireless network communication and provision of related technical service.	U.S.A.	75.9	75.9	77.3
Universal Scientific Industrial De Mexico S.A. De C.V.	Engaged in the assembling of motherboards and computer components	Mexico	75.9	75.9	77.3
USI Japan Co., Ltd.	Engaged in the manufacturing and sale of computer peripherals, integrated chip and other related accessories	Japan	75.9	75.9	77.3
USI Electronics (Shenzhen) Co., Ltd.	Engaged in the design, manufacturing and sale of motherboards and computer peripherals	Shenzhen, China	75.9	75.9	77.3
Universal Scientific Industrial Co., Ltd. (“USI”)	Engaged in the manufacturing, processing and sale of computers, computer peripherals and related accessories	Nantou, ROC	75.7	75.2	76.5

(Concluded)

c. Other significant accounting policies

Except for the following, the accounting policies applied in these interim consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2016. For the summary of other significant accounting policies, please refer to the consolidated financial statements for the year ended December 31, 2016.

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, 2016.

6. CASH AND CASH EQUIVALENTS

	<u>June 30,</u> <u>2017</u> NT\$	<u>December 31,</u> <u>2016</u> NT\$	<u>June 30,</u> <u>2016</u> NT\$
Cash on hand	\$ 5,336	\$ 6,856	\$ 7,785
Checking accounts and demand deposits	36,922,732	28,823,763	32,433,802
Cash equivalent	<u>6,962,503</u>	<u>9,561,905</u>	<u>4,430,957</u>
	<u>\$ 43,890,571</u>	<u>\$ 38,392,524</u>	<u>\$ 36,872,544</u>

Cash equivalents mainly represented 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

	<u>June 30,</u> <u>2017</u> NT\$	<u>December 31,</u> <u>2016</u> NT\$	<u>June 30,</u> <u>2016</u> NT\$
<u>Financial assets designated as at FVTPL</u>			
Private-placement convertible bonds	\$ 100,583	\$ 100,583	\$ 100,500
Structured time deposits	<u>-</u>	<u>-</u>	<u>1,615,937</u>
	<u>100,583</u>	<u>100,583</u>	<u>1,716,437</u>

(Continued)

	June 30, 2017	December 31, 2016	June 30, 2016
	NT\$	NT\$	NT\$
Financial assets held for trading			
Quoted shares	\$ 2,062,285	\$ 1,855,073	\$ 30,645
Open-end mutual funds	586,614	584,945	583,875
Swap contracts	258,728	462,339	271,628
Forward exchange contracts	<u>75,555</u>	<u>66,872</u>	<u>106,954</u>
	<u>2,983,182</u>	<u>2,969,229</u>	<u>993,102</u>
	<u>\$ 3,083,765</u>	<u>\$ 3,069,812</u>	<u>\$ 2,709,539</u>
Financial liabilities held for trading			
Conversion option, redemption option and put option of convertible bonds (Note 19)	\$ 1,895,581	\$ 1,213,890	\$ 1,875,823
Swap contracts	1,008,946	422,934	611,196
Forward exchange contracts	32,873	108,912	42,635
Foreign currency option contracts	-	17,924	5,993
Interest rate swap contracts	<u>-</u>	<u>-</u>	<u>20,058</u>
	<u>\$ 2,937,400</u>	<u>\$ 1,763,660</u>	<u>\$ 2,555,705</u>

(Concluded)

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)
June 30, 2017		
Sell NT\$/Buy US\$	2017.07-2018.06	NT\$56,716,908/US\$1,853,900
Sell US\$/Buy CNY	2017.09	US\$51,215/CNY349,800
Sell US\$/Buy JPY	2017.07-2017.09	US\$78,465/JPY8,780,000
Sell US\$/Buy MYR	2017.09-2017.11	US\$13,000/MYR57,108
Sell US\$/Buy NT\$	2017.07-2017.08	US\$164,000/NT\$4,951,081
December 31, 2016		
Sell NT\$/Buy US\$	2017.01-2017.12	NT\$59,797,499/US\$1,871,000
Sell US\$/Buy CNY	2017.03	US\$49,904/CNY349,800
Sell US\$/Buy JPY	2017.02	US\$77,153/JPY8,600,000
Sell US\$/Buy NT\$	2017.01	US\$61,000/NT\$1,958,908

(Continued)

Currency	Maturity Period	Notional Amount (In Thousands)
<u>June 30, 2016</u>		
Sell EUR/Buy US\$	2016.08	EUR2,400/US\$2,731
Sell NT\$/Buy US\$	2016.07-2017.07	NT\$72,348,294/US\$2,236,834
Sell US\$/Buy CNY	2016.08	US\$53,036/CNY349,800
Sell US\$/Buy JPY	2016.07-2016.09	US\$77,306/JPY8,120,000
Sell US\$/Buy KRW	2016.07	US\$30,000/KRW35,316,000
Sell US\$/Buy NT\$	2016.07	US\$99,900/NT\$3,235,540
		(Concluded)

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

Currency	Maturity Period	Notional Amount (In Thousands)
<u>June 30, 2017</u>		
Sell NT\$/Buy US\$	2017.07-2017.08	NT\$2,405,490/US\$80,000
Sell US\$/Buy CNY	2017.07-2017.09	US\$117,200/CNY804,505
Sell US\$/Buy JPY	2017.07-2017.08	US\$58,776/JPY6,484,754
Sell US\$/Buy EUR	2017.07	US\$3,344/EUR3,000
Sell US\$/Buy MYR	2017.07-2017.08	US\$14,000/MYR60,265
Sell US\$/Buy NT\$	2017.07	US\$23,600/NT\$711,351
Sell US\$/Buy SGD	2017.07-2017.09	US\$10,500/SGD\$14,562

<u>December 31, 2016</u>		
Sell NT\$/Buy US\$	2017.01-2017.02	NT\$2,842,330/US\$90,000
Sell US\$/Buy CNY	2017.01-2017.02	US\$70,000/CNY484,805
Sell US\$/Buy JPY	2017.01-2017.02	US\$43,877/JPY5,063,820
Sell US\$/Buy KRW	2017.01	US\$35,000/KRW41,012,700
Sell US\$/Buy MYR	2017.01-2017.02	US\$19,000/MYR84,544
Sell US\$/Buy NT\$	2017.01-2017.03	US\$190,000/NT\$6,099,400
Sell US\$/Buy SGD	2017.01-2017.03	US\$12,900/SGD18,080
Sell US\$/Buy EUR	2017.01	US\$281/EUR270

<u>June 30, 2016</u>		
Sell NT\$/Buy US\$	2016.07-2016.09	NT\$3,057,975/US\$95,000
Sell US\$/Buy CNY	2016.07-2016.09	US\$128,500/CNY845,450
Sell US\$/Buy JPY	2016.07-2016.08	US\$40,181/JPY4,263,060
Sell US\$/Buy KRW	2016.07	US\$3,000/KRW3,517,400
Sell US\$/Buy MYR	2016.07-2016.08	US\$8,000/MYR32,745
Sell US\$/Buy NT\$	2016.07-2016.08	US\$90,000/NT\$2,950,410
Sell US\$/Buy SGD	2016.07-2016.09	US\$9,400/SGD12,786

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>December 31, 2016</u>		
Buy US\$ Call/CNY Put	2017.08 (Note)	US\$2,000/CNY13,800
Sell US\$ Put/CNY Call	2017.08 (Note)	US\$1,000/CNY6,900
<u>June 30, 2016</u>		
Buy US\$ Call/CNY Put	2017.08 (Note)	US\$2,000/CNY13,800
Sell US\$ Put/CNY Call	2017.08 (Note)	US\$1,000/CNY 6,900

Note: The contracts will be settled once a month and the counterparty has the right to early terminate the contracts, or the contracts will be early terminated or both parties will have no obligation to settle the contracts when specific criteria are met. The aforementioned outstanding contracts as of December 31 and June 30, 2016 were all early terminated.

As of June 30, 2016, 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
2016.10	NT\$1,000,000	4.60%	0.00%-5.00%

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	<u>June 30, 2017</u> NT\$	<u>December 31, 2016</u> NT\$	<u>June 30, 2016</u> NT\$
Unquoted ordinary shares	\$ 586,799	\$ 553,350	\$ 222,085
Open-end mutual funds	523,974	243,458	25,000
Limited partnership	263,401	273,372	448,060
Quoted ordinary shares	192,767	146,786	197,535
Unquoted preferred shares	<u>64,641</u>	<u>78,068</u>	<u>14,978</u>
	1,631,582	1,295,034	907,658
Current	<u>562,099</u>	<u>266,696</u>	<u>47,908</u>
Non-current	<u>\$ 1,069,483</u>	<u>\$ 1,028,338</u>	<u>\$ 859,750</u>

9. TRADE RECEIVABLES, NET

	<u>June 30, 2017</u> NT\$	<u>December 31, 2016</u> NT\$	<u>June 30, 2016</u> NT\$
Trade receivables	\$ 46,223,165	\$ 51,199,266	\$ 44,734,857
Less: Allowance for doubtful debts	<u>67,309</u>	<u>53,709</u>	<u>54,669</u>
Trade receivables, net	<u>\$ 46,155,856</u>	<u>\$ 51,145,557</u>	<u>\$ 44,680,188</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 June 30, 2017, December 31, 2016 and June 30, 2016, except that the Group's five largest customers accounted for 31%, 30% and 29% of accounts receivable, respectively, the concentration of credit risk is insignificant for the remaining accounts receivable.

Aging of receivables based on the past due date

	June 30, 2017	December 31, 2016	June 30, 2016
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Not past due	\$ 40,450,072	\$ 45,959,876	\$ 41,252,349
1 to 30 days	5,140,001	4,467,435	3,119,551
31 to 90 days	510,786	700,122	239,191
More than 91 days	<u>122,306</u>	<u>71,833</u>	<u>123,766</u>
Total	<u>\$ 46,223,165</u>	<u>\$ 51,199,266</u>	<u>\$ 44,734,857</u>

Aging of receivables that were past due but not impaired

	June 30, 2017	December 31, 2016	June 30, 2016
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
1 to 30 days	\$ 5,094,863	\$ 4,449,479	\$ 3,046,988
31 to 90 days	<u>410,603</u>	<u>596,647</u>	<u>165,185</u>
Total	<u>\$ 5,505,466</u>	<u>\$ 5,046,126</u>	<u>\$ 3,212,173</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, 2017	\$ 16,453	\$ 37,256	\$ 53,709
Impairment losses recognized	5,810	9,022	14,832
Effect of foreign currency exchange differences	<u>(696)</u>	<u>(536)</u>	<u>(1,232)</u>
Balance at June 30, 2017	<u>\$ 21,567</u>	<u>\$ 45,742</u>	<u>\$ 67,309</u>

(Continued)

	Impaired Individually	Impaired Collectively	Total
	NT\$	NT\$	NT\$
Balance at January 1, 2016	\$ 39,046	\$ 43,860	\$ 82,906
Impairment losses reversed	(26,268)	(1,748)	(28,016)
Effect of foreign currency exchange differences	<u>(326)</u>	<u>105</u>	<u>(221)</u>
Balance at June 30, 2016	<u>\$ 12,452</u>	<u>\$ 42,217</u>	<u>\$ 54,669</u> (Concluded)

b. Transfers of financial assets

Except those factored receivables of US\$41,849 thousand in prior years has been collected by Citi Bank during the six months ended June 30, 2016, there was no receivables factored nor advances received for the six months ended June 30, 2017 and 2016, respectively. The credit line under the factoring agreements with Citi Bank was both US\$66,000 thousand for the six months ended June 30, 2017 and 2016.

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\$2,000 thousand as of June 30, 2017, December 31, 2016 and June 30, 2016. As of June 30, 2017, 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

	June 30, 2017	December 31, 2016	June 30, 2016
	NT\$	NT\$	NT\$
Finished goods	\$ 4,470,725	\$ 6,519,465	\$ 5,902,759
Work in process	3,205,427	2,822,687	2,404,644
Raw materials	11,046,037	10,850,062	10,093,720
Supplies	831,778	795,093	713,411
Raw materials and supplies in transit	<u>796,375</u>	<u>450,755</u>	<u>653,318</u>
	<u>\$ 20,350,342</u>	<u>\$ 21,438,062</u>	<u>\$ 19,767,852</u>

The cost of inventories recognized as operating costs for the three months and six months ended June 30, 2017 and 2016 were NT\$53,862,123 thousand, NT\$50,177,047 thousand (retrospectively adjusted), NT\$108,323,416 thousand and NT\$99,912,057 thousand (retrospectively adjusted), respectively, which included write-down of inventories at NT\$99,061 thousand, NT\$99,138 thousand, NT\$182,176 thousand and NT\$153,020 thousand, respectively.

11. INVENTORIES RELATED TO REAL ESTATE BUSINESS

	June 30, 2017	December 31, 2016	June 30, 2016
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Land and buildings held for sale	\$ 128,508	\$ 263,526	\$ 27,816
Construction in progress	20,651,796	22,236,464	22,715,429
Land held for construction	<u>1,687,526</u>	<u>1,687,525</u>	<u>1,751,429</u>
	<u>\$ 22,467,830</u>	<u>\$ 24,187,515</u>	<u>\$ 24,494,674</u>

Land and buildings held for sale located in Kun Shan Qiandeng and Shanghai Zhangjiang, China were completed and successively sold. Construction in progress is mainly located on Caobao Road and Hutai Road in Shanghai, China and Lidu Road in Kun Shan, China. The capitalized borrowing costs for the three months and six months ended June 30, 2017 and 2016 are disclosed in Note 23.

As of June 30, 2017, December 31, 2016 and June 30, 2016, inventories related to real estate business of NT\$10,280,348 thousand, NT\$12,076,154 thousand and NT\$12,568,838 thousand, respectively, are expected to be recovered longer than twelve months.

Refer to Note 35 for the carrying amount of inventories related to real estate business that had been pledged by the Group to secure bank borrowings.

12. OTHER FINANCIAL ASSETS

	June 30, 2017	December 31, 2016	June 30, 2016
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Unsecured subordinate corporate bonds	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Time deposits with original maturity over three months	416,399	480,736	487,755
Pledged time deposits (Note 35)	203,157	206,530	207,495
Guarantee deposits	156,781	178,103	174,680
Others (Note 35)	<u>12,831</u>	<u>13,698</u>	<u>311,511</u>
	1,789,168	1,879,067	2,181,441
Current	<u>491,727</u>	<u>558,686</u>	<u>830,339</u>
Non-current	<u>\$ 1,297,441</u>	<u>\$ 1,320,381</u>	<u>\$ 1,351,102</u>

The annual interest rate of the unsecured subordinate corporate bonds was all 3.5% as of June 30, 2017, December 31, 2016 and June 30, 2016.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2017	December 31, 2016	June 30, 2016
	<u>NT\$</u>	(Retrospectively Adjusted)	(Retrospectively Adjusted)
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Investments in associates	\$ 47,928,871	\$ 49,146,043	\$ 46,744,065

(Continued)

	June 30, 2017	December 31, 2016 (Retrospectively Adjusted)	June 30, 2016 (Retrospectively Adjusted)
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Investments in joint ventures	\$ 581,736	\$ 670,550	\$ 587,920
	<u>\$ 48,510,607</u>	<u>\$ 49,816,593</u>	<u>\$ 47,331,985</u> (Concluded)

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		
			June 30, 2017 NT\$	December 31, 2016 (Retrospectively Adjusted) NT\$	June 30, 2016 (Retrospectively Adjusted) NT\$
Material associate Siliconware Precision Industries Co., Ltd. ("SPIL")	Engaged in assembly, testing and turnkey services of integrated circuits	ROC	\$ 44,761,712	\$ 45,884,727	\$ 45,496,553
Associates that are not individually material Deca Technologies Inc. ("DECA")	Holding company and the group engaged in manufacturing, development and marketing of wafer level packaging and interconnect technology	British Cayman Islands	1,686,771	1,813,677	-
Hung Ching Development & Construction Co. ("HC")	Engaged in the development, construction and leasing of real estate properties	ROC	1,230,234	1,162,234	1,207,766
Hung Ching Kwan Co. ("HCK")	Engaged in the leasing of real estate properties	ROC	315,404	321,120	328,075
Advanced Microelectronic Products Inc. ("AMPI")	Engaged in integrated circuit	ROC	234,899	264,434	11,820
			<u>48,229,020</u>	<u>49,446,192</u>	<u>47,044,214</u>
	Less: Deferred gain on transfer of land		<u>300,149</u>	<u>300,149</u>	<u>300,149</u>
			<u>\$ 47,928,871</u>	<u>\$ 49,146,043</u>	<u>\$ 46,744,065</u>

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

	June 30, 2017	December 31, 2016	June 30, 2016
SPIL	33.29%	33.29%	33.29%
DECA	22.07%	22.07%	-
HC	26.22%	26.22%	26.22%
HCK	27.31%	27.31%	27.31%
AMPI	38.76%	38.76%	18.24%

3) In their meeting held in June 2017 and May 2016, SPIL's shareholders approved cash dividends per ordinary share of NT\$1.75 and NT\$3.8 (NT\$2.8 from the appropriation of earnings and NT\$1.0 from capital surplus), respectively. The Company accrued dividends receivable of NT\$1,815,275 thousand and NT\$3,941,740 thousand under the line item of other receivables as of June 30, 2017 and 2016, respectively.

In June 2016, the Company's board of directors approved to enter into and execute a joint share exchange agreement with SPIL. Please refer to Note 39.

- 4) In July 2016, the Company acquired 98,490 thousand preferred shares issued by DECA at US\$0.608 per share with a total consideration of NT\$1,934,062 thousand (US\$59,882 thousand). The percentage of ownership was 22.07% and the Company obtained significant influence over DECA.
- 5) In November 2016, the Company's subsidiary, ASE Test, Inc. purchased 90,000 thousand ordinary shares of AMPI in a private placement with NT\$225,000 thousand paid in cash. As a result, the percentage of ownership held by the Group was increased to 38.76%.
- 6) The Group has completed the identification of the difference between the cost of the investment and the Company's share of the net fair value of DECA, AMPI and SPIL's identifiable assets and liabilities in June 2017, June 2017 and September 2016, respectively. Therefore, the Group has retrospectively adjusted the comparative consolidated financial statements for prior periods. As of December 31 and June 30, 2016, the retrospective adjustments are summarized as follows:

	After Retrospectively Adjusted	Before Retrospectively Adjusted
	NT\$	NT\$
December 31, 2016		
Investments accounted for using the equity method - DECA	<u>\$ 1,813,677</u>	<u>\$ 1,820,329</u>
Investments accounted for using the equity method - AMPI	<u>\$ 264,434</u>	<u>\$ 266,085</u>
June 30, 2016		
Investments accounted for using the equity method - SPIL	<u>\$ 45,496,553</u>	<u>\$ 46,410,338</u>

The aforementioned retrospective adjustments are accordingly recorded in retained earnings as of December 31 and June 30, 2016, respectively.

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

	June 30, 2017	December 31, 2016	June 30, 2016
	NT\$	NT\$	NT\$
SPIL	<u>\$ 50,983,295</u>	<u>\$ 49,634,805</u>	<u>\$ 50,775,835</u>
HC	<u>\$ 1,403,479</u>	<u>\$ 1,310,829</u>	<u>\$ 1,204,453</u>
AMPI	<u>\$ 355,128</u>	<u>\$ 307,038</u>	<u>\$ 84,937</u>

- 8) 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 IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC, and adjusted by the Group for equity accounting purposes.

	June 30, 2017	December 31, 2016	June 30, 2016 (Retrospectively Adjusted)
	NT\$	NT\$	NT\$
Current assets	\$ 50,453,986	\$ 50,451,295	\$ 50,148,956
Non-current assets	107,500,152	107,606,186	112,699,879
Current liabilities	(44,415,548)	(41,088,439)	(43,881,372)
Non-current liabilities	<u>(16,427,457)</u>	<u>(16,484,482)</u>	<u>(19,648,938)</u>
	<u>\$ 97,111,133</u>	<u>\$ 100,484,560</u>	<u>\$ 99,318,525</u>
Equity			
Proportion of the Group's ownership interest in SPIL	33.29%	33.29%	33.29%
Net assets attributable to the Group	32,328,295	\$ 33,451,310	\$ 33,063,136
Goodwill	<u>12,433,417</u>	<u>12,433,417</u>	<u>12,433,417</u>
Carrying amount	<u>\$ 44,761,712</u>	<u>\$ 45,884,727</u>	<u>\$ 45,496,553</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
	NT\$	NT\$	NT\$	NT\$
Operating revenue	<u>\$ 20,424,642</u>	<u>\$ 21,679,907</u>	<u>\$ 39,976,227</u>	<u>\$ 40,979,217</u>
Gross profit	<u>\$ 2,670,062</u>	<u>\$ 4,044,038</u>	<u>\$ 5,339,368</u>	<u>\$ 6,888,054</u>
Profit before income tax expense	<u>\$ 1,863,091</u>	<u>\$ 2,179,684</u>	<u>\$ 2,037,211</u>	<u>\$ 2,952,047</u>
Net profit for the period	\$ 1,070,853	\$ 1,754,119	\$ 979,948	\$ 2,232,269
Other comprehensive income (loss) for the period	<u>911,386</u>	<u>(495,764)</u>	<u>1,121,426</u>	<u>(291,930)</u>
Total comprehensive income for the period	<u>\$ 1,982,239</u>	<u>\$ 1,258,355</u>	<u>\$ 2,101,374</u>	<u>\$ 1,940,339</u>

9) Aggregate information of associates that are not individually material

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
	NT\$	NT\$	NT\$	NT\$
The Group's share of:				
Net loss for the period	\$ (52,569)	\$ (26,233)	\$ (120,146)	\$ (39,510)
Other comprehensive income (loss) for the period	<u>9,340</u>	<u>(18,281)</u>	<u>90,655</u>	<u>(30,759)</u>
Total comprehensive loss for the period	<u>\$ (43,229)</u>	<u>\$ (44,514)</u>	<u>\$ (29,491)</u>	<u>\$ (70,269)</u>

10) Except DECA, the investments accounted for using the equity method and the share of profit or loss and other comprehensive income or loss as of and for the three months and six months ended June 30, 2017 and 2016 were based on the associates' financial statements reviewed by auditors for the same periods. The Group's management believes that DECA's financial statements not reviewed

by auditors would not have material impact on the Group's consolidated financial statements.

b. Investments in joint ventures

1) The joint venture that was not individually material and accounted for using the equity method was the Group's investment in ASE Embedded Electronics Inc. ("ASEEE"). In May 2015, the Group and TDK Corporation ("TDK") entered into an agreement to establish a joint venture to invest in ASEEE. The Group additionally participated in ASEEE's cash capital increase with NT\$146,903 thousand in September 2016. As of June 30, 2017, December 31, 2016 and June 30, 2016, the percentage of ownership were all 51%. ASEEE are located in ROC and engaged in the production of embedded substrate. 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 June 30		For the Six Months Ended June 30	
2017	2016	2017	2016
NT\$	NT\$	NT\$	NT\$

The Group's share of net loss and total comprehensive loss for the period

\$ (43,979)	\$ (18,545)	\$ (89,014)	\$ (26,048)
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3) The investments accounted for using the equity method and the share of loss and other comprehensive loss as of and for the three months and six months ended June 30, 2017 and 2016 were based on the joint venture's financial statements reviewed by auditors for the same period.

14. PROPERTY, PLANT AND EQUIPMENT

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

	June 30, 2017 NT\$	December 31, 2016 NT\$	June 30, 2016 NT\$
Land	\$ 3,313,178	\$ 3,365,013	\$ 3,365,721
Buildings and improvements	59,621,575	58,028,631	58,975,317
Machinery and equipment	68,129,839	72,700,762	73,886,540
Other equipment	1,801,600	2,089,581	1,862,400
Construction in progress and machinery in transit	7,511,875	7,696,254	9,559,570
	<u>\$ 140,378,067</u>	<u>\$ 143,880,241</u>	<u>\$ 147,649,548</u>

For the six months ended June 30, 2017

	Land NT\$	Buildings and improvements NT\$	Machinery and equipment NT\$	Other equipment NT\$	Construction in progress and machinery in transit NT\$	Total NT\$
Cost						
Balance at January 1, 2017	\$ 3,365,013	\$ 96,258,175	\$ 248,200,756	\$ 8,474,661	\$ 7,713,542	\$ 364,012,147
Additions	-	290,326	30,637	34,153	13,649,027	14,004,143
Disposals	-	(396,168)	(4,108,939)	(231,580)	(25,496)	(4,762,183)

(Continued)

	Land	Buildings and improvements	Machinery and equipment	Other equipment	Construction in progress and machinery in transit	Total
	NT\$	NT\$	NT\$	NT\$	NT\$	NT\$
Reclassification	\$ -	\$ 4,818,349	\$ 8,792,196	\$ 179,502	\$ (13,743,139)	\$ 46,908
Effect of foreign currency exchange differences	(51,835)	(1,541,796)	(4,445,183)	(203,818)	(82,059)	(6,324,691)
Balance at June 30, 2017	<u>\$ 3,313,178</u>	<u>\$ 99,428,886</u>	<u>\$ 248,469,467</u>	<u>\$ 8,252,918</u>	<u>\$ 7,511,875</u>	<u>\$ 366,976,324</u>
Accumulated depreciation and impairment						
Balance at January 1, 2017	\$ -	\$ 38,229,544	\$ 175,499,994	\$ 6,385,080	\$ 17,288	\$ 220,131,906
Depreciation expense	-	2,570,677	11,235,878	409,542	-	14,216,097
Impairment losses recognized	-	2,310	282,788	368	-	285,466
Disposals	-	(321,629)	(3,232,645)	(189,337)	(17,288)	(3,760,899)
Reclassification	-	(7,915)	701	7,214	-	-
Effect of foreign currency exchange differences	-	(665,676)	(3,447,088)	(161,549)	-	(4,274,313)
Balance at June 30, 2017	<u>\$ -</u>	<u>\$ 39,807,311</u>	<u>\$ 180,339,628</u>	<u>\$ 6,451,318</u>	<u>\$ -</u>	<u>\$ 226,598,257</u>

(Concluded)

For the six months ended June 30, 2016

	Land	Buildings and improvements	Machinery and equipment	Other equipment	Construction in progress and machinery in transit	Total
	NT\$	NT\$	NT\$	NT\$	NT\$	NT\$
Cost						
Balance at January 1, 2016	\$ 3,381,300	\$ 94,447,932	\$ 243,283,607	\$ 7,722,408	\$ 6,397,760	\$ 355,233,007
Additions	-	(8,870)	194,018	63,343	13,817,901	14,066,392
Disposals	-	(339,444)	(6,178,147)	(63,135)	(125,541)	(6,706,267)
Reclassification	-	2,555,429	7,671,491	389,947	(10,617,042)	(175)
Acquisitions through business combinations	-	-	-	1,159	-	1,159
Effect of foreign currency exchange differences	(15,579)	(1,159,702)	(1,761,152)	(41,515)	97,496	(2,880,452)
Balance at June 30, 2016	<u>\$ 3,365,721</u>	<u>\$ 95,495,345</u>	<u>\$ 243,209,817</u>	<u>\$ 8,072,207</u>	<u>\$ 9,570,574</u>	<u>\$ 359,713,664</u>
Accumulated depreciation and impairment						
Balance at January 1, 2016	\$ -	\$ 34,646,878	\$ 164,568,298	\$ 5,907,414	\$ 113,342	\$ 205,235,932
Depreciation expense	-	2,571,725	11,465,241	405,436	-	14,442,402
Impairment losses recognized	-	8,555	500,790	5,561	(359)	514,547
Disposals	-	(289,569)	(6,094,991)	(56,159)	(100,049)	(6,540,768)
Reclassification	-	(2,989)	2,666	323	-	-
Acquisitions through business combinations	-	-	-	824	-	824
Effect of foreign currency exchange differences	-	(414,572)	(1,118,727)	(53,592)	(1,930)	(1,588,821)
Balance at June 30, 2016	<u>\$ -</u>	<u>\$ 36,520,028</u>	<u>\$ 169,323,277</u>	<u>\$ 6,209,807</u>	<u>\$ 11,004</u>	<u>\$ 212,064,116</u>

Due to the Group's future operation plans and capacity evaluation or production demands in segment of packaging and testing, the Group believed that a portion of property, plant and equipment was not used and recognized an impairment loss of NT\$287,118 thousand, NT\$499,606 thousand, NT\$285,466 thousand and NT\$514,547 thousand under the line item of other gains, net in the consolidated statements of comprehensive income for the three months and six months ended June 30, 2017 and 2016, respectively. The recoverable amount of a portion of the impaired property, plant and equipment is determined by its fair value less costs of disposal, of which the fair value is based on prices deal with potential transaction parties or the quoted prices of assets with similar obsolescence that provided by the vendors in market. The recent quoted prices of assets are Level 3 inputs in terms of IFRS 13 because the market is not very active. The recoverable amount of the other portion of the impaired property, plant and equipment is determined on the basis of its value in use. The Group expects to derive zero future cash flows from these assets.

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

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

The capitalized borrowing costs for the three months and six months ended June 30, 2017 and 2016 are disclosed in Note 23.

15. GOODWILL

	<u>Cost</u>	<u>Accumulated impairment</u>	<u>Carrying amount</u>
	NT\$	NT\$	NT\$
Balance at January 1, 2017 (Retrospectively adjusted) (Note 27)	\$ 12,479,305	\$ 1,988,996	\$ 10,490,309
Effect of foreign currency exchange differences	<u>(96,369)</u>	<u>-</u>	<u>(96,369)</u>
Balance at June 30, 2017	<u>\$ 12,382,936</u>	<u>\$ 1,988,996</u>	<u>\$ 10,393,940</u>
Balance at January 1, 2016	\$ 12,495,515	\$ 1,988,996	\$ 10,506,519
Acquisitions through business combinations (Retrospectively adjusted) (Note 27)	15,323	-	15,323
Effect of foreign currency exchange differences	<u>(29,456)</u>	<u>-</u>	<u>(29,456)</u>
Balance at June 30, 2016	<u>\$ 12,481,382</u>	<u>\$ 1,988,996</u>	<u>\$ 10,492,386</u>

16. OTHER INTANGIBLE ASSETS

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

	<u>June 30, 2017</u>	<u>December 31, 2016 (Retrospectively Adjusted)</u>	<u>June 30, 2016 (Retrospectively Adjusted)</u>
	NT\$	NT\$	NT\$
Customer relationships (Note 27)	\$ 153,933	\$ 194,089	\$ 234,246
Computer software	855,739	943,527	957,690
Patents and acquired specific technology (Note 27)	338,711	359,227	77,019
Others	<u>142,460</u>	<u>120,418</u>	<u>130,068</u>
	<u>\$ 1,490,843</u>	<u>\$ 1,617,261</u>	<u>\$ 1,399,023</u>

For the six months ended June 30, 2017

	Customer relationships	Computer software	Patents and acquired specific technology	Others	Total
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
<u>Cost</u>					
Balance at January 1, 2017 (Retrospectively Adjusted)	\$ 915,636	\$ 3,552,229	\$ 514,445	\$ 192,392	\$ 5,174,702
Additions	-	96,290	-	36,998	133,288
Disposals	-	(66,534)	(123,743)	(5,022)	(195,299)
Effect of foreign currency exchange differences	-	(52,499)	(1,953)	(1,336)	(55,788)
Balance at June 30, 2017	<u>\$ 915,636</u>	<u>\$ 3,529,486</u>	<u>\$ 388,749</u>	<u>\$ 223,032</u>	<u>\$ 5,056,903</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2017 (Retrospectively Adjusted)	\$ 721,547	\$ 2,608,702	\$ 155,218	\$ 71,974	\$ 3,557,441
Amortization expense	40,156	160,047	21,807	8,644	230,654
Disposals	-	(55,328)	(123,743)	-	(179,071)
Effect of foreign currency exchange differences	-	(39,674)	(3,244)	(46)	(42,964)
Balance at June 30, 2017	<u>\$ 761,703</u>	<u>\$ 2,673,747</u>	<u>\$ 50,038</u>	<u>\$ 80,572</u>	<u>\$ 3,566,060</u>

For the six months ended June 30, 2016 (Retrospectively Adjusted)

	Customer relationships	Computer software	Patents and acquired specific technology	Others	Total
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
<u>Cost</u>					
Balance at January 1, 2016	\$ 915,636	\$ 3,338,360	\$ 154,082	\$ 193,338	\$ 4,601,416
Additions	-	189,393	-	1,246	190,639
Disposals	-	(36,786)	(30)	-	(36,816)
Acquisitions through business combinations	41,099	-	64,380	30	105,509
Effect of foreign currency exchange differences	-	(17,448)	(2,252)	(1,168)	(20,868)
Balance at June 30, 2016	<u>\$ 956,735</u>	<u>\$ 3,473,519</u>	<u>\$ 216,180</u>	<u>\$ 193,446</u>	<u>\$ 4,839,880</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2016	\$ 641,234	\$ 2,385,038	\$ 138,386	\$ 54,665	\$ 3,219,323
Amortization expense	81,255	172,606	3,938	8,755	266,554

(Continued)

	<u>Customer relationships</u>	<u>Computer software</u>	<u>Patents and acquired specific technology</u>	<u>Others</u>	<u>Total</u>
	NT\$	NT\$	NT\$	NT\$	NT\$
Disposals	\$ -	\$ (28,965)	\$ (30)	\$ -	\$ (28,995)
Acquisitions through business combinations	-	-	483	23	506
Effect of foreign currency exchange differences	<u>-</u>	<u>(12,850)</u>	<u>(3,616)</u>	<u>(65)</u>	<u>(16,531)</u>
Balance at June 30, 2016	<u>\$ 722,489</u>	<u>\$ 2,515,829</u>	<u>\$ 139,161</u>	<u>\$ 63,378</u>	<u>\$ 3,440,857</u> (Concluded)

Each class of other intangible assets were amortized on the straight-line basis over the following useful lives:

Customer relationships	11 years
Computer software	2-10 years
Patents and acquired specific technology	5-15 years
Others	5-32 years

17. LONG-TERM PREPAYMENTS FOR LEASE

Long-term prepayments for lease mainly represent land use rights located in China with periods for use from 50 to 70 years and will expire from 2051 to 2074, respectively.

18. BORROWINGS

a. Short-term borrowings

Short-term borrowings mainly represented unsecured revolving bank loans with annual interest rates at 0.70%-5.22%, 0.70%-8.99% and 0.60%-5.78% as of June 30, 2017, December 31, 2016 and June 30, 2016, respectively.

b. Long-term borrowings

1) Bank loans

As of June 30, 2017, December 31, 2016 and June 30, 2016, the long-term bank loans with fixed interest rates all amounted to NT\$1,500,000 thousand with annual interest rates at 1.20%, 1.20% and 1.17%, respectively. The long-term bank loans with fixed interest rate will be repayable in December 2018. The others were long-term loans with floating interest rate consisted of the followings:

	<u>June 30, 2017</u> NT\$	<u>December 31, 2016</u> NT\$	<u>June 30, 2016</u> NT\$
Working capital bank loans			
Syndicated bank loans - repayable through July 2017 to July 2018, annual interest rates were 2.27%, 2.55% and 1.74%-2.23% as of June 30, 2017, December 31, 2016 and June 30, 2016, respectively	\$ 7,057,440	\$ 9,223,500	\$ 11,628,037
Others - repayable through July 2017 to November 2019, annual interest rates were 0.86%-2.91%, 0.74%-4.48% and 0.74%-4.16% as of June 30, 2017, December 31, 2016 and June 30, 2016, respectively	18,647,473	36,009,917	25,064,912
Mortgage loans			
Repayable through July 2017 to June 2023, annual interest rates were all 4.95%-5.39% as of June 30, 2017, December 31, 2016 and June 30, 2016	<u>4,643,703</u>	<u>4,390,003</u>	<u>4,374,072</u>
	30,348,616	49,623,420	41,067,021
Less: unamortized arrangement fee	<u>3,599</u>	<u>7,198</u>	<u>12,352</u>
	30,345,017	49,616,222	41,054,669
Less: current portion	<u>7,407,939</u>	<u>6,567,565</u>	<u>5,214,953</u>
	<u>\$ 22,937,078</u>	<u>\$ 43,048,657</u>	<u>\$ 35,839,716</u>

Pursuant to the above syndicated bank loans agreements, the Group 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. The Group was in compliance with all of the loan covenants as of June 30, 2017, December 31, 2016 and June 30, 2016.

2) Long-term bills payable

	<u>June 30, 2017</u> NT\$	<u>December 31, 2016</u> NT\$	<u>June 30, 2016</u> NT\$
Ta Ching Bills Finance Corporation, repayable in December 2018, annual interest rates were all 1.00% as of June 30, 2017, December 31, 2016 and June 30, 2016	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
China Bills Finance Corporation, repayable in February 2019 annual interest rate was 0.97%	1,000,000	-	-
			(Continued)

	<u>June 30, 2017</u>	<u>December 31, 2016</u>	<u>June 30, 2016</u>
	NT\$	NT\$	NT\$
International Bills Finance Corporation, repayable in March 2019, annual interest rate was 0.97%	\$ 1,000,000	\$ -	\$ -
	4,000,000	2,000,000	2,000,000
Less: unamortized discounts	<u>1,497</u>	<u>659</u>	<u>383</u>
	<u>\$ 3,998,503</u>	<u>\$ 1,999,341</u>	<u>\$ 1,999,617</u> (Concluded)

19. BONDS PAYABLE

	<u>June 30, 2017</u>	<u>December 31, 2016</u>	<u>June 30, 2016</u>
	NT\$	NT\$	NT\$
Unsecured domestic bonds			
Repayable at maturity in January 2021 and interest due annually with annual interest rate at 1.30%	\$ 7,000,000	\$ 7,000,000	\$ 7,000,000
Repayable at maturity in January 2023 and interest due annually with annual interest rate at 1.50%	2,000,000	2,000,000	2,000,000
Repayable at maturity in January 2022 and interest due annually with annual interest rate at 1.25%	3,700,000	-	-
Repayable at maturity in January 2024 and interest due annually with annual interest rate at 1.45%	4,300,000	-	-
Unsecured convertible overseas bonds			
US\$400,000 thousand	9,192,924	12,900,000	12,910,000
US\$200,000 thousand (linked to New Taiwan dollar)	6,185,600	6,185,600	6,185,600
Secured overseas bonds - secured by the Company			
US\$300,000 thousand, repayable at maturity in July 2017 and interest due semi-annually with annual interest rate at 2.125%	9,126,000	9,675,000	9,682,500
CNY500,000 thousand, repayable at maturity in September 2016 and interest due semi-annually with annual interest rate at 4.25%	-	-	2,433,572
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
	<u>41,504,524</u>	<u>37,760,600</u>	<u>48,211,672</u>
Less: discounts on bonds payable	<u>423,255</u>	<u>760,697</u>	<u>1,009,235</u>
	41,081,269	36,999,903	47,202,437
Less: current portion	<u>15,236,436</u>	<u>9,658,346</u>	<u>22,549,945</u>
	<u>\$ 25,844,833</u>	<u>\$ 27,341,557</u>	<u>\$ 24,652,492</u>

- 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 June 30, 2017, December 31, 2016 and June 30, 2016, the conversion price was NT\$28.96, NT\$28.99 and NT\$30.28, respectively. As of June 30, 2017, the Bonds holders have exercised the conversion right to convert the Bonds of US\$97,800 thousand at a conversion price NT\$28.96.

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 ordinary 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 June 30, 2017, December 31, 2016 and June 30, 2016, the conversion price was NT\$49.48, NT\$49.52 and NT\$51.73, respectively.

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 ordinary 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 were unconditionally and irrevocably guaranteed by the Company and the proceeds were used to fund certain eligible projects to promote the Group’s transition to low-carbon and climate resilient growth.

20. OTHER PAYABLES

	June 30, 2017	December 31, 2016	June 30, 2016
	NT\$	NT\$	NT\$
Accrued salary and bonus	\$ 5,740,559	\$ 6,606,406	\$ 4,987,030
Payables for property, plant and equipment	5,343,733	5,605,528	5,901,076
Accrued employees’ compensation and remuneration to directors and supervisors	3,547,754	2,400,778	3,222,266
Accrued employee insurance	683,259	617,419	633,995
Accrued utilities	467,839	410,796	443,965
Payables for patents and acquired specific technology (Note 34)	116,509	120,938	-
Others	<u>5,329,088</u>	<u>5,760,169</u>	<u>5,621,365</u>
	<u>\$ 21,228,741</u>	<u>\$ 21,522,034</u>	<u>\$ 20,809,697</u>

21. RETIREMENT BENEFIT PLANS

The Group’s retirement benefit plans consisted of defined contribution retirement plans and defined benefit retirement plans. Employee benefit expenses in respect of the Group’s defined benefit retirement plans were calculated using the projected pension cost stated in 2016 and 2015 actuarial reports.

22. EQUITY

- a. Share capital

Ordinary shares

	June 30, 2017	December 31, 2016	June 30, 2016
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>
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>

(Continued)

	June 30, 2017	December 31, 2016	June 30, 2016
Number of shares issued and fully paid (in thousands)	<u>8,381,348</u>	<u>7,946,184</u>	<u>7,924,118</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 June 30, 2017, December 31, 2016 and June 30, 2016, there were 500,000 thousand ordinary shares included in the authorized shares were not yet required to complete the share registration process.

In December 2016, the board of directors approved the issue of 300,000 thousand ordinary shares for cash capital increase at NT\$34.3 per share. The aforementioned cash capital increase has been completed and the Company has completed the registration formalities.

As disclosed in Note 19, 101,164 thousand ordinary shares were issued under the conversion of Bonds. The record date was July 13, 2017 and the Company has completed the registration formalities.

American Depositary Receipts

The Company issued ADSs and each ADS represents five ordinary shares. As of June 30, 2017, December 31, 2016 and June 30, 2016, 109,248 thousand, 125,518 thousand and 125,731 thousand ADSs were outstanding and represented approximately 546,240 thousand, 627,590 thousand and 628,657 thousand ordinary shares of the Company, respectively.

b. Capital surplus

	June 30, 2017	December 31, 2016	June 30, 2016
	<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	\$ 13,535,039	\$ 5,844,397	\$ 5,646,328
Arising from the difference between consideration received and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	7,176,958	7,176,958	7,176,958
<u>May be used to offset a deficit only</u>			
Arising from changes in percentage of ownership interest in subsidiaries (2)	6,135,832	6,132,777	6,577,097
Arising from treasury share transactions	1,154,604	950,368	950,767
Arising from exercised employee share options	810,951	630,411	583,971
Arising from expired employee share options (Note 26)	17,167	3,626	3,626
Arising from share of changes in capital surplus of associates	82,430	82,243	30,284

(Continued)

	June 30, 2017	December 31, 2016	June 30, 2016
	NT\$	NT\$	NT\$
<u>May not be used for any purpose</u>			
Arising from employee share options	\$ 1,223,113	\$ 1,230,247	\$ 1,157,458
Arising from equity component of convertible bonds	214,022	214,022	214,022
Others (3)	<u>2,442,154</u>	<u>-</u>	<u>-</u>
	<u>\$ 32,792,270</u>	<u>\$ 22,265,049</u>	<u>\$ 22,340,511</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.
- 3) Such capital surplus arises from the excess of related carrying amount of related accounts over the par value and the Company has not completed registration formalities when the convertible bonds were converted into ordinary shares and employee share options were exercised.

c. Retained earnings and dividend policy

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 was resolved at the Company's annual shareholders' meetings. 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 23(f).

The amended Articles of Incorporation of ASE Inc. (the "Articles") in June 2016 provides that annual net profit 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) Addition or deduction of realized gains or losses on equity instruments at fair value through other comprehensive income.

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.

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.

Expect 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 2016 and 2015 resolved at the Company's annual shareholders' meetings in June 2017 and June 2016, respectively, were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share</u>	
	<u>For Year 2016</u>	<u>For Year 2015</u>	<u>For Year 2016</u>	<u>For Year 2015</u>
	NT\$	NT\$	NT\$ (in dollars)	NT\$ (in dollars)
Legal reserve	\$ 2,168,034	\$ 1,947,887		
Cash dividends	<u>11,415,198</u>	<u>12,476,779</u>	\$ 1.40	\$ 1.60
	<u>\$ 13,583,232</u>	<u>\$ 14,424,666</u>		

d. Other equity items

1) Exchange differences on translating foreign operations

	<u>For the Six Months Ended June 30</u>	
	<u>2017</u>	<u>2016</u>
	NT\$	NT\$
Balance at January 1	\$ (1,642,724)	\$ 4,493,570
Exchange differences arising on translating foreign operations	(4,844,897)	(2,423,024)
Share of exchange difference of associates accounted for using the equity method	<u>(171,139)</u>	<u>(125,770)</u>
Balance at June 30	<u>\$ (6,658,760)</u>	<u>\$ 1,944,776</u>

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

	<u>For the Six Months Ended June 30</u>	
	<u>2017</u>	<u>2016</u>
	NT\$	NT\$
Balance at January 1	\$ (240,850)	\$ 588,119
Unrealized gain (loss) arising on revaluation of available-for-sale financial assets	70,097	(28,189)
Cumulative loss reclassified to profit or loss on impairment of available-for-sale financial assets	50,206	-

(Continued)

	For the Six Months Ended June 30	
	2017	2016
	NT\$	NT\$
Cumulative gain reclassified to profit or loss on disposal of available-for-sale financial assets	\$ (47)	\$ 7,512
Unrealized gain (loss) on available-for-sale financial assets of associates accounted for using the equity method	<u>654,310</u>	<u>(46,812)</u>
Balance at June 30	<u>\$ 533,716</u>	<u>\$ 520,630</u> (Concluded)

e. Treasury shares (in thousand shares)

	Beginning Balance	Addition	Decrease	Ending Balance
<u>For the six months ended June 30, 2017</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>For the six months ended June 30, 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>

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

	Shares Held By Subsidiaries (in thousand shares)	Carrying amount NT\$	Fair Value NT\$
<u>June 30, 2017</u>			
ASE Test	88,200	\$ 1,380,721	\$ 3,444,228
J&R Holding	46,704	381,709	1,823,782
ASE Test, Inc.	<u>10,979</u>	<u>196,677</u>	<u>428,721</u>
	<u>145,883</u>	<u>\$ 1,959,107</u>	<u>\$ 5,696,731</u>

(Continued)

	Shares Held By Subsidiaries (in thousand shares)	Carrying amount NT\$	Fair Value NT\$
<u>December 31, 2016</u>			
ASE Test	88,200	\$ 1,380,721	\$ 2,915,026
J&R Holding	46,704	381,709	1,543,559
ASE Test, Inc.	<u>10,979</u>	<u>196,677</u>	<u>362,849</u>
	<u>145,883</u>	<u>\$ 1,959,107</u>	<u>\$ 4,821,434</u>
<u>June 30, 2016</u>			
ASE Test	88,200	\$ 1,380,721	\$ 3,232,547
J&R Holding	46,704	381,709	1,711,693
ASE Test, Inc.	<u>10,979</u>	<u>196,677</u>	<u>402,372</u>
	<u>145,883</u>	<u>\$ 1,959,107</u>	<u>\$ 5,346,612</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.

f. Non-controlling interests

	For the Six Months Ended June 30	
	2017	2016 (Retrospectively Adjusted)
	NT\$	NT\$
Adjusted balance at January 1	\$ 12,008,753	\$ 11,503,878
Attributable to non-controlling interests:		
Share of profit for the period	736,466	428,886
Exchange difference on translating foreign operations	(386,115)	(288,400)
Unrealized gain on available-for-sale financial assets	1,214	1,819
Non-controlling interest arising from acquisition of subsidiaries (Note 27)	-	42,857
Additional non-controlling interests arising from partial disposal of subsidiaries (Note 29)	(3,055)	26,436
		(Continued)

	For the Six Months Ended June 30	
	2017	2016 (Retrospectively Adjusted)
	NT\$	NT\$
Repurchase of outstanding ordinary shares of subsidiaries (Note 29)	\$ -	\$ (912,886)
Non-controlling interest relating to outstanding vested share options held by the employees of subsidiaries	113,965	319,247
Cash dividends to non-controlling interests	<u>(246,440)</u>	<u>(236,426)</u>
Balance at June 30	<u>\$ 12,224,788</u>	<u>\$ 10,885,411</u> (Concluded)

23. PROFIT BEFORE INCOME TAX

a. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
	NT\$	NT\$	NT\$	NT\$
Government subsidy	\$ 133,457	\$ 43,132	\$ 162,876	\$ 125,498
Interest income	61,601	47,803	114,340	114,186
Rental income	21,909	12,861	44,164	24,952
Dividends income	<u>22,754</u>	<u>12,380</u>	<u>26,788</u>	<u>17,731</u>
	<u>\$ 239,721</u>	<u>\$ 116,176</u>	<u>\$ 348,168</u>	<u>\$ 282,367</u>

b. Other gains (losses), net

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
	NT\$	NT\$	NT\$	NT\$
Gain on disposal of subsidiaries (Note 28)	\$ 5,643,773	\$ -	\$ 5,643,773	\$ -
Net gains (losses) arising on financial instruments held for trading	719,336	801,466	(3,299,865)	399,279
Net gains on financial assets designated as at FVTPL	81,311	64,629	136,134	106,372
Foreign exchange gains (losses), net	(201,257)	(238,684)	2,689,440	642,757
Gain (loss) on disposal of property, plant and equipment	160,073	(39,845)	387,005	(57,987)
Impairment losses	(337,324)	(499,606)	(335,672)	(514,547)
Others	<u>46,346</u>	<u>34,004</u>	<u>66,424</u>	<u>56,079</u>
	<u>\$ 6,112,258</u>	<u>\$ 121,964</u>	<u>\$ 5,287,239</u>	<u>\$ 631,953</u>

c. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
	NT\$	NT\$	NT\$	NT\$
Total interest expense for financial liabilities measured at amortized cost	\$ 515,841	\$ 650,803	\$ 1,088,100	\$ 1,313,649
Less: Amounts included in the cost of qualifying assets				
Inventories related to real estate business	(70,828)	(59,015)	(136,768)	(116,085)
Property, plant and equipment	<u>(17,735)</u>	<u>(12,457)</u>	<u>(36,749)</u>	<u>(24,915)</u>
	427,278	579,331	914,583	1,172,649
Other finance costs	<u>7,275</u>	<u>8,492</u>	<u>12,236</u>	<u>26,478</u>
	<u>\$ 434,553</u>	<u>\$ 587,823</u>	<u>\$ 926,819</u>	<u>\$ 1,199,127</u>

Information relating to the capitalized borrowing costs was as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
	Annual interest capitalization rates			
Inventories related to real estate business	4.35%-5.39%	4.35%-6.00%	4.35%-5.39%	4.35%-6.00%
Property, plant and equipment	1.50%-4.54%	1.19%-3.98%	1.26%-5.49%	1.15%-4.00%

d. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016 (Retrospectively Adjusted)	2017	2016 (Retrospectively Adjusted)
	NT\$	NT\$	NT\$	NT\$
Property, plant and equipment	\$ 7,070,214	\$ 7,201,666	\$ 14,216,097	\$ 14,442,402
Other intangible assets	<u>113,942</u>	<u>157,325</u>	<u>230,654</u>	<u>266,554</u>
Total	<u>\$ 7,184,156</u>	<u>\$ 7,358,991</u>	<u>\$ 14,446,751</u>	<u>\$ 14,708,956</u>
Summary of depreciation by function				
Operating costs	\$ 6,577,597	\$ 6,703,174	\$ 13,222,431	\$ 13,442,179
Operating expenses	<u>492,617</u>	<u>498,492</u>	<u>993,666</u>	<u>1,000,223</u>
	<u>\$ 7,070,214</u>	<u>\$ 7,201,666</u>	<u>\$ 14,216,097</u>	<u>\$ 14,442,402</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016 (Retrospectively Adjusted)	2017	2016 (Retrospectively Adjusted)
	NT\$	NT\$	NT\$	NT\$
Summary of amortization by function				
Operating costs	\$ 27,256	\$ 40,046	\$ 72,141	\$ 74,680
Operating expenses	<u>86,686</u>	<u>117,279</u>	<u>158,513</u>	<u>191,874</u>
	<u>\$ 113,942</u>	<u>\$ 157,325</u>	<u>\$ 230,654</u>	<u>\$ 266,554</u>
				(Concluded)

e. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
	NT\$	NT\$	NT\$	NT\$
Post-employment benefits				
Defined contribution plans	\$ 580,785	\$ 592,047	\$ 1,143,160	\$ 1,169,468
Defined benefit plans	<u>75,033</u>	<u>100,165</u>	<u>164,227</u>	<u>197,157</u>
	655,818	692,212	1,307,387	1,366,625
Equity-settled share-based payments	97,934	120,080	300,711	240,697
Other employee benefits	<u>12,738,669</u>	<u>12,006,027</u>	<u>25,032,694</u>	<u>23,374,055</u>
	<u>\$ 13,492,421</u>	<u>\$ 12,818,319</u>	<u>\$ 26,640,792</u>	<u>\$ 24,981,377</u>
Summary of employee benefits expense by function				
Operating costs	\$ 8,870,614	\$ 8,677,774	\$ 17,727,384	\$ 16,961,583
Operating expenses	<u>4,621,807</u>	<u>4,140,545</u>	<u>8,913,408</u>	<u>8,019,794</u>
	<u>\$ 13,492,421</u>	<u>\$ 12,818,319</u>	<u>\$ 26,640,792</u>	<u>\$ 24,981,377</u>

f. Employees' compensation and the remuneration to directors

To be in compliance with the Company Act as amended in May 2015, the amended Articles of Incorporation of the Company, approved in the shareholders' meeting in June 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 and six months ended June 30, 2017 and 2016, the employees' compensation and the remuneration to directors were accrued based on 8.25% and 0.75% of net profit before income tax, employees' compensation and remuneration to directors, respectively, and were as follows.

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
	NT\$	NT\$	NT\$	NT\$
Employees' compensation	\$ 812,796	\$ 505,304	\$1,067,120	\$ 903,364
Remuneration to directors	73,891	45,937	97,011	82,124

If there is any 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 (settled by cash) and remuneration to directors for 2016 and 2015 resolved by the board of directors in March 2017 and in April 2016, respectively, and the amounts recognized in 2016 and 2015 consolidated financial statements were as follows.

	For Year 2016		For Year 2015	
	Employees' compensation	Remuneration to directors	Employees' compensation	Remuneration to directors
	NT\$	NT\$	NT\$	NT\$
Resolved by the board of directors	<u>\$ 2,151,900</u>	<u>\$ 148,000</u>	<u>\$ 2,033,800</u>	<u>\$ 140,000</u>
Recognized in the consolidated financial statements	<u>\$ 2,147,323</u>	<u>\$ 195,211</u>	<u>\$ 2,033,500</u>	<u>\$ 184,500</u>

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, 2016 and 2015 were deemed changes in estimates. The difference was NT\$42,634 thousand and NT\$44,200 thousand and had been adjusted in net profit for the years ended December 31, 2017 and 2016, respectively.

Information for the employees' compensation and the remuneration to directors for the years ended December 31, 2017 and 2016 resolved by the Company's board of directors are available on the Market Observation Post System website of the TSE.

24. INCOME TAX

a. Income tax recognized in profit or loss

The major components of income tax were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
	NT\$	NT\$	NT\$	NT\$
Current income tax				
In respect of the current period	\$ 2,135,038	\$ 954,804	\$ 2,896,755	\$ 2,474,173
Income tax on unappropriated earnings	773,179	496,799	818,557	559,606

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
	NT\$	NT\$	NT\$	NT\$
Changes in estimate for prior periods	\$ (26,094)	\$ 5,356	\$ (42,996)	\$ 30,779
	<u>2,882,123</u>	<u>1,456,959</u>	<u>3,672,316</u>	<u>3,064,558</u>
Deferred income tax				
In respect of the current period	240,330	80,387	465,488	(204,518)
Adjustments attributable to changes in tax rates	-	-	-	14,184
Changes in estimate for prior periods	39,893	(22,703)	51,445	(27,219)
Effect of foreign currency exchange differences	44,816	8,371	(96,606)	(5,748)
	<u>325,039</u>	<u>66,055</u>	<u>420,327</u>	<u>(223,301)</u>
Income tax recognized in profit or loss	<u>\$ 3,207,162</u>	<u>\$ 1,523,014</u>	<u>\$ 4,092,643</u>	<u>\$ 2,841,257</u> (Concluded)

b. Integrated income tax

As of June 30, 2017, December 31, 2016 and June 30, 2016, unappropriated earnings were all generated on and after January 1, 1998. As of June 30, 2017, December 31, 2016 and June 30, 2016, the balance of the Imputation Credit Account (“ICA”) was NT\$4,467,930 thousand, NT\$3,328,374 thousand and NT\$3,075,148 thousand, respectively.

The creditable ratio for the distribution of earnings of 2016 and 2015 was 9.56% (estimated) and 9.65% (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 2013 to 2015, respectively.

25. 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 June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
		(Retrospectively Adjusted)		(Retrospectively Adjusted)
	NT\$	NT\$	NT\$	NT\$
Net profit for the period attributable to owners of the Company	\$ 7,847,514	\$ 4,302,008	\$ 10,406,227	\$ 8,184,127
Effect of potentially dilutive ordinary shares:				
Employee share options issued by subsidiaries	(69,729)	(50,357)	(143,336)	(79,781)
Investments in associates	(209,928)	(125,923)	(386,076)	(222,960)
Convertible bonds	<u>108,501</u>	<u>(272,390)</u>	<u>46,156</u>	<u>(724,833)</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 7,676,358</u>	<u>\$ 3,853,338</u>	<u>\$ 9,922,971</u>	<u>\$ 7,156,553</u>

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
	Weighted average number of ordinary shares in the computation of basic earnings per share	8,114,882	7,657,903	7,908,780
Effect of potentially dilutive ordinary shares:				
Convertible bonds	437,504	515,295	124,911	515,295
Employee share options	41,830	56,979	47,317	61,770
Employees' compensation	<u>10,407</u>	<u>8,219</u>	<u>40,980</u>	<u>42,257</u>
Weighted average number of ordinary shares in the computation of diluted earnings per share	<u>8,604,623</u>	<u>8,238,396</u>	<u>8,121,988</u>	<u>8,272,966</u>

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

The third unsecured convertible overseas bonds issued by the Company were anti-dilutive for the six months ended June 30, 2017 and were excluded from the computation of diluted earnings per share for the same period.

26. SHARE-BASED PAYMENT ARRANGEMENTS

a. 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. 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.

ASE Inc. Option Plans

Information about share options was as follows:

	For the Six Months Ended June 30			
	2017		2016	
	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	210,795	\$ 27.3	252,607	\$ 26.6
Options forfeited	(3,233)	36.3	(2,514)	34.1
Options exercised	<u>(34,000)</u>	20.8	<u>(13,690)</u>	20.9
Balance at June 30	<u>173,562</u>	28.4	<u>236,403</u>	26.8
Options exercisable, end of period	<u>108,304</u>	20.8	<u>145,323</u>	20.8

The weighted average share prices at exercise dates of share options for the six months ended June 30, 2017 and 2016 was NT\$37.6 and NT\$35.9, 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)
June 30, 2017	\$ 20.4-22.6 36.5	2.3 8.2
December 31, 2016	20.4-22.6 36.5	2.5 8.7
June 30, 2016	20.4-22.6 36.5	3.0 9.2

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 Six Months Ended June 30			
	2017		2016	
	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	28,470	1.7
Options forfeited	<u>(250)</u>	1.7	<u>-</u>	-
Balance at June 30	<u>28,220</u>	1.7	<u>28,470</u>	1.7
Options exercisable, end of period	<u>28,220</u>	1.7	<u>28,470</u>	1.7

As of June 30, 2017, December 31, 2016 and June 30, 2016, the remaining contractual life was 0.5 year, 1 year and 1.5 years, respectively.

USIE Option Plans

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

Information about share options was as follows:

	For the Six Months Ended June 30			
	2017		2016	
	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	25,933	\$ 2.2	29,695	\$ 2.1
Options exercised	<u>-</u>	-	<u>(2,885)</u>	2.1
Balance at June 30	<u>25,933</u>	2.2	<u>26,810</u>	2.1
Options exercisable, end of period	<u>25,933</u>	2.2	<u>26,810</u>	2.1

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

	Range of Exercise Price Per Share (US\$)	Weighted Average Remaining Contractual Life (Years)
June 30, 2017	\$ 1.5 2.4-2.9	3.5 3.4
December 31, 2016	1.5 2.4-2.9	4.0 3.9
June 30, 2016	1.5 2.4-2.9	4.5 4.4

USISH Option Plan

Each unit represents the right to purchase one ordinary share of USISH when exercised. The options for USISH's full-time employees 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 Six Months Ended June 30			
	2017		2016	
	Number of Options (In Thousands)	Weighted Average Exercise Price Per Share (CNY)	Number of Options (In Thousands)	Weighted Average Exercise Price Per Share (CNY)
Balance at January 1	24,997	\$ 15.5	26,627	\$ 15.5
Options forfeited	<u>(562)</u>	15.5	<u>(664)</u>	15.5
Balance at June 30	<u>24,435</u>	15.5	<u>25,963</u>	15.5
Options exercisable, end of period	<u> -</u>	-	<u> -</u>	-

As of June 30, 2017, December 31, 2016 and June 30, 2016, the remaining contractual life of the share options was 8.4 years, 8.9 years and 9.4 years, respectively.

Employee benefits expense recognized for employee share options granted by the Company and its subsidiary, USISH, was NT\$97,934 thousand, NT\$120,080 thousand, NT\$216,711 thousand and NT\$240,697 thousand for the three months and six months ended June 30, 2017 and 2016, respectively.

b. New shares reserved for subscription by employees under cash capital increase

In December 2016, the board of directors approved the cash capital increase and, as required under the Company Act of the ROC, simultaneously granted options to employees to purchase 10% of such newly issued shares. The grant of the options was accounted for as employee options, accordingly a share-based compensation, and was measured at fair value in accordance with IFRS 2. The Group recognized employee benefits expense and capital surplus arising from exercised employee share options of NT\$84,000 thousand in full at the grant date (also the vested date), of which 4,836 thousand

shares has not been exercised and, therefore, \$13,541 thousand was reclassified from capital surplus arising from exercised employee share options to capital surplus arising from expired employee share options.

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

	Number of Options (In Thousand)
Options granted for the year ended 2017	30,000
Options exercised for the year ended 2017	25,164
Weighted-average fair value of options granted (NT\$ per share)	\$ 2.80

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

Share price at the grant date	NT\$36.55 per share
Exercise price	NT\$34.30 per share
Expected volatility	27.15%
Expected lives	47 days
Expected dividend yield	-
Risk free interest rate	0.37%

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

27. BUSINESS COMBINATIONS

a. Subsidiaries acquired

	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired	Cash Consideration NT\$
TLJ	Engaged in information software services	May 3, 2016	60%	<u>\$ 89,998</u>

In May 2016, the Company's subsidiary, ASE Test, Inc., acquired 60% shareholdings of TLJ with a total consideration determined primarily based on independent professional appraisal reports. NT\$41,739 thousand out of the total consideration was paid to key management personnel and related parties.

b. Assets acquired and liabilities assumed at the date of acquisition

	NT\$
Current assets	\$ 16,645
Non-current assets	108,486
Current liabilities	<u>(7,599)</u>
Fair value of identifiable net assets acquired	<u>\$ 117,532</u>

c. Goodwill recognized on acquisition

	NT\$
Consideration transferred (paid in cash)	\$ 89,998
Non-controlling interests	42,857
Less: Fair value of identifiable net assets acquired	<u>(117,532)</u>
Goodwill recognized on acquisition	<u>\$ 15,323</u>

The non-controlling interest recognized at the acquisition date was measured at its fair value.

The goodwill recognized mainly represents the control premium. In addition, the consideration paid for the acquisition effectively included amounts attributed to the benefits of expected revenue growth and future market development of TLJ. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

d. Net cash outflow on acquisition of subsidiaries

	NT\$
Consideration paid in cash	\$ 89,998
Less: Cash acquired	<u>(16,561)</u>
	<u>\$ 73,437</u>

- e. As of June 30, 2017, the Group has completed the identification of the difference between the cost of the investment and the Group's share of the net fair value of TLJ's identifiable assets and liabilities and therefore, the Company has retrospectively adjusted the comparative consolidated financial statements for prior periods. As of December 31 and June 30, 2016, the retrospective adjustments are summarized as follows:

	After Retrospectively Adjusted	Before Retrospectively Adjusted
	NT\$	NT\$
December 31, 2016		
Goodwill	<u>\$ 10,490,309</u>	<u>\$ 10,558,878</u>
Other intangible assets	<u>\$ 1,617,261</u>	<u>\$ 1,560,989</u>
June 30, 2016		
Goodwill	<u>\$ 10,492,386</u>	<u>\$ 10,560,955</u>
Other intangible assets	<u>\$ 1,399,023</u>	<u>\$ 1,337,476</u>
For three months ended June 30, 2016		
Operating costs	<u>\$ 50,347,556</u>	<u>\$ 50,345,797</u>
Operating expenses	<u>\$ 6,364,721</u>	<u>\$ 6,323,622</u>
For six months ended June 30, 2016		
Operating costs	<u>\$ 101,269,357</u>	<u>\$ 101,267,598</u>
Operating expenses	<u>\$ 12,607,973</u>	<u>\$ 12,566,874</u>

The aforementioned retrospective adjustments are accordingly recorded as a decrease of retained earnings of NT\$ 28,880 thousand and NT\$25,715 thousand and as an increase of non-controlling interests of NT\$16,583 thousand and NT\$18,693 thousand as of December 31 and June 30, 2016, respectively.

28. DISPOSAL OF SUBSIDIARIES

The Group entered into an agreement to dispose of KSDY. The disposal was completed in June 2017 and as a result, the Group lost its control over KSDY.

a. Gain on disposal of subsidiaries

	NT\$
Total consideration	\$ 7,100,780
Net assets disposed of	<u>(1,457,007)</u>
Gain on disposal of KSDY	<u>\$ 5,643,773</u>

b. Analysis of assets and liabilities on the date control was lost

	NT\$
Current assets	
Cash and cash equivalents	\$ 29,133
Inventories related to real estate business	<u>1,427,874</u>
Net assets disposed of	<u>\$ 1,457,007</u>

29. EQUITY TRANSACTION WITH NON-CONTROLLING INTERESTS

In February 2016, USIE repurchased its own 4,501 thousand 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 disposal of 39,603 thousand shares in USI to the Company's subsidiary, UGTW, at NT\$20 per share with a total consideration of NT\$ 792,064 thousand, 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.

In January 2017, USI completed its cash capital increase of NT\$1,000,000 thousand and the Group's shareholdings of USI increased from 75.2% to 75.7% since the Group did not proportional subscribe for additional new shares. The transaction was accounted for as an equity transaction since the Group did not cease to have control over USI and capital surplus was increased by NT\$3,055 thousand in the first quarter of 2017.

30. NON-CASH TRANSACTIONS

For the six months ended June 30, 2017 and 2016, the Group entered into the following non-cash investing activities which were not reflected in the consolidated statements of cash flows:

	For the Six Months Ended June 30	
	2017	2016
	NT\$	NT\$
Payments for property, plant and equipment		
Purchase of property, plant and equipment	\$ 14,004,143	\$ 14,066,392
Increase in prepayments for property, plant and equipment (recorded under the line item of other non-current assets)	215,053	50,264
Decrease (increase) in payables for property, plant and equipment	261,795	(1,118,719)
Capitalized borrowing costs	<u>(36,749)</u>	<u>(24,915)</u>
	<u>\$ 14,444,242</u>	<u>\$ 12,973,022</u>
Proceeds from disposal of property, plant and equipment		
Consideration from disposal of property, plant and equipment	\$ 1,388,289	\$ 107,512
Increase in other receivables	<u>(668,894)</u>	<u>(28,008)</u>
	<u>\$ 719,395</u>	<u>\$ 79,504</u>
Payments for other intangible assets		
Purchase of other intangible assets	\$ 133,288	\$ 190,639
Decrease in other payables	4,429	-
Decrease in other liabilities	<u>40,313</u>	<u>-</u>
	<u>\$ 178,030</u>	<u>\$ 190,639</u>
Net cash inflow from disposal of subsidiaries		
Consideration from disposal of subsidiaries	\$ 7,100,780	\$ -
Increase in other receivables	(3,548,444)	-
Increase in other payables	3,552	-
Cash and cash equivalent disposed of	<u>(29,133)</u>	<u>-</u>
	<u>\$ 3,526,755</u>	<u>\$ -</u>

31. OPERATING LEASE ARRANGEMENTS

Except those discussed in Note 17, 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 January 2037. 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 China, U.S.A. and Japan, etc. are leased from third parties and the lease term will expire through 2017 to 2023 with the option to renew the leases upon expiration.

The Group recognized rental expense of NT\$289,564 thousand, NT\$351,240 thousand, NT\$631,793 thousand and NT\$676,483 thousand for the three months and six months ended June 30, 2017 and 2016, respectively, from the aforementioned operating lease arrangements and the land use rights disclosed in Note 17.

As of June 30, 2017, the future minimum lease payments of non-cancellable operating lease commitments were as follows:

	NT\$
Less than 1 year	\$ 299,907
1 to 5 years	398,807
More than 5 years	<u>413,145</u>
	<u>\$ 1,111,859</u>

32. 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 18.

33. 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 June 30, 2017, December 31, 2016 and June 30, 2016, respectively, were as follows:

	<u>Carrying Amount</u> NT\$	<u>Fair Value</u> NT\$
June 30, 2017	\$ 41,081,269	\$ 41,256,859
December 31, 2016	36,999,903	37,300,356
June 30, 2016	47,202,437	47,430,426

2) Fair value hierarchy

The aforementioned fair value hierarchy of bonds payable was level 3 in terms of IFRS 13 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>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	NT\$	NT\$	NT\$	NT\$
<u>June 30, 2017</u>				
Financial assets at FVTPL				
Financial assets designated as at FVTPL				
Private-placement convertible bonds	\$ -	\$ 100,583	\$ -	\$ 100,583
Derivative financial assets				
Swap contracts	-	258,728	-	258,728
Forward exchange contracts	-	75,555	-	75,555
Non-derivative financial assets held for trading				
Quoted shares	2,062,285	-	-	2,062,285
Open-end mutual funds	<u>586,614</u>	<u>-</u>	<u>-</u>	<u>586,614</u>
	<u>\$ 2,648,899</u>	<u>\$ 434,866</u>	<u>\$ -</u>	<u>\$ 3,083,765</u>
Available-for-sale financial assets				
Unquoted shares	\$ -	\$ -	\$ 651,440	\$ 651,440
Open-end mutual funds	523,974	-	-	523,974
Limited partnership	-	-	263,401	263,401
Quoted shares	<u>192,767</u>	<u>-</u>	<u>-</u>	<u>192,767</u>
	<u>\$ 716,741</u>	<u>\$ -</u>	<u>\$ 914,841</u>	<u>\$ 1,631,582</u>
Financial liabilities at FVTPL				
Derivative financial liabilities				
Conversion option, redemption option and put option of convertible bonds	\$ -	\$ 1,895,581	\$ -	\$ 1,895,581
Swap contracts	-	1,008,946	-	1,008,946
Forward exchange contracts	<u>-</u>	<u>32,873</u>	<u>-</u>	<u>32,873</u>
	<u>\$ -</u>	<u>\$ 2,937,400</u>	<u>\$ -</u>	<u>\$ 2,937,400</u>

(Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	NT\$	NT\$	NT\$	NT\$
<u>December 31, 2016</u>				
Financial assets at FVTPL				
Financial assets designated as at FVTPL				
Private-placement convertible bonds	\$ -	\$ 100,583	\$ -	\$ 100,583
Derivative financial assets				
Swap contracts	-	462,339	-	462,339
Forward exchange contracts	-	66,872	-	66,872
Non-derivative financial assets held for trading				
Quoted shares	1,855,073	-	-	1,855,073
Open-end mutual funds	<u>584,945</u>	<u>-</u>	<u>-</u>	<u>584,945</u>
	<u>\$ 2,440,018</u>	<u>\$ 629,794</u>	<u>\$ -</u>	<u>\$ 3,069,812</u>
Available-for-sale financial assets				
Unquoted shares	\$ -	\$ -	\$ 631,418	\$ 631,418
Limited Partnership	-	-	273,372	273,372
Open-end mutual funds	243,458	-	-	243,458
Quoted shares	<u>146,786</u>	<u>-</u>	<u>-</u>	<u>146,786</u>
	<u>\$ 390,244</u>	<u>\$ -</u>	<u>\$ 904,790</u>	<u>\$ 1,295,034</u>
Financial liabilities at FVTPL				
Derivative financial liabilities				
Conversion option, redemption option and put option of convertible bonds	\$ -	\$ 1,213,890	\$ -	\$ 1,213,890
Swap contracts	-	422,934	-	422,934
Forward exchange contracts	-	108,912	-	108,912
Foreign currency option contracts	<u>-</u>	<u>17,924</u>	<u>-</u>	<u>17,924</u>
	<u>\$ -</u>	<u>\$ 1,763,660</u>	<u>\$ -</u>	<u>\$ 1,763,660</u>

(Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	NT\$	NT\$	NT\$	NT\$
<u>June 30, 2016</u>				
Financial assets at FVTPL				
Financial assets designated as at FVTPL				
Structured time deposits	\$ -	\$ 1,615,937	\$ -	\$ 1,615,937
Private-placement convertible bonds	-	100,500	-	100,500
Derivative financial assets				
Swap contracts	-	271,628	-	271,628
Forward exchange contracts	-	106,954	-	106,954
Non-derivative financial assets held for trading				
Open-end mutual funds	583,875	-	-	583,875
Quoted shares	<u>30,645</u>	<u>-</u>	<u>-</u>	<u>30,645</u>
	<u>\$ 614,520</u>	<u>\$ 2,095,019</u>	<u>\$ -</u>	<u>\$ 2,709,539</u>
Available-for-sale financial assets				
Limited Partnership	\$ -	\$ -	\$ 448,060	\$ 448,060
Unquoted shares	-	-	237,063	237,063
Quoted shares	197,535	-	-	197,535
Open-end mutual funds	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
	<u>\$ 222,535</u>	<u>\$ -</u>	<u>\$ 685,123</u>	<u>\$ 907,658</u>
Financial liabilities at FVTPL				
Derivative financial liabilities				
Conversion option, redemption option and put option of convertible bonds	\$ -	\$ 1,875,823	\$ -	\$ 1,875,823
Swap contracts	-	611,196	-	611,196
Forward exchange contracts	-	42,635	-	42,635
Interest rate swap contracts	-	20,058	-	20,058
Foreign currency option contracts	<u>-</u>	<u>5,993</u>	<u>-</u>	<u>5,993</u>
	<u>\$ -</u>	<u>\$ 2,555,705</u>	<u>\$ -</u>	<u>\$ 2,555,705</u>

(Concluded)

For the financial assets and liabilities that were measured at fair value on a recurring basis, there were no transfers between Level 1 and Level 2 of the fair value hierarchy for the six months ended June 30, 2017 and 2016.

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

The financial assets measured at Level 3 fair value hierarchy were equity investments with no quoted prices and classified as available-for-sale financial assets - non-current. Reconciliations for the six months ended June 30, 2017 and 2016 were as follows:

	For the Six Months Ended June 30	
	2017	2016
	NT\$	NT\$
Balance at January 1	\$ 904,790	\$ 741,089
Purchases	2,648	6,678
Total losses recognized		
In profit or loss	(50,206)	(8,848)
In other comprehensive income	57,609	(24,869)
Disposals	<u>-</u>	<u>(28,927)</u>
Balance at June 30	<u>\$ 914,841</u>	<u>\$ 685,123</u>

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

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

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

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

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

The fair values of investments in limited partnership are measured by estimating future cash inflows from disposal (net of transaction cost). The Group recognized an impairment loss of NT\$50,206 thousand under the line item of other gains, net in the consolidated statements of comprehensive income for the three months and the six months ended June 30, 2017.

c. Categories of financial instruments

	June 30, 2017	December 31, 2016	June 30, 2016
	NT\$	NT\$	NT\$
<hr/> Financial assets <hr/>			
FVTPL			
Designated as at FVTPL	\$ 100,583	\$ 100,583	\$ 1,716,437
Held for trading	2,983,182	2,969,229	993,102
Available-for-sale financial assets	1,631,582	1,295,034	907,658
Loans and receivables (Note 1)	98,654,859	92,082,628	88,452,447
<hr/> Financial liabilities <hr/>			
FVTPL			
Held for trading	2,937,400	1,763,660	2,555,705
Measured at amortized cost (Note 2)	156,044,627	168,397,006	174,468,574

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, trade and other payables, dividends payable, 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 38.

The Group was principally subject to the impact to exchange rate fluctuation in US\$ and JPY against NT\$ or CNY. 1% is the sensitivity rate used when reporting foreign currency exchange rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign currency exchange rates. The sensitivity analysis included financial assets and liabilities and inter-company receivables and payables within the Group. The changes in profit before income tax due to a 1% change in US\$ and JPY both against NT\$ and CNY would be NT\$58,000 thousand and NT\$127,000 thousand for the six months ended June 30, 2017 and 2016, respectively. Hedging contracts and hedged items have been taken into account while measuring the changes in profit before income tax. The aforementioned sensitivity analysis mainly focused on the foreign currency monetary items at each balance sheet date. As the period-end exposure did not reflect the exposure for the six months ended June 30, 2017 and 2016, the aforementioned 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:

	June 30, 2017	December 31, 2016	June 30, 2016
	NT\$	NT\$	NT\$
Fair value interest rate risk			
Financial liabilities	\$ 28,262,935	\$ 30,243,887	\$ 26,886,277
Cash flow interest rate risk			
Financial assets	38,865,874	29,977,709	35,959,332
Financial liabilities	44,005,449	65,800,323	57,546,191

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 six months ended June 30, 2017 and 2016 would have decreased or increased approximately by NT\$26,000 thousand and NT\$108,000 thousand, respectively. Hedging contracts and hedged items have been taken into account while measuring the changes in profit before income tax. The aforementioned sensitivity analysis

mainly focused on the interest rate items at each balance sheet date. As the period-end exposure did not reflect the exposure for the six months ended June 30, 2017 and 2016, the aforementioned 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 and open-end mutual funds, as well as available-for-sale financial assets. If equity or debt prices were 1% higher or lower, profit before income tax for the six months ended June 30, 2017 and 2016 would have increased or decreased approximately by NT\$27,500 thousand and NT\$7,200 thousand, respectively, and other comprehensive income before income tax for the six months ended June 30, 2017 and 2016 would have increased or decreased approximately by NT\$16,000 thousand and NT\$9,000 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 six months ended June 30, 2017 and 2016 would have decreased approximately by NT\$766,000 thousand and NT\$550,000 thousand, respectively, or increased approximately by NT\$661,000 thousand and NT\$510,000 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>June 30, 2017</u>					
Non-derivative financial liabilities					
Non-interest bearing	\$ 22,909,366	\$ 26,716,792	\$ 6,420,522	\$ 26,009	\$ 180,107
Floating interest rate liabilities	7,246,484	4,741,670	5,732,750	26,105,200	1,782,486
Fixed interest rate liabilities	<u>11,625,191</u>	<u>2,202,328</u>	<u>6,442,667</u>	<u>22,617,395</u>	<u>6,462,396</u>
	<u>\$ 41,781,041</u>	<u>\$ 33,660,790</u>	<u>\$ 18,595,939</u>	<u>\$ 48,748,604</u>	<u>\$ 8,424,989</u>
<u>December 31, 2016</u>					
Non-derivative financial liabilities					
Non-interest bearing	\$ 23,907,221	\$ 20,553,395	\$ 4,360,322	\$ 42,285	\$ 190,941
Floating interest rate liabilities	9,733,727	5,232,407	6,634,931	44,504,416	1,728,448
Fixed interest rate liabilities	<u>5,360,644</u>	<u>1,019,221</u>	<u>10,549,983</u>	<u>28,553,095</u>	<u>2,062,500</u>
	<u>\$ 39,001,592</u>	<u>\$ 26,805,023</u>	<u>\$ 21,545,236</u>	<u>\$ 73,099,796</u>	<u>\$ 3,981,889</u>
<u>June 30, 2016</u>					
Non-derivative financial liabilities					
Non-interest bearing	\$ 21,392,995	\$ 30,407,936	\$ 4,723,867	\$ 1,922	\$ 191,089
Floating interest rate liabilities	8,112,177	8,931,572	3,554,781	37,348,959	1,567,370
Fixed interest rate liabilities	<u>2,260,819</u>	<u>23,987,458</u>	<u>1,355,719</u>	<u>25,306,670</u>	<u>2,062,500</u>
	<u>\$ 31,765,991</u>	<u>\$ 63,326,966</u>	<u>\$ 9,634,367</u>	<u>\$ 62,657,551</u>	<u>\$ 3,820,959</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 were to 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 was determined by reference to the projected interest rates as illustrated by the yield curves at each balance sheet date.

	On Demand or Less than 1 Month	1 to 3 Months	3 Months to 1 Year
<u>June 30, 2017</u>			
Net settled			
Forward exchange contracts	<u>\$ 21,140</u>	<u>\$ 4,220</u>	<u>\$ -</u>
Gross settled			
Forward exchange contracts			
Inflows	\$ 4,913,914	\$ 1,722,404	\$ -
Outflows	<u>(4,904,306)</u>	<u>(1,709,604)</u>	<u>-</u>
	<u>9,608</u>	<u>12,800</u>	<u>-</u>
Swap contracts			
Inflows	14,299,618	13,183,597	38,215,751
Outflows	<u>(14,404,385)</u>	<u>(13,313,071)</u>	<u>(38,328,668)</u>
	<u>(104,767)</u>	<u>(129,474)</u>	<u>(112,917)</u>
	<u>\$ (95,159)</u>	<u>\$ (116,674)</u>	<u>\$ (112,917)</u>

(Continued)

	On Demand or Less than 1 Month	1 to 3 Months	3 Months to 1 Year
<u>December 31, 2016</u>			
Net settled			
Forward exchange contracts	\$ 22,680	\$ 13,320	\$ -
Foreign currency options contracts	\$ (344)	\$ -	\$ -
Gross settled			
Forward exchange contracts			
Inflows	\$ 5,134,196	\$ 912,213	\$ -
Outflows	(5,245,724)	(915,900)	-
	<u>(111,528)</u>	<u>(3,687)</u>	<u>-</u>
Swap contracts			
Inflows	5,345,159	17,399,695	43,537,500
Outflows	(5,439,190)	(17,540,927)	(42,882,201)
	<u>(94,031)</u>	<u>(141,232)</u>	<u>655,299</u>
	<u>\$ (205,559)</u>	<u>\$ (144,919)</u>	<u>\$ 655,299</u> (Concluded)

	On Demand or Less than 1 Month	1 to 3 Months	3 Months to 1 Year	1 to 2 Years
<u>June 30, 2016</u>				
Net settled				
Forward exchange contracts	\$ 25,160	\$ 28,650	\$ -	\$ -
Foreign currency option contracts	\$ 1,308	\$ -	\$ -	\$ -
Gross settled				
Forward exchange contracts				
Inflows	\$ 4,413,694	\$ 1,710,445	\$ -	\$ -
Outflows	(4,384,912)	(1,717,685)	-	-
	<u>28,782</u>	<u>(7,240)</u>	<u>-</u>	<u>-</u>
Swap contracts				
Inflows	12,863,766	25,934,407	41,021,525	968,250
Outflows	(12,669,562)	(25,986,188)	(41,215,327)	(962,655)
	<u>194,204</u>	<u>(51,781)</u>	<u>(193,802)</u>	<u>5,595</u>
Interest rate swap contracts				
Outflows	(11,468)	-	(11,595)	-
	<u>\$ 211,518</u>	<u>\$ (59,021)</u>	<u>\$ (205,397)</u>	<u>\$ 5,595</u>

34. 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. Related parties

Except those disclosed in Note 13 and NXP B.V. accounted for as a related party of the Group's subsidiary, ASEN, over which NXP B.V. has significant influence, the related parties were as follows:

<u>Related Parties</u>	<u>Relationship with the Corporation</u>
ASE Cultural and Educational Foundation	Substantial related party
Fu Hwa Construction Co., Ltd.	Associate

b. The Company contributed each NT\$100,000 thousand to ASE Cultural and Educational Foundation in January 2017 and 2016, respectively, for environmental charity in promoting the related domestic environmental protection and public service activities (Note 36).

c. In the third quarter of 2016, the Company acquired patents and specific technology from DECA at NT\$403,543 thousand which was primarily based on independent professional appraisal reports. As of June 30, 2017, NT\$114,075 thousand has not been paid and was accrued under the line item of other payables.

d. The Company contracted with Fu Hwa Construction Co., Ltd. to construct a female employee dormitory on current leased land. Total consideration was primarily based on independent professional appraisal reports and NT\$646,500 thousand was paid as of June 30, 2016. The female employee dormitory has been completely constructed as of December 31, 2016 and the total consideration was fully paid in March 2017.

e. 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.

f. Compensation to key management personnel

	<u>For the Three Months</u>		<u>For the Six Months</u>	
	<u>Ended June 30</u>		<u>Ended June 30</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Short-term employee benefits	\$ 206,765	\$ 200,375	\$ 396,792	\$ 400,767
Post-employment benefits	876	962	1,926	1,877
Share-based payments	<u>2,402</u>	<u>16,134</u>	<u>7,376</u>	<u>32,340</u>
	<u>\$ 210,043</u>	<u>\$ 217,471</u>	<u>\$ 406,094</u>	<u>\$ 434,984</u>

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

35. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings and the tariff guarantees of imported raw materials:

	<u>June 30, 2017</u>	<u>December 31, 2016</u>	<u>June 30, 2016</u>
	NT\$	NT\$	NT\$
Inventories related to real estate business	\$ 16,868,712	\$ 16,813,023	\$ 19,443,785
Other financial assets (including current and non-current)	<u>215,988</u>	<u>220,228</u>	<u>519,006</u>
	<u>\$ 17,084,700</u>	<u>\$ 17,033,251</u>	<u>\$ 19,962,791</u>

36. 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. As of June 30, 2017, December 31, 2016 and June 30, 2016, unused letters of credit of the Group were approximately NT\$38,000 thousand, NT\$97,000 thousand and NT\$253,000 thousand, respectively.
- b. As of June 30, 2017, December 31, 2016 and June 30, 2016, outstanding commitments to purchase property, plant and equipment of the Group were approximately NT\$4,285,138 thousand, NT\$6,630,957 thousand and NT\$7,871,976 thousand, respectively, of which NT\$480,414 thousand, NT\$668,509 thousand and NT\$1,668,700 thousand had been prepaid, respectively. As of June 30, 2017, December 31, 2016 and June 30, 2016, the commitment that the Group has contracted for the construction related to our real estate business were approximately NT\$1,194,470 thousand, NT\$1,574,822 thousand and NT\$1,937,497 thousand, respectively.
- c. 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.

37. SIGNIFICANT SUBSEQUENT EVENTS

In accordance with the offering memorandum and indenture of the zero coupon convertible overseas bonds due 2018 issued by the Company, after 36 months in whole or in part of the Bonds at the early redemption amount on the redemption date if the closing price of the ordinary shares (translated into US dollars at the prevailing rate) for a period of 20 consecutive trading days is at least 130% of the quotient of the early redemption amount divided by the conversion price NT\$28.96 (as of the date of the consolidated financial statements were authorized for issue by the board of directors), which determined on the fixed exchange rate of US\$1 to NT\$29.956 determined on pricing date equals to US\$1.257 (as of the date of the consolidated financial statements were authorized for issue by the board of directors) per ordinary share. The Company's board of directors resolved to issue a notice of early redemption in July 2017 and the Company issued the notice on July 26, 2017 when aforementioned criteria were satisfied. The Company will redeem the Bond in whole on September 6, 2017, the redemption date. The bondholders are still able to convert the Bond from August 16, 2017 until August 30, 2017 following the indenture.

38. 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>June 30, 2017</u>			
Monetary financial assets			
US\$	\$ 3,052,840	US\$1=NT\$30.42	\$ 92,867,396
US\$	858,098	US\$1=CNY6.7744	26,103,335
JPY	6,188,197	JPY1=NT\$0.2716	1,680,714
JPY	9,349,092	JPY1=US\$0.0089	2,539,214
Monetary financial liabilities			
US\$	2,947,062	US\$1=NT\$30.42	89,649,615
US\$	771,019	US\$1=CNY6.7744	23,454,384
JPY	6,106,353	JPY1=NT\$0.2716	1,658,485
JPY	9,553,184	JPY1=US\$0.0089	2,594,645
<u>December 31, 2016</u>			
Monetary financial assets			
US\$	3,106,557	US\$1=NT\$32.25	100,186,466
US\$	1,020,769	US\$1=CNY6.9370	32,919,814
JPY	4,976,309	JPY1=NT\$0.2756	1,371,471
JPY	9,277,760	JPY1=US\$0.0085	2,556,951
Monetary financial liabilities			
US\$	3,013,288	US\$1=NT\$32.25	97,178,536
US\$	891,487	US\$1=CNY6.9370	28,750,462
JPY	5,881,716	JPY1=NT\$0.2756	1,621,001
JPY	9,543,756	JPY1=US\$0.0085	2,630,259
<u>June 30, 2016</u>			
Monetary financial assets			
US\$	3,369,915	US\$1=NT\$32.275	108,763,992
US\$	859,708	US\$1=CNY6.6312	27,747,067
JPY	5,257,661	JPY1=NT\$0.3143	1,652,483
JPY	8,597,459	JPY1=US\$0.0097	2,702,181
Monetary financial liabilities			
US\$	2,994,472	US\$1=NT\$32.275	96,646,571
US\$	841,606	US\$1=CNY6.6312	27,162,829
JPY	5,012,269	JPY1=NT\$0.3143	1,575,356
JPY	8,896,515	JPY1=US\$0.0097	2,796,175

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

Foreign Currencies	For the Three Months Ended June 30, 2017		For the Three Months Ended June 30, 2016	
	Exchange Rate	Net Foreign Exchange Loss	Exchange Rate	Net Foreign Exchange Gain (Loss)
US\$	US\$1=NT\$30.42	\$ (8,544)	US\$1=NT\$32.275	\$ (125,744)
NT\$		(82,102)		(201,794)
CNY	CNY1=NT\$4.4904	<u>(91,526)</u>	CNY1=NT\$4.8671	<u>76,438</u>
		<u>\$ (182,172)</u>		<u>\$ (251,100)</u>

Foreign Currencies	For the Six Months Ended June 30, 2017		For the Six Months Ended June 30, 2016	
	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
US\$	US\$1=NT\$30.42	\$ (195,004)	US\$1=NT\$32.275	\$ (252,219)
NT\$		3,021,031		917,624
CNY	CNY1=NT\$4.4904	<u>(108,748)</u>	CNY1=NT\$4.8671	<u>29,309</u>
		<u>\$ 2,717,279</u>		<u>\$ 694,714</u>

39. OTHERS

- a. In November 2015, the Company received a legal brief filed by SPIL in connection with a lawsuit brought by SPIL against the Company which was filed with Kaohsiung District Court. On June 27, 2016, as SPIL failed to pay the court expenses upon the deadline, the Kaohsiung District Court dismissed the lawsuit pursuant to the relevant law. As a result, the lawsuit does not have material impact on the financial position and the result of operations of the Group.
- 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). The Company appealed against the unfavorable ruling on April 14, 2016. On June 8, 2017, the Supreme Administrative Court handed down a final and unappealable judgment which is in favor of the Company and ordered KEPB to return to the Company the fine already paid by the Company.
- c. For the future development and sustainable development of semiconductor industry, the Company’s board of directors approved in June 2016 to enter into and execute a joint share exchange agreement with SPIL to establish ASE Industrial Holding Co., Ltd. (“HoldCo”) and HoldCo will acquire all issued and outstanding shares of both ASE and SPIL in the way of share exchange. The share exchange will be conducted at an exchange ratio of 1 ordinary share of the Company for 0.5 ordinary share of HoldCo, and at NT\$55 in cash per SPIL’s ordinary share, which has been adjusted to NT\$51.2 after SPIL’s appropriation of earnings in 2016.

As of the date the consolidated financial statements were authorized for issue by the board of directors, the share exchange transaction has not been completed. According to the share exchange agreement, the completion of share exchange transaction is subject to the satisfaction or waiver of all conditions precedent (as of the date of the consolidated financial statements were authorized for issue by the board of directors, the unsatisfied conditions including the unconditional approvals at the Company and SPIL’s shareholders meeting, the approval or consent to consummate the transaction from the Ministry of Commerce of the People’s Republic of China). Unless the Company and SPIL entering into another agreement, this share exchange agreement shall be terminated automatically if the aforementioned conditions precedent are not satisfied or to be waived on or before December 31, 2017.

Due to the aforementioned share exchange agreement, treasury shares of the Company and the convertible bonds embedded with conversion option recognized as equity issued by the Company were affected as follows:

- 1) For the outstanding balance of the Bonds, except where the Bonds have been redeemed or repurchased and cancelled or converted by the holders by exercising their conversion rights before the share exchange record date, the holders of the Bonds may, after the Company obtains approval from all relevant competent authorities and after the share exchange record date, convert such outstanding balance into newly issued HoldCo common shares. The conversion shall be subject to applicable laws, the indenture of the Bonds and the share exchange ratio.
- 2) Treasury shares purchased before the share exchange record date for the conversion of the Currency Linked Bonds will be exchanged to HoldCo's ordinary shares, which will still be held by the Company, based on the agreed share exchange ratio. The conversion price of the Currency Linked Bonds shall also be adjusted in accordance with the agreed share exchange ratio in the joint share exchange agreement.
- 3) For the employee share options issued by the Company upon the approval from relevant competent authorities before the execution of the joint share exchange agreement, HoldCo will assume the Company's obligations under the employee share options as of the share exchange record date. Except that the exercise price and amount shall be adjusted in accordance with the agreed share exchange ratio and that the shares subject to exercise shall be converted into HoldCo's newly issued ordinary shares, all other terms and conditions for issuance will remain the same. The final execution arrangements shall be made by HoldCo in compliance with relevant laws and regulations and subject to the approval of relevant competent authorities.

40. ADDITIONAL DISCLOSURES

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

- a. Financial provided: Please see Table 1 attached;
- b. Endorsement/guarantee provided: Please see Table 2 attached;
- c. Marketable securities held (excluding investments in subsidiaries, associates and joint venture): Please see Table 3 attached;
- d. Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: Please see Table 4 attached;
- e. Acquisition of individual real estate properties at costs of at least NT\$300 million or 20% of the paid-in capital: Please see Table 5 attached;
- f. Disposal of individual real estate properties at prices of at least NT\$300 million or 20% of the paid-in capital: None;
- g. Total purchase from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: Please see Table 6 attached;
- h. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Please see Table 7 attached;
- i. Information about the derivative financial instruments transaction: Please see Note 7;

- j. Others: The business relationship between the parent and the subsidiaries and significant transactions between them: Please see Table 10 attached;
- k. Names, locations, and related information of investees over which ASE Inc. exercises significant influence (excluding information on investment in Mainland China): Please see Table 8 attached;
- l. Information on investment in Mainland China
 - 1) The name of the investee in Mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee: Please see Table 9 attached;
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Please see Table 6 attached;
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: None;
 - c) The amount of property transactions and the amount of the resultant gains or losses: No 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: Please see Table 1 attached;
 - 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.

41. 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 six months ended June 30, 2017 and 2016 was as follows:

Segment revenues and operation results

	Packaging	Testing	EMS	Estate	Others	Adjustment and Elimination	Total
	NT\$	NT\$	NT\$	NT\$	NT\$	NT\$	NT\$
<u>For the six months ended June 30, 2017</u>							
Revenue from external customers	<u>\$ 60,299,666</u>	<u>\$ 12,714,846</u>	<u>\$ 57,565,171</u>	<u>\$ 172,727</u>	<u>\$ 1,824,379</u>	<u>\$ -</u>	<u>\$ 132,576,789</u>
Inter-segment revenues (Note)	<u>\$ 2,587,436</u>	<u>\$ 89,637</u>	<u>\$ 21,298,219</u>	<u>\$ -</u>	<u>\$ 4,123,616</u>	<u>\$ (28,098,908)</u>	<u>\$ -</u>
Segment profit before income tax	<u>\$ 3,362,201</u>	<u>\$ 3,220,491</u>	<u>\$ 2,928,814</u>	<u>\$ 5,540,145</u>	<u>\$ 183,685</u>	<u>\$ -</u>	<u>\$ 15,235,336</u>
<u>As of June 30, 2017</u>							
Segment assets	<u>\$ 198,969,933</u>	<u>\$ 43,791,811</u>	<u>\$ 68,288,183</u>	<u>\$ 32,257,196</u>	<u>\$ 13,315,780</u>	<u>\$ -</u>	<u>\$ 356,622,903</u>
<u>For the six months ended June 30, 2016 (Retrospectively adjusted)</u>							
Revenue from external customers	<u>\$ 58,213,756</u>	<u>\$ 12,497,404</u>	<u>\$ 49,594,039</u>	<u>\$ 3,014,914</u>	<u>\$ 1,651,672</u>	<u>\$ -</u>	<u>\$ 124,971,785</u>
Inter-segment revenues (Note)	<u>\$ 1,726,700</u>	<u>\$ 111,300</u>	<u>\$ 23,005,886</u>	<u>\$ -</u>	<u>\$ 4,646,394</u>	<u>\$ (29,490,280)</u>	<u>\$ -</u>
Segment profit before income tax	<u>\$ 5,217,425</u>	<u>\$ 2,971,430</u>	<u>\$ 1,433,850</u>	<u>\$ 1,489,804</u>	<u>\$ 341,761</u>	<u>\$ -</u>	<u>\$ 11,454,270</u>
<u>As of June 30, 2016</u>							
Segment assets	<u>\$ 203,653,366</u>	<u>\$ 42,451,792</u>	<u>\$ 63,835,078</u>	<u>\$ 28,718,028</u>	<u>\$ 15,363,296</u>	<u>\$ -</u>	<u>\$ 354,021,560</u>

Note: Inter-segment revenues were eliminated upon consolidation.

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

FINANCINGS PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2017
(Amounts In Thousands of New Taiwan Dollars)

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the year	Ending Balance	Amount Actual Drawn	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 1)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
1	A.S.E. Holding Limited	The Company	Other receivables form related parties	Yes	\$ 2,821,050	\$ 1,216,800	\$ 1,216,800	1.46~1.83	The need for short-term financing	-	Operating capital	\$ -	-	\$ -	\$ 3,001,868	\$ 6,003,736
		J & R Holding Limited	Long-term receivables form related parties	Yes	613,000	608,400	608,400	1.38~1.46	The need for short-term financing	-	Operating capital	-	-	-	16,683,803	25,025,705
2	J & R Holding Limited	The Company	Other receivables form related parties	Yes	9,399,780	9,399,780	9,399,780	1.46~1.83	The need for short-term financing	-	Operating capital	-	-	-	10,967,752	21,935,504
		Global Advanced Packaging Technology Limited	Long-term receivables form related parties	Yes	532,865	517,140	517,140	1.17~1.46	The need for short-term financing	-	Operating capital	-	-	-	16,683,803	25,025,705
		ASE WeiHai Inc.	Other receivables form related parties	Yes	2,053,550	1,399,320	1,399,320	1.31~1.64	The need for short-term financing	-	Operating capital	-	-	-	16,683,803	25,025,705
		Omniquest Industrial Limited	Long-term receivables form related parties	Yes	1,413,660	1,368,900	1,368,900	1.17~1.46	The need for short-term financing	-	Operating capital	-	-	-	16,683,803	25,025,705
		ASE Assembly & Test (Shanghai) Limited	Other receivables form related parties	Yes	532,865	517,140	517,140	1.34~1.62	The need for short-term financing	-	Operating capital	-	-	-	16,683,803	25,025,705
		Anstock Limited	Long-term receivables form related parties	Yes	1,869,130	1,347,120	1,221,389	3.69~11.75	The need for short-term financing	-	Operating capital	-	-	-	16,683,803	25,025,705
		Innosource Limited	Long-term receivables form related parties	Yes	763,542	763,542	763,542	1.17~1.46	The need for short-term financing	-	Operating capital	-	-	-	16,683,803	25,025,705
		ASE Corporation	Long-term receivables form related parties	Yes	2,977,775	1,216,800	1,216,800	1.17~1.46	The need for short-term financing	-	Operating capital	-	-	-	16,683,803	25,025,705
		ASE Labuan Inc.	Long-term receivables form related parties	Yes	626,900	608,400	608,400	1.17~1.46	The need for short-term financing	-	Operating capital	-	-	-	16,683,803	25,025,705
		ASE Investment (Labuan) Inc.	Long-term receivables form related parties	Yes	1,253,800	-	-	1.17~1.38	The need for short-term financing	-	Operating capital	-	-	-	16,683,803	25,025,705
3	ASE Test Limited	The Company	Other receivables form related parties	Yes	5,762,700	5,323,500	5,323,500	1.46~1.83	The need for short-term financing	-	Operating capital	-	-	-	6,342,923	12,685,845
		A.S.E. Holding Limited	Long-term receivables form related parties	Yes	2,194,150	1,064,700	1,064,700	1.17~1.46	The need for short-term financing	-	Operating capital	-	-	-	16,683,803	25,025,705
		Omniquest Industrial Limited	Long-term receivables form related parties	Yes	1,410,525	30,420	30,420	1.17~1.46	The need for short-term financing	-	Operating capital	-	-	-	16,683,803	25,025,705
		ASE Investment (Labuan) Inc.	Long-term receivables form related parties	Yes	1,660,725	486,720	486,720	1.17~1.46	The need for short-term financing	-	Operating capital	-	-	-	16,683,803	25,025,705
		J & R Holding Limited	Long-term receivables form related parties	Yes	4,468,860	2,829,060	2,829,060	1.17~1.46	The need for short-term financing	-	Operating capital	-	-	-	16,683,803	25,025,705
4	ASE Test, Inc.	The Company	Other receivables form related parties	Yes	5,600,000	1,700,000	1,700,000	0.74	The need for short-term financing	-	Operating capital	-	-	-	5,520,910	11,041,821
		ASE Investment (Labuan) Inc.	Other receivables form related parties	Yes	1,233,548	1,155,960	1,100,000	0.74	The need for short-term financing	-	Operating capital	-	-	-	5,520,910	11,041,821
		Omniquest Industrial Limited	Other receivables form related parties	Yes	1,567,250	1,521,000	1,450,000	0.74	The need for short-term financing	-	Operating capital	-	-	-	5,520,910	11,041,821
5	J&R Industrial Inc.	The Company	Other receivables form related parties	Yes	190,000	190,000	190,000	0.74	The need for short-term financing	-	Operating capital	-	-	-	200,471	400,942
		ASE Electronics Inc.	Other receivables form related parties	Yes	190,000	190,000	190,000	0.74	The need for short-term financing	-	Operating capital	-	-	-	200,471	400,942
6	ISE Labs, Inc.	J & R Holding Limited	Long-term receivables form related parties	Yes	1,441,870	1,399,320	1,399,320	1.37~1.69	The need for short-term financing	-	Operating capital	-	-	-	16,683,803	25,025,705

(Continued)

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the year	Ending Balance	Amount Actual Drawn	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 1)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
7	ASE (Korea) Inc.	The Company	Other receivables form related parties	Yes	\$ 2,350,875	\$ 1,673,100	\$ 1,673,100	2.77~3.06	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 3,030,510	\$ 6,061,021
		ASE WeiHai Inc.	Other receivables form related parties	Yes	1,253,800	608,400	-	2.77~3.08	The need for short-term financing	-	Operating capital	-	-	-	16,683,803	25,025,705
8	ASE Japan Co., Ltd.	J & R Holding Limited	Other receivables form related parties	Yes	2,417,240	2,417,240	2,417,240	0.43	The need for short-term financing	-	Operating capital	-	-	-	16,683,803	25,025,705
9	USI Enterprise Limited	The Company	Other receivables form related parties	Yes	7,366,075	4,867,200	4,867,200	1.46~1.83	The need for short-term financing	-	Operating capital	-	-	-	8,179,947	16,359,894
		USIINC	Other receivables form related parties	Yes	2,131,460	2,068,560	1,825,200	1.46~1.83	The need for short-term financing	-	Operating capital	-	-	-	8,179,947	16,359,894
		J&R Holding Limited	Other receivables form related parties	Yes	2,889,900	2,889,900	2,889,900	1.17~1.46	The need for short-term financing	-	Operating capital	-	-	-	8,179,947	16,359,894
		Global Advanced Packaging Technology Limited	Other receivables form related parties	Yes	2,037,425	1,977,300	1,977,300	1.17~1.46	The need for short-term financing	-	Operating capital	-	-	-	8,179,947	16,359,894
10	Huntington Holdings International Co.Ltd.	The Company	Other receivables form related parties	Yes	1,567,250	1,521,000	1,521,000	1.46~1.83	The need for short-term financing	-	Operating capital	-	-	-	8,826,231	17,652,462
11	Anstock Limited	ASE Assembly & Test (Shanghai) Limited	Other receivables form related parties Long-term receivables form related parties	Yes	1,809,720	1,293,235	1,293,235	4.93~8.93	The need for short-term financing	-	Operating capital	-	-	-	16,683,803	25,025,705
12	ASE (Kun Shan) Inc.	ASE Investment (Kun Shan) Limited	Other receivables form related parties	Yes	1,965	1,931	1,931	4.35	The need for short-term financing	-	Operating capital	-	-	-	16,683,803	25,025,705
13	Real Tech Holdings Limited	The Company	Other receivables form related parties	Yes	1,723,975	1,673,100	1,673,100	1.46~1.83	The need for short-term financing	-	Operating capital	-	-	-	8,440,426	16,880,851
14	Shanghai Ding Hui Real Estate Development Co., Ltd.	Kun Shan Ding Hong Real Estate Development Co., Ltd.	Other receivables form related parties	Yes	342,750	224,520	224,520	4.35	The need for short-term financing	-	Operating capital	-	-	-	16,683,803	25,025,705
		Shanghai Ding Qi Property Management Co., Ltd.	Other receivables form related parties	Yes	58,375	58,375	58,375	4.35	The need for short-term financing	-	Operating capital	-	-	-	16,683,803	25,025,705
15	Universal Scientific Industrial (Shanghai) Co., Ltd.	Universal Global Technology (Shanghai) Co., Ltd.	Other receivables form related parties	Yes	3,367,800	3,367,800	1,032,792	1.75	The need for short-term financing	-	Operating capital	-	-	-	7,103,415	14,206,830
		Universal Global Technology Co., Limited	Other receivables form related parties	Yes	2,742,000	2,694,240	-	-	The need for short-term financing	-	Operating capital	-	-	-	7,103,415	14,206,830
16	Omniquest Industrial Limited	The Company	Other receivables form related parties	Yes	2,977,775	2,889,900	2,818,900	0.92~1.83	The need for short-term financing	-	Operating capital	-	-	-	3,450,559	6,901,118
17	Anstock II Limited	J & R Holding Limited	Other receivables form related parties	Yes	9,309,465	9,034,740	9,034,740	2.45	The need for short-term financing	-	Operating capital	-	-	-	16,683,803	25,025,705
18	USI Electronics (Shenzhen) Co., Ltd.	Universal Global Technology (Shanghai) Co., Ltd.	Other receivables form related parties	Yes	1,485,250	1,216,022	1,167,504	0.80~1.75	The need for short-term financing	-	Operating capital	-	-	-	2,045,849	4,091,699
		Universal Global Technology Co., Limited	Other receivables form related parties	Yes	1,485,250	1,459,380	912,593	0.8	The need for short-term financing	-	Operating capital	-	-	-	2,045,849	4,091,699
19	ASE Assembly & Test (Shanghai) Limited	Shanghai Ding Wei Real Development Co., Ltd.	Other receivables form related parties	Yes	898,080	898,080	898,080	4.35	The need for short-term financing	-	Operating capital	-	-	-	16,683,803	25,025,705
20	ASE Investment (Labuan) Inc.	The Company	Other receivables form related parties	Yes	2,808,135	1,612,260	1,556,300	0.92~1.83	The need for short-term financing	-	Operating capital	-	-	-	3,064,190	6,128,380
21	Global Advanced Packaging Technology Limited	The Company	Other receivables form related parties	Yes	2,037,425	1,977,300	1,977,300	1.46~1.83	The need for short-term financing	-	Operating capital	-	-	-	2,753,873	5,507,746

(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		
22	ASE Corporation	The Company	Other receivables form related parties	Yes	\$ 2,977,775	\$ 1,216,800	\$ 1,216,800	1.46~1.83	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 3,451,815	\$ 6,903,630
23	ASE Electronics Inc.	The Company	Other receivables form related parties	Yes	300,000	300,000	300,000	0.74	The need for short-term financing	-	Operating capital	-	-	-	815,072	1,630,144
24	Universal Scientific (Kunshan) Co., Ltd.	Universal Global Technology (Shanghai) Co., Ltd.	Other receivables form related parties	Yes	449,040	449,040	-	1.75	The need for short-term financing	-	Operating capital	-	-	-	609,511	1,219,021
25	ASE Labuan Inc.	The Company	Other receivables form related parties	Yes	626,900	608,400	608,400	1.46~1.83	The need for short-term financing	-	Operating capital	-	-	-	818,512	1,637,024
26	ASE Electronics (M) Sdn. Bhd.	J & R Holding Limited	Other receivables form related parties	Yes	395,460	395,460	395,460	1.17~1.62	The need for short-term financing	-	Operating capital	-	-	-	16,683,803	25,025,705
27	ASE (Shanghai) Inc.	ASE WeiHai Inc.	Other receivables form related parties	Yes	70,338	-	-	4.35	The need for short-term financing	-	Operating capital	-	-	-	16,683,803	25,025,705
28	Innosource Limited	The Company	Other receivables form related parties	Yes	760,500	760,500	760,500	1.74~1.83	The need for short-term financing	-	Operating capital	-	-	-	928,814	1,857,628

(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 SIX MONTHS ENDED JUNE 30, 2017
(Amounts In Thousands of New Taiwan Dollars)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement /Guarantee Amount Provided to Each Guaranteed Party (Note 1)	Maximum Balance for the Year	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/Guarantee to Net Equity per Latest Financial Statement	Maximum Endorsement /Guarantee Amount Allowable (Note 2)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland CHINA
	Name	Name	Nature of Relationship										
0	The Company	Anstock II Limited	100% voting shares indirectly owned by the Company	\$ 50,051,409	\$ 9,503,412 (Note 3)	\$ 9,222,964 (Note 3)	\$ 9,210,574 (Note 3)	\$ -	5.5	\$ 66,735,212	Yes	No	No

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

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

Note 3: Amount was included principal and interest.

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

JUNE 30, 2017

(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	June 30, 2017				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	\$ -	15	\$ -	
	H&D Venture Capital Investment Corporation	-	Available-for-sale financial assets - non-current	1,613,793	18,319	13	18,319	
	MiTAC Information Technology Corp	-	Available-for-sale financial assets - non-current	4,203	20	-	20	
	Asia Pacific Emerging Industry Venture Capital Co, Ltd.	-	Available-for-sale financial assets - non-current	6,000,000	44,653	7	44,653	
	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	100,583	-	100,583	
	Limited Liability Partnership							
	Ripley Cable Holdings I, L.P.	-	Available-for-sale financial assets - non-current	-	219,921	4	219,921	
ASE Test, Inc.	Stock							
	The Company	Parent Company	Available-for-sale financial assets - non-current	10,978,776	428,721	-	428,721	
	Powertec Energy Corporation	-	Available-for-sale financial assets - non-current	97,000,000	257,595	3	257,595	
	MiTAC Information Technology Corp	-	Available-for-sale financial assets - non-current	1,133,363	5,278	1	5,278	
	HanTech Venture Capital Corporation	-	Available-for-sale financial assets - non-current	7,725,000	48,434	7	48,434	
	Fund							
	CTBC Hua-win Money Market Fund	-	Available-for-sale financial assets - current	18,323,744	200,348	-	200,348	
	CTBC Global Real Estate Income Fund-A	-	Available-for-sale financial assets - current	2,500,000	23,175	-	23,175	
	UPAMC JAMES BOND MONEY MARKET FUND	-	Available-for-sale financial assets - current	6,038,173	100,143	-	100,143	
	Union Money Market Fund	-	Available-for-sale financial assets - current	7,642,280	100,147	-	100,147	
	Franklin Templeton SinoAm Money Market Fund	-	Available-for-sale financial assets - current	9,770,778	100,161	-	100,161	
	Corporate bond							
	Nan Shan Life Insurance Co., Ltd. 1st Perpetual Unsecured Subordinate Corporate Bond Issue in 2016	-	Other financial assets - non-current	1,000	1,000,000	-	1,000,000	
J&R Industrial Inc.	Fund							
	Taishin Ta Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	33,664,705	474,497	-	474,497	
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,575,019	23,148	-	23,148	
	Hua Nan Kirin Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,616,592	31,098	-	31,098	
	Hua Nan Phoenix Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,833,825	45,726	-	45,726	
Luchu Development Corporation	Stock							
	Powerchip Technology Corporation	-	Available-for-sale financial assets - non-current	1,677,166	46,143	-	46,143	
A.S.E. Holding Limited	Stock							
	Global Strategic Investment Inc.	-	Available-for-sale financial assets - non-current	490,000	US\$ 460 thousand	3	US\$ 460 thousand	
	SiPhoton, Inc.	-	Available-for-sale financial assets - non-current	544,800	-	4	-	
	Global Strategic Investment, Inc. (Samoa)	-	Available-for-sale financial assets - non-current	869,891	US\$ 453 thousand	2	US\$ 453 thousand	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2017				Note
				Shares/ Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
J & R Holding Limited	Stock							
	The Company	Parent Company	Available-for-sale financial assets - non-current	46,703,763	US\$ 59,953 thousand	1	US\$ 59,953 thousand	
	Limited Liability Partnership							
	Crimson Velocity Fund, L.P.	-	Available-for-sale financial assets - non-current	-	US\$ 551 thousand	-	US\$ 551 thousand	
	H&QAP Greater China Growth Fund, L.P.	-	Available-for-sale financial assets - non-current	-	US\$ 878 thousand	8	US\$ 878 thousand	
ASE Test Limited	Stock							
	The Company	Parent Company	Available-for-sale financial assets - non-current	88,200,472 (Note)	US\$ 113,222 thousand	1	US\$ 113,222 thousand	
Shanghai Ding Hui Real Estate Development Co., Ltd.	Fund							
	180ETF	-	Financial assets at fair value through profit or loss - current	447,825	CNY 1,453 thousand	-	CNY 1,453 thousand	
	300ETF	-	Financial assets at fair value through profit or loss - current	339,700	CNY 1,251 thousand	-	CNY 1,251 thousand	
	Stock							
	Gree Electric Appliances, Inc. Of Zhuhai	-	Financial assets at fair value through profit or loss - current	28,000	CNY 1,153 thousand	-	CNY 1,153 thousand	
	Saic Motor Corporation Limited	-	Financial assets at fair value through profit or loss - current	19,250	CNY 598 thousand	-	CNY 598 thousand	
	Zheshang Securities Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,000	CNY 17 thousand	-	CNY 17 thousand	
USIINC	Stock							
	Allied Circuit Co., Ltd	-	Available-for-sale financial assets - current	827,009	\$ 38,125	2	\$ 38,125	
	Universal Venture Capital Investment Corporation	-	Available-for-sale financial assets - non-current	6,200,000	36,815	5	36,815	
	Gapertise Inc.	-	Available-for-sale financial assets - non-current	275,000	3,614	4	3,614	
	WellySun Inc.	-	Available-for-sale financial assets - non-current	108,000	1,323	1	1,323	
	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\$ 405 thousand	-	US\$ 405 thousand	
	Cadence Design SYS Inc.	-	Financial assets at fair value through profit or loss - current	9,633	US\$ 323 thousand	-	US\$ 323 thousand	
	Solid Gain Investments Ltd.	-	Available-for-sale financial assets - non-current	1,322,833	US\$ 708 thousand	20	US\$ 708 thousand	
	Preferred Stock							
	Techgains I Corporation	-	Available-for-sale financial assets - non-current	526,732	US\$ 264 thousand	10	US\$ 264 thousand	
	Techgains II Corporation	-	Available-for-sale financial assets - non-current	669,705	US\$ 183 thousand	4	US\$ 183 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\$ 410 thousand	-	US\$ 410 thousand	
	WacomCo., Ltd.	-	Available-for-sale financial assets - non-current	1,200,000	US\$ 3,857 thousand	1	US\$ 3,857 thousand	
	Sequans Communications SA	-	Available-for-sale financial assets - non-current	370,554	US\$ 1,227 thousand	-	US\$ 1,227 thousand	
	Asia Global Venture Co., Ltd.	-	Available-for-sale financial assets - non-current	1,000,000	US\$ 665 thousand	10	US\$ 665 thousand	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2017				Note
				Shares/ Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
USISH	Preferred Stock MoBagel, Inc.	-	Available-for-sale financial assets - non-current	54,000	US\$ 86 thousand	1	US\$ 86 thousand	
	Stock China Petroleum & Chemical Corporation	-	Financial assets at fair value through profit or loss - current	9,654,000	CNY 57,248 thousand	-	CNY 57,248 thousand	
	Ping An Insurance (Group) Company of China, Ltd.	-	Financial assets at fair value through profit or loss - current	1,700,000	CNY 84,337 thousand	-	CNY 84,337 thousand	
	SAIC Motor Corporation Limited	-	Financial assets at fair value through profit or loss - current	236,600	CNY 7,346 thousand	-	CNY 7,346 thousand	
	Kweichow Moutai Co.,Ltd.	-	Financial assets at fair value through profit or loss - current	16,000	CNY 7,549 thousand	-	CNY 7,549 thousand	
	China International Travel Service Corporation Limited	-	Financial assets at fair value through profit or loss - current	400,000	CNY 12,056 thousand	-	CNY 12,056 thousand	
	Midea Group Co.,Ltd.	-	Financial assets at fair value through profit or loss - current	140,000	CNY 6,026 thousand	-	CNY 6,026 thousand	
	Wuliangye Yibin Co.,Ltd	-	Financial assets at fair value through profit or loss - current	180,000	CNY 10,019 thousand	-	CNY 10,019 thousand	
	Tencent Holdings Ltd	-	Financial assets at fair value through profit or loss - current	320,000	CNY 77,542 thousand	-	CNY 77,542 thousand	
	Petrochina Company Limited	-	Financial assets at fair value through profit or loss - current	8,000,000	CNY 33,188 thousand	-	CNY 33,188 thousand	
	China Mobile Limited	-	Financial assets at fair value through profit or loss - current	700,000	CNY 50,334 thousand	-	CNY 50,334 thousand	
	China Life Insurance Company Limited	-	Financial assets at fair value through profit or loss - current	1,400,000	CNY 28,979 thousand	-	CNY 28,979 thousand	
	AIA Group Limited	-	Financial assets at fair value through profit or loss - current	1,100,000	CNY 54,465 thousand	-	CNY 54,465 thousand	
	Cheung Kong Property Holdings Limited	-	Financial assets at fair value through profit or loss - current	390,000	CNY 20,698 thousand	-	CNY 20,698 thousand	
UGTW	Stock TriKnight Capital Corporation	-	Available-for-sale financial assets - non-current	10,500,000	\$ 103,479	5	\$ 103,479	

(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 SIX MONTHS ENDED JUNE 30, 2017

(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)
ASE (Korea) Inc.	Capital ASE WeiHai Inc.	Investments accounted for using the equity method	(Note 2)	Subsidiary	-	US\$ 48,178 thousand	-	US\$ 20,000 thousand	-	-	-	-	-	US\$ 79,510 thousand
Shanghai Ding Hui Real Estate Development Co., Ltd.	Capital Kun Shan Ding Yue Real Estate Development Co., Ltd.	Investments accounted for using the equity method	Kunshan Countrygarden Real Estate Development Co., Ltd	-	-	CNY 329,712 thousand	-	-	-	CNY 1,606,588 thousand	CNY 32,949 thousand	CNY 1,277,097 thousand	-	-
UGTW	Stock USI	Investments accounted for using the equity method	(Note 2)	Subsidiary	39,603,222	\$ 1,000,490	99,914,324	\$ 999,143	-	-	-	-	139,517,546	\$ 2,057,848

Note 1: The ending balance of investment accounted for using the equity method including share of profits/losses of investees and other adjustment related to equity.

Note 2: Cash capital increase.

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE PROPERTIES AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE SIX MONTHS ENDED JUNE 30, 2017

(Amounts In Thousands of New Taiwan Dollars)

Company Name	Types of Property	Transaction Date	Transaction Date (Tax excluded)	Payment Term	Counter-party	Nature of Relationships	Prior Transaction of Related Counter-party				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
The Company	No.68, Yenfa Rd. in Nantze 2nd Export Processing Zone, Kaohsiung City	January 24, 2017	\$ 518,427	Has been paid fully	LCY Chemical Corp.	-	-	-	-	\$ -	Based on independent professional appraisal reports	To meet the corporate R&D Lab and office space demands.	None

TABLE 6

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2017
(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	\$ 837,829	5	Net 60 days from the end of the month of when invoice is issued	\$ -	-	\$ (445,216)	(5)	Note
	ASE Electronics Inc.	Subsidiary	Purchases	1,125,842	6	Net 60 days from the end of the month of when invoice is issued	-	-	(602,484)	(6)	Note
	Universal Scientific Industrial Co., Ltd.	Subsidiary	Sales	(2,435,286)	(5)	Net 60 days from the end of the month of when invoice is issued	-	-	1,257,795	7	Note
ASE Assembly & Test (Shanghai) Limited	Advanced Semiconductor Engineering (HK) Limited	Consolidated subsidiary	Purchases	195,052	15	Net 45 days from invoice date	-	-	(72,984)	(14)	Note
Advanced Semiconductor Engineering (HK) Limited	ASE (Shanghai) Inc.	Parent company	Purchases	921,968	100	Net 90 days from the end of the month of when invoice is issued	-	-	(481,237)	(100)	Note
	ASE Assembly & Test (Shanghai) Limited	Consolidated subsidiary	Sales	(195,052)	(22)	Net 45 days from invoice date	-	-	72,984	21	Note
ASE Electronics (M) Sdn. Bhd.	ASE Electronics Inc.	Consolidated subsidiary	Purchases	133,444	21	Net 60 days from invoice date	-	-	(39,869)	(15)	Note
Universal Scientific Industrial Co., Ltd.	The Company	The Ultimate Parent of the Company	Purchases	2,435,286	23	Net 60 days from the end of the month of when invoice is issued	-	-	(1,256,573)	(34)	Note
ASE (Shanghai) Inc.	The Company	The Ultimate Parent of the Company	Sales	(837,829)	(35)	Net 60 days from the end of the month of when invoice is issued	-	-	446,525	33	Note
	Advanced Semiconductor Engineering (HK) Limited	Subsidiary	Sales	(921,968)	(38)	Net 90 days from the end of the month of when invoice is issued	-	-	481,237	36	Note
ASE Electronics Inc.	The Company	The Ultimate Parent of the Company	Sales	(1,125,842)	(60)	Net 60 days from the end of the month of when invoice is issued	-	-	615,632	70	Note
	ASE Electronics (M) Sdn. Bhd.	Consolidated subsidiary	Sales	(133,444)	(7)	Net 60 days from invoice date	-	-	39,945	5	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	(925,492)	(30)	Net 90 days from the end of the month of when invoice is issued	-	-	623,533	49	

(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	
USI Electronics (Shenzhen) Co., Ltd.	Universal Global Industrial Co., Limited	Consolidated subsidiary	Purchases	CNY 292,343 thousand	18	T/T 75 days	-	-	(CNY 127,104 thousand)	(12)	Note
			Sales	(CNY 1,114,850 thousand)	(53)	T/T 75 days	-	-	CNY 489,920 thousand	51	Note
Universal Scientific Industrial (Shanghai) Co., Ltd.	Universal Global Technology Co., Limited	Subsidiary	Purchases	CNY 498,182 thousand	15	T/T 75 days	-	-	(CNY 284,608 thousand)	(22)	Note
	Universal Global Industrial Co., Limited	Subsidiary	Sales	(CNY 41,526 thousand)	(1)	T/T 75 days	-	-	CNY 15,215 thousand	1	Note
Universal Global Technology Co., Limited	Universal Scientific Industrial (Shanghai) Co., Ltd.	Parent company	Sales	(US\$ 73,222 thousand)	(65)	T/T 75 days	-	-	US\$ 42,013 thousand	61	Note
	Universal Global Technology (Kunshan) Co., Ltd.	Consolidated subsidiary	Sales	(US\$ 35,774 thousand)	(32)	T/T 75 days	-	-	US\$ 25,345 thousand	37	Note
Universal Global Industrial Co., Limited	USI Electronics (Shenzhen) Co., Ltd.	Consolidated subsidiary	Purchases	US\$ 162,090 thousand	51	T/T 75 days	-	-	(US\$ 72,319 thousand)	(46)	Note
	USI Electronics (Shenzhen) Co., Ltd.	Consolidated subsidiary	Sales	(US\$ 42,188 thousand)	(13)	T/T 75 days	-	-	US\$ 18,740 thousand	12	Note
	Universal Scientific Industrial (Shanghai) Co., Ltd.	Parent company	Purchases	US\$ 6,031 thousand	2	T/T 75 days	-	-	(US\$ 2,246 thousand)	(1)	Note
	Universal Global Scientific Industrial Co., Ltd.	Consolidated subsidiary	Sales	(US\$ 224,498 thousand)	(71)	T/T 75 days	-	-	US\$ 101,253 thousand	67	Note
	Universal Global Technology (Kunshan) Co., Ltd.	Consolidated subsidiary	Purchases	US\$ 106,370 thousand	33	T/T 75 days	-	-	(US\$ 48,252 thousand)	(31)	Note
Universal Global Scientific Industrial Co., Ltd.	Universal Global Industrial Co., Limited	Consolidated subsidiary	Sales	(US\$ 5,138 thousand)	(2)	T/T 75 days	-	-	US\$ 1,720 thousand	1	Note
			Purchases	\$ 6,902,534)	84	T/T 75 days	-	-	\$ (3,080,117)	(75)	Note
	Universal Scientific Industrial (Shanghai) Co., Ltd.	Parent company	Sales	(145,019)	(1)	T/T 75 days	-	-	74,618	1	Note
	USI Electronics (Shenzhen) Co., Ltd.	Consolidated subsidiary	Sales	(130,775)	(1)	T/T 75 days	-	-	129,721	2	Note
Universal Global Technology (Kunshan) Co., Ltd.	Universal Scientific Industrial Co., Ltd.	Subsidiary	Sales	(199,053)	(2)	T/T 75 days	-	-	122,035	2	Note
	Universal Global Technology Co., Limited	Consolidated subsidiary	Purchases	CNY 247,550 thousand	22	T/T 75 days	-	-	(CNY 171,696 thousand)	(24)	Note
	Universal Global Industrial Co., Limited	Consolidated subsidiary	Purchases	CNY 35,563 thousand	3	T/T 75 days	-	-	(CNY 11,650 thousand)	(2)	Note
Universal Global Technology (Shanghai) Co., Ltd.	Universal Global Industrial Co., Limited	Consolidated subsidiary	Sales	(CNY 732,108 thousand)	(56)	T/T 75 days	-	-	CNY 328,810 thousand	50	Note
			Sales	(CNY 42,220 thousand)	(2)	T/T 75 days	-	-	CNY - thousand	-	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

JUNE 30, 2017

(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	\$ 1,257,795 (Note5)	3	\$ -	-	\$ 417,396	\$ -
	ASE Test, Inc.	Subsidiary	225,609 (Note5)	2	-	-	15,116	-
ASE Electronics Inc.	The Company	The Ultimate Parent of the Company	915,897 (Note5)	4	-	-	200,848	-
Omniquest Industrial Limited	The Company	Parent company	2,818,900 (Notes 3,5)	-	-	-	-	-
ISE Labs, Inc.	J & R Holding Limited	Parent company	1,399,835 (Notes 3,5)	-	-	-	-	-
Anstock Limited	ASE Assembly & Test (Shanghai) Limited	Consolidated subsidiary	1,294,484 (Notes 3,5)	-	-	-	-	-
Anstock II Limited	J & R Holding Limited	Parent company	9,090,693 (Notes 3,5)	-	-	-	9,090,693	-
A.S.E. Holding Limited	The Company	Parent company	1,216,800 (Notes 3,5)	-	-	-	-	-
	J & R Holding Limited	Consolidated subsidiary	610,666 (Notes 3,5)	-	-	-	-	-
ASE Test, Inc.	The Company	Parent company	3,356,540 (Notes 3,4,5)	-	2,697	Continued collection	502,367	-
	Omniquest Industrial Limited	Consolidated subsidiary	1,450,000 (Notes 3,5)	-	-	-	-	-
	ASE Investment (Labuan) Inc.	Consolidated subsidiary	1,100,000 (Notes 3,5)	-	-	-	-	-
ASE Test Limited	The Company	The Ultimate Parent of the Company	5,446,981 (Notes 3,5)	-	-	-	-	-
	J & R Holding Limited	Parent company	2,841,534 (Notes 3,5)	-	-	-	-	-
	A.S.E. Holding Limited	Consolidated subsidiary	1,083,836 (Notes 3,5)	-	-	-	-	-
	ASE Investment (Labuan) Inc.	Consolidated subsidiary	488,792 (Notes 3,5)	-	-	-	-	-
ASE (Korea) Inc.	The Company	The Ultimate Parent of the Company	1,673,406 (Notes 3,5)	-	-	-	-	-
J & R Holding Limited	The Company	Parent company	9,465,165 (Notes 3,5)	-	-	-	5,658,120	-
	Global Advanced Packaging Technology Limited	Subsidiary	535,381 (Notes 3,5)	-	-	-	-	-
	Anstock Limited	Subsidiary	1,279,059 (Notes 3,5)	-	-	-	-	-
	ASE WeiHai Inc.	Consolidated subsidiary	1,403,181 (Notes 3,5)	-	-	-	611,633	-
	ASE Assembly & Test (Shanghai) Limited	Consolidated subsidiary	528,853 (Notes 3,5)	-	-	-	-	-
	ASE Investment (Labuan) Inc.	Consolidated subsidiary	610,036 (Notes 3,5)	-	-	-	-	-
	ASE Corporation	Consolidated subsidiary	1,220,024 (Notes 3,5)	-	-	-	-	-
	Omniquest Industrial Limited	Consolidated subsidiary	1,372,581 (Notes 3,5)	-	-	-	-	-
	Innosource Limited	Consolidated subsidiary	765,585 (Notes 3,5)	-	-	-	-	-
Innosource Limited	The Company	Parent company	760,500 (Notes 3,5)	-	-	-	-	-
J&R Industrial Inc.	The Company	The Ultimate Parent of the Company	190,000 (Notes 3,5)	-	-	-	-	-
	ASE Electronics Inc.	Consolidated subsidiary	190,000 (Notes 3,5)	-	-	-	-	-
ASE Japan Co., Ltd.	J & R Holding Limited	Parent company	2,417,898 (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 Investment (Labuan) Inc.	The Company	The Ultimate Parent of the Company	\$ 1,556,300 (Notes 3,5)	-	\$ -	-	\$ -	\$ -
ASE Corporation	The Company	The Ultimate Parent of the Company	1,216,800 (Notes 3,5)	-	-	-	-	-
Global Advanced Packaging Technology Limited	The Company	The Ultimate Parent of the Company	1,977,300 (Notes 3,5)	-	-	-	-	-
ASE Electronics (M) Sdn. Bhd.	J & R Holding Limited	Parent company	395,493 (Notes 3,5)	-	-	-	-	-
ASE Labuan Inc.	The Company	The Ultimate Parent of the Company	608,400 (Notes 3,5)	-	-	-	-	-
ASE (Shanghai) Inc.	The Company	The Ultimate Parent of the Company	446,525 (Note 5)	3	46,044	Continued collection	82,134	-
	Advanced Semiconductor Engineering (HK) Limited	Subsidiary	481,237 (Note 5)	4	-	-	157,043	-
ASE Assembly & Test (Shanghai) Limited	Shanghai Ding Wei Real Estate Development Co., Ltd.	Consolidated subsidiary	913,218 (Notes 3,5)	-	-	-	-	-
Shanghai Ding Hui Real Estate Development Co., Ltd.	Kun Shan Ding Hong Real Estate Development Co., Ltd.	Subsidiary	231,333 (Notes 3,5)	-	-	-	-	-
USI Enterprise Limited	The Company	The Ultimate Parent of the Company	4,867,200 (Notes 3,5)	-	-	-	-	-
	J & R Holding Limited	Consolidated subsidiary	2,896,327 (Notes 3,5)	-	-	-	4,040	-
	Global Advanced Packaging Technology Limited	Consolidated subsidiary	1,979,706 (Notes 3,5)	-	-	-	-	-
	USI Inc.	Parent company	1,837,792 (Notes 3,5)	-	-	-	12,592	-
Huntington Holdings International Co. Ltd.	The Company	The Ultimate Parent of the Company	1,521,000 (Notes 3,5)	-	-	-	-	-
Real Tech Holdings Limited	The Company	The Ultimate Parent of the Company	1,673,100 (Notes 3,5)	-	-	-	-	-
Suzhou ASEN Semiconductors Co., Ltd.	NXP Semiconductors Taiwan Ltd.	Subsidiary of the company has significant influence over Suzhou ASEN Semiconductors Co., Ltd.	624,116	3	-	-	156,028	-
USI Electronics (Shenzhen) Co., Ltd.	Universal Global Industrial Co., Limited	Consolidated subsidiary	CNY 489,924 thousand (Note 5)	4	-	-	CNY 152,468 thousand	-
	Universal Global Technology Co., Limited	Parent company	CNY 204,167 thousand (Notes 3,5)	-	-	-	-	-
	Universal Global Technology (Shanghai) Co., Ltd.	Consolidated subsidiary	CNY 264,113 thousand (Notes 3,5)	4	-	-	-	-
Universal Scientific Industrial (Shanghai) Co., Ltd.	Universal Global Technology (Shanghai) Co., Ltd.	Subsidiary	CNY 233,110 thousand (Notes 3,5)	4	-	-	CNY 230,000 thousand	-
Universal Global Technology Co., Limited	Universal Scientific Industrial (Shanghai) Co., Ltd.	Parent company	US\$ 42,013 thousand (Note 5)	4	-	-	US\$ 9,160 thousand	-
	Universal Global Technology (Kunshan) Co., Ltd.	Consolidated subsidiary	US\$ 25,345 thousand (Note 5)	3	-	-	US\$ 6,153 thousand	-
Universal Global Industrial Co., Limited	USI Electronics (Shenzhen) Co., Ltd.	Consolidated subsidiary	US\$ 18,794 thousand (Note 5)	4	-	-	US\$ 9,049 thousand	-
	Universal Global Scientific Industrial Co., Ltd.	Consolidated subsidiary	US\$ 101,541 thousand (Note 5)	4	-	-	US\$ 35,800 thousand	-

(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		
Universal Global Scientific Industrial Co., Ltd.	USI Electronics (Shenzhen) Co., Ltd. Universal Scientific Industrial Co., Ltd.	Consolidated subsidiary Subsidiary	\$ 129,721 (Note 5)	3	\$ 62,837	Continued collection	\$ -	\$ -
			122,320 (Note 5)	2	-	-	48,789	-
Universal Global Technology (Kunshan) Co., Ltd.	Universal Global Industrial Co., Limited	Consolidated subsidiary	CNY 328,810 thousand (Note 5)	4	-	-	CNY 109,636 thousand	-
Universal Global Technology (Shanghai) Co., Ltd.	Universal Scientific Industrial (Shanghai) Co., Ltd.	Parent company	CNY 23,239 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 8

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

**NAMES, LOCATION, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE SIX MONTHS ENDED JUNE 30, 2017
(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 June 30, 2017			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee (Note 1)	Note
				June 30, 2017	December 31, 2016	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	\$ 14,731,863	\$ 293,981	\$ 281,399	Subsidiary
	J & R Holding Limited	Bermuda	Investment activities	US\$ 479,693 thousand	US\$ 479,693 thousand	435,128	100	52,487,532	4,508,874	4,328,682	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	31,326	1,256	1,256	Subsidiary
	Omniquest Industrial Limited	British Virgin Islands	Investment activities	US\$ 250,504 thousand	US\$ 250,504 thousand	250,504,067	71	11,907,558	1,699,473	1,204,904	Subsidiary
	Innosource Limited	British Virgin Islands	Investment activities	US\$ 86,000 thousand	US\$ 86,000 thousand	86,000,000	100	4,653,936	508,930	510,279	Subsidiary
	HCK	Taiwan	Engaged in the leasing of real estate properties	\$ 390,470	\$ 390,470	35,497,273	27	315,404	(20,930)	(5,716)	Associate
	HC	Taiwan	Engaged in the development, construction and leasing of real estate properties	2,845,913	2,845,913	68,629,782	26	1,230,234	(86,344)	(14,702)	Associate
	ASE Test, Inc.	Taiwan	Engaged in the testing of semiconductors	20,698,867	20,698,867	1,131,452,502	100	27,271,630	990,518	1,005,678	Subsidiary
	USI Inc.	Taiwan	Investment activities	20,836,477	20,836,477	1,112,236,706	99	43,155,152	1,763,360	1,746,733	Subsidiary
	Luchu Development Corporation	Taiwan	Engaged in the development of real estate properties	1,366,238	1,366,238	131,961,457	67	1,337,282	(1,371)	(920)	Subsidiary
	ASEEE	Taiwan	Engaged in the production of embedded substrate	765,000	765,000	76,500,000	51	581,736	(174,537)	(89,014)	Associate
	SPIL	Taiwan	Engaged in assembly, testing and turnkey services of integrated circuits	48,790,498	48,790,498	1,037,300,000	33	44,761,712	3,154,662	301,955	Associate
	Deca Technologies Inc.	British Cayman Islands	Holding company and the group engaged in manufacturing, development and marketing of wafer level packaging and interconnect technology	US\$ 59,882 thousand	US\$ 59,882 thousand	98,489,803	22	1,686,771	(326,954)	(80,142)	Associate
	AMPI	Taiwan	Engaged in integrated circuit	178,861	178,861	33,308,452	10	31,636	(50,649)	(5,303)	Associate
	ASE Test, Inc.	Alto Enterprises Limited	British Virgin Islands	Investment activities	US\$ 188,000 thousand	US\$ 188,000 thousand	188,000,000	100	4,246,133	129,053	(Note 2)
Super Zone Holdings Limited		Hong Kong	Investment activities	US\$ 100,000 thousand	US\$ 100,000 thousand	100,000,000	100	3,026,879	(15,889)	(Note 2)	Subsidiary
Luchu Development Corporation		Taiwan	Engaged in the development of real estate properties	372,504	372,504	37,250,448	19	377,412	(1,371)	(Note 2)	Subsidiary
TLJ Intertech Inc.		Taiwan	Engaged in information software services	89,998	89,998	2,119,080	60	56,448	(678)	(Note 2)	Subsidiary
AMPI		Taiwan	Engaged in integrated circuit	225,000	225,000	90,000,000	28	203,263	(50,649)	(Note 2)	Associate
A.S.E. Holding Limited	ASE Test Limited	Singapore	Investment activities	US\$ 84,889 thousand	US\$ 84,889 thousand	11,148,000	10	US\$ 114,802 thousand	US\$ 42,049 thousand	(Note 2)	Subsidiary
	ASE Investment (Labuan) Inc.	Malaysia	Investment activities	US\$ 168,643 thousand	US\$ 168,643 thousand	168,642,842	70	US\$ 352,553 thousand	US\$ 7,688 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\$ 1,132,514 thousand	US\$ 42,049 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\$ 48,256 thousand	US\$ 56,412 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\$ 32,951 thousand	US\$ 55 thousand	(Note 2)	Subsidiary
	ASE Japan Co., Ltd.	Japan	Engaged in the packaging and testing of semiconductors	US\$ 25,606 thousand	US\$ 25,606 thousand	7,200	100	US\$ 79,503 thousand	US\$ 1,091 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\$ 13,303 thousand	US\$ 453 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\$ 465,291 thousand	US\$ 101,413 thousand	(Note 2)	Subsidiary
	Anstock Limited	British Cayman Islands	Investment activities	US\$ 10 thousand	US\$ 10 thousand	10,000	100	US\$ 631 thousand	US\$ 250 thousand	(Note 2)	Subsidiary
Anstock II Limited	British Cayman Islands	Investment activities	US\$ 10 thousand	US\$ 10 thousand	10,000	100	US\$ 282 thousand	US\$ 84 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\$ 503,696 thousand	US\$ 7,568 thousand	(Note 2)	Subsidiary
ASE Test Limited	ASE Holdings (Singapore) Pte Ltd	Singapore	Investment activities	US\$ 65,520 thousand	US\$ 65,520 thousand	71,428,902	100	US\$ 157,918 thousand	US\$ 8,663 thousand	(Note 2)	Subsidiary
	ASE Test Holdings, Ltd.	British Cayman Islands	Investment activities	US\$ 222,399 thousand	US\$ 222,399 thousand	5	100	US\$ 101,438 thousand	US\$ 534 thousand	(Note 2)	Subsidiary
	ASE Investment (Labuan) Inc.	Malaysia	Investment activities	US\$ 72,304 thousand	US\$ 72,304 thousand	72,304,040	30	US\$ 151,094 thousand	US\$ 7,688 thousand	(Note 2)	Subsidiary
	ASE Singapore Pte. Ltd.	Singapore	Engaged in the testing of semiconductors	US\$ 55,815 thousand	US\$ 55,815 thousand	30,100,000	100	US\$ 138,500 thousand	US\$ 25,167 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\$ 101,437 thousand	US\$ 534 thousand	(Note 2)	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of June 30, 2017			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee (Note 1)	Note
				June 30, 2017	December 31, 2016	Shares	Percentage of Ownership	Carrying Value			
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\$ 157,918 thousand	US\$ 8,663 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\$ 567,539 thousand	US\$ 56,417 thousand	(Note 2)	Subsidiary
ASE Corporation	ASE Mauritius Inc.	Mauritius	Investment activities	US\$ 217,800 thousand	US\$ 217,800 thousand	217,800,000	100	US\$ 432,782 thousand	US\$ 57,286 thousand	(Note 2)	Subsidiary
ASE Labuan Inc.	ASE Labuan Inc.	Malaysia	Investment activities	US\$ 126,184 thousand	US\$ 126,184 thousand	126,184,067	100	US\$ 134,535 thousand	(US\$ 861 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\$ 133,970 thousand	(US\$ 859 thousand)	(Note 2)	Subsidiary
Innosource Limited	Omniquest Industrial Limited	British Virgin Islands	Investment activities	US\$ 74,000 thousand	US\$ 74,000 thousand	74,000,000	21	US\$ 118,308 thousand	US\$ 56,412 thousand	(Note 2)	Subsidiary
ASE (Shanghai) Inc.	Advanced Semiconductor Engineering (HK) Limited	Hong Kong	Engaged in the trading of substrates	US\$ 1,000 thousand	US\$ 1,000 thousand	-	100	US\$ 60,621 thousand	US\$ 200 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	\$ 44,130,496	\$ 1,864,283	(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\$ 8,879 thousand	US\$ 50 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\$ 1,387,315 thousand	US\$ 62,823 thousand	(Note 2)	Subsidiary
	Universal ABIT Holding Co., Ltd.	British Cayman Islands	Holding company	US\$ 28,125 thousand	US\$ 28,125 thousand	90,000,000	100	US\$ 13 thousand	US\$ - 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\$ 1,143 thousand	US\$ 3 thousand	(Note 2)	Subsidiary
	Rise Accord Limited	British Virgin Islands	Holding company	US\$ 2,000 thousand	US\$ 2,000 thousand	20,000	100	US\$ 62 thousand	(US\$ 1 thousand)	(Note 2)	Subsidiary
Real Tech Holdings Limited	USI Enterprise Limited	Hong Kong	Engaged in the services of investment advisory and warehousing management	US\$ 210,900 thousand	US\$ 210,900 thousand	210,900,000	98	US\$ 1,315,595 thousand	US\$ 64,625 thousand	(Note 2)	Subsidiary
Universal Scientific Industrial (Shanghai) Co., Ltd.	Universal Global Technology Co., Limited	Hong Kong	Holding company	CNY 662,390 thousand	CNY 662,390 thousand	777,716,500	100	CNY 2,327,102 thousand	CNY 80,226 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\$ 20,312 thousand	US\$ 148 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\$ 62,235 thousand	US\$ 62,235 thousand	198,000,000	100	US\$ 151,232 thousand	US\$ 2,856 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\$ 860 thousand	US\$ 25 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\$ 46,033 thousand	US\$ 1,501 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\$ 6,341 thousand	US\$ 67 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\$ 1,501 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	1,791,208	792,064	139,517,546	99	2,057,848	54,375	(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 SIX MONTHS ENDED JUNE 30, 2017

(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, 2017	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2017		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2017	Net income of investee for the six months ended June 30, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2017	Book value of investments in Mainland China as of June 30, 2017	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2017
					Remitted to Mainland China	Remitted back to Taiwan						
ASE (Shanghai) Inc.	Engaged in the production of substrates	\$ 4,349,312 (US\$ 148,496 thousand) (Note 9)	Note 1 (1)	\$ 4,782,216 (US\$ 149,800 thousand) (Note 9)	\$ -	\$ -	\$ 4,782,216 (US\$ 149,800 thousand)	\$ 1,825,813 (US\$ 60,643 thousand) (Note 5)	100	\$ 1,825,813 (US\$ 60,643 thousand) (Note 5)	\$ 12,358,535 (US\$ 406,263 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)	184,033 (US\$ 5,969 thousand) (Note 4)	100	184,033 (US\$ 5,969 thousand) (Note 4)	6,055,325 (US\$ 199,057 thousand)	None
ASE Assembly & Test (Shanghai) Limited	Engaged in the packaging and testing of semiconductors	6,501,336 (US\$ 203,580 thousand)	Note 1 (3)	5,792,530 (US\$ 180,000 thousand)	-	-	5,792,530 (US\$ 180,000 thousand)	3,063,150 (US\$ 101,529 thousand) (Note 4)	100	3,063,150 (US\$ 101,529 thousand) (Note 4)	14,266,971 (US\$ 469,000 thousand)	None
Suzhou ASEN Semiconductors Co., Ltd.	Engaged in the packaging and testing of semiconductors	1,568,467 (US\$ 48,672 thousand)	Note 1 (4)	711,180 (US\$ 21,600 thousand)	-	-	711,180 (US\$ 21,600 thousand)	385,364 (US\$ 12,551 thousand) (Note 5)	60	231,218 (US\$ 7,531 thousand) (Note 5)	2,777,501 (US\$ 91,305 thousand)	None
ASE WeiHai Inc.	Engaged in the packaging and testing of semiconductors	5,115,481 (US\$ 172,200 thousand)	Note 1 (5)	1,295,307 (US\$ 40,000 thousand)	-	-	1,295,307 (US\$ 40,000 thousand)	299,170 (US\$ 9,783 thousand) (Note 5)	100	299,170 (US\$ 9,783 thousand) (Note 5)	2,418,693 (US\$ 79,510 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)	-	-	- (Note 2)	4,162,333 (CNY 941,444 thousand) (Note 5)	100	4,162,333 (CNY 941,444 thousand) (Note 5)	22,786,175 (CNY 5,074,381 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)	-	-	- (Note 2)	(35,700) (CNY -8,016 thousand) (Note 5)	100	(35,700) (CNY -8,016 thousand) (Note 5)	6,816,637 (CNY 1,518,035 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)	-	-	- (Note 2)	(9,419) (CNY -2,107 thousand) (Note 5)	100	(9,419) (CNY -2,107 thousand) (Note 5)	4,924,115 (CNY 1,096,579 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)	-	-	- (Note 2)	15,905 (CNY 3,489 thousand) (Note 5)	100	15,905 (CNY 3,489 thousand) (Note 5)	3,109,842 (CNY 692,548 thousand)	None
Kun Shan Ding Yue Real Estate Development Co., Ltd.	Engaged in the development, construction and sale of real estate properties	- (CNY - thousand) (Note 12)	Note 2	- (Note 2)	-	-	- (Note 2)	(979) (CNY -221 thousand) (Note 5)	100	(979) (CNY -221 thousand) (Note 5)	- (CNY - thousand)	None
Advanced Semiconductor Engineering (China) Ltd.	Engage in the packaging and testing of semiconductors	3,149,000 (US\$ 100,000 thousand)	Note 1 (6)	3,149,000 (US\$ 100,000 thousand)	-	-	3,149,000 (US\$ 100,000 thousand)	15,889 (US\$ -501 thousand) (Note 4)	100	15,889 (US\$ -501 thousand) (Note 4)	3,026,763 (US\$ 99,499 thousand)	None
ASE Investment (Kun Shan) Limited	Holding company	3,717,318 (US\$ 122,000 thousand)	Note 1 (7)	3,717,318 (US\$ 122,000 thousand) (Note 10)	-	-	3,717,318 (US\$ 122,000 thousand)	83,726 (US\$ 2,715 thousand) (Note 4)	100	83,726 (US\$ 2,715 thousand) (Note 4)	2,754,707 (US\$ 90,556 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, 2017	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2017		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2017	Net income of investee for the six months ended June 30, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2017	Book value of investments in Mainland China as of June 30, 2017	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2017
					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)	\$ 10,700 (CNY 2,399 thousand) (Note 4)	100	\$ 10,700 (CNY 2,399 thousand) (Note 4)	\$ 434,881 (CNY 96,846 thousand)	None
ASE Trading (Shanghai) Ltd.	Engaged in trading activity	2,566 (CNY 500 thousand)	(Note 2)	- (Note 2)	-	-	- (Note 2)	(8) (CNY -2 thousand) (Note 4)	100	(8) (CNY -2 thousand) (Note 4)	1,964 (CNY 437 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)	(10,157) (CNY -2,276 thousand) (Note 5)	100	(10,157) (CNY -2,276 thousand) (Note 5)	(17,296) (CNY -3,852 thousand)	None
Shanghai Ding Fan Department Store Co., Ltd.	Engaged in selling General merchandise	7,199 (CNY 1,500 thousand)	(Note 2)	- (Note 2)	-	-	- (Note 2)	(805) (CNY -181 thousand) (Note 5)	100	(805) (CNY -181 thousand) (Note 5)	5,903 (CNY 1,315 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 (8)	1,180,746	-	-	1,180,746	597,247 (CNY 133,699 thousand) (Note 6)	76	452,263 (US\$ 14,735 thousand) (Note 6)	7,760,518 (US\$ 255,112 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 (8)	1,668,233	-	-	1,668,233	2,472,809 (US\$ 80,564 thousand) (Note 6)	76	1,877,304 (US\$ 61,162 thousand) (Note 6)	26,963,812 (US\$ 886,384 thousand)	349,290 (US\$ 10,955 thousand)
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 (8)	383,201	-	-	383,201	(3,772) (US\$ -123 thousand) (Note 6)	99	(3,741) (US\$ -122 thousand) (Note 6)	316,479 (US\$ 10,404 thousand)	None
e-Cloud Corporation	Engaged in the sale of electronic components and telecommunications equipment	147,450 (US\$ 5,000 thousand)	Note 1 (9)	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)	275,871 (CNY 61,756 thousand) (Note 6)	76	207,384 (CNY 46,423 thousand) (Note 6)	2,311,540 (CNY 514,770 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)	581,749 (CNY 130,230 thousand) (Note 6)	76	441,651 (CNY 98,865 thousand) (Note 6)	2,529,474 (CNY 563,303 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)	3,260 (CNY 730 thousand) (Note 6)	76	2,475 (CNY 554 thousand) (Note 6)	186,239 (CNY 41,475 thousand)	None

(Continued)

Investee Company	Accumulated Investment in Mainland China as of June 30, 2017	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The company	\$ 15,203,097 (US\$ 471,400 thousand)	\$ 19,307,090 (US\$ 603,884 thousand)(Note 9)	\$ - (Note 7)
ASE Test, Inc.	8,878,838 (US\$ 288,000 thousand)	8,878,838 (US\$ 288,000 thousand)	16,562,731 (Note 8)
USI Inc.	3,382,665	32,240,340 (US\$1,027,236 thousand)	- (Note 7)

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

- (1) ASE Mauritius Inc., ASE Corporation, Omniquest Industrial Limited, Innosource Limited and J&R Holding Limited.
- (2) ASE Mauritius Inc., Alto Enterprises Limited, Innosource Limited, ASE Corporation, Omniquest Industrial Limited and J&R Holding Limited.
- (3) Global Advanced Packaging Technology Limited, Cayman Islands and J&R Holding Limited.
- (4) J&R Holding Limited.
- (5) ASE (Korea) Inc., ASE Test Limited, ASE Investment (Labuan) Inc., ASE Holding Ltd. and J&R Holding Limited.
- (6) Super Zone Holdings Limited.
- (7) Alto Enterprises Limited.
- (8) Real Tech Holdings Limited and Huntington Holdings International Co. Ltd..
- (9) 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 June 30, 2017 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 ASE Test, Inc. is calculated as follow: $\$27,604,552 \times 60\% = 16,562,731$

Note 9: There is US\$132,484 thousand difference between MOEA approved investment amount and accumulated outflow of investment from Taiwan. It includes US\$100,000 thousand was directly remitted by the subsidiary, ASE (Korea) Inc.; US\$25,000 thousand was by means of Debt for Equity Swap; increasing US\$707 thousand and US\$6,777 thousand of net investment which was recognized by MOEA due to transferring of equity were respectively from transferring ASE (Shanghai) Inc.'s equity from ASE Assembly & Test (Shanghai) Limited and ASE Module (Shanghai) Inc. to ASE Mauritius Inc. and from the absorbing of ASE Module (Shanghai) Inc. by ASE (Shanghai) Inc..

Note 10: It was the same fund that ASE Test, Inc. indirectly invested to ASE Investment (KunShan) Limited through another company in 3rd area and then invested to ASE (Kun Shan) Inc..

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

Note 12: KunShan Ding Yue Real Estate Development Co., Ltd. was disposed of by Shanghai Ding Hui Real Estate Development Co., Ltd. in June, 2017.

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2017

(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	\$ 3,340,977	The transaction has the same terms with other companies	1
			Parent company to subsidiary	Disposal of property, plant and equipment	186,086		-
		Universal Scientific Industrial Co., Ltd.	Parent company to subsidiary	Other receivables	219,088		-
			Parent company to subsidiary	Trade receivables	1,257,795		-
		ASE (Shanghai) Inc.	Parent company to subsidiary	Operating revenues	2,435,286		2
			Parent company to subsidiary	Trade payables	445,216		-
		ASE (U.S.) Inc.	Parent company to subsidiary	Operating costs	837,829		1
			Parent company to subsidiary	Operating expenses	447,820		-
		ASE Electronics Inc.	Parent company to subsidiary	Trade payables	602,484		-
			Parent company to subsidiary	Other payables	313,414		-
		J & R Holding Limited	Parent company to subsidiary	Operating costs	1,125,842		1
			Parent company to subsidiary	Other payables	9,399,780		3
		Omniquest Industrial Limited	Parent company to subsidiary	Other payables	2,818,900		1
			Parent company to subsidiary	Other payables	608,400		-
		ASE Labuan Inc.	Parent company to subsidiary	Other payables	5,323,500		1
			Parent company to subsidiary	Dividend Payable	123,481		-
		ASE Test Limited	Parent company to subsidiary	Other payables	1,977,300		1
			Parent company to subsidiary	Other payables	760,500		-
		Global Advanced Packaging Technology Limited	Parent company to subsidiary	Other payables	1,556,300		-
			Parent company to subsidiary	Other payables	190,000		-
		Innosource Limited	Parent company to subsidiary	Other payables	1,673,406		-
			Parent company to subsidiary	Other payables	1,521,000		-
		ASE Investment (Labuan) Inc.	Parent company to subsidiary	Other payables	4,867,200		1
Parent company to subsidiary	Other payables		1,673,100	-			
J&R Industrial Inc.	Parent company to subsidiary	Other payables	1,216,800	-			
	Parent company to subsidiary	Other payables	1,216,800	-			
ASE (Korea) Inc.	Parent company to subsidiary	Disposal of property, plant and equipment	126,295	-			
	Parent company to subsidiary	Other payables	1,450,000	-			
Huntington Holdings International Co., Ltd.	Subsidiary to subsidiary	Other receivables	1,100,000	-			
	Subsidiary to subsidiary	Other receivables	1,100,000	-			
1	ASE Test, Inc.	Omniquest Industrial Limited	Subsidiary to subsidiary	Other receivables	1,450,000	-	
			Subsidiary to subsidiary	Other receivables	1,100,000	-	
2	ASE (Shanghai) Inc.	Advanced Semiconductor Engineering (HK) Limited	Subsidiary to subsidiary	Trade receivables	481,237	-	
			Subsidiary to subsidiary	Operating revenues	921,968	1	
3	Shanghai Ding Hui Real Estate Development Co., Ltd.	Kun Shan Ding Hong Real Estate Development Co., Ltd.	Subsidiary to subsidiary	Other receivables	231,333	-	
			Subsidiary to subsidiary	Other receivables	231,333	-	

(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	
4	ASE Investment (Labuan) Inc.	ASE Test Limited	Subsidiary to subsidiary	Other liabilities	\$ 488,792		-
5	A.S.E. Holding Limited	ASE Test Limited	Subsidiary to subsidiary	Other liabilities	1,083,836		-
6	J & R Holding Limited	Global Advanced Packaging Technology Limited	Subsidiary to subsidiary	Other assets	535,381		-
		Omniquest Industrial Limited	Subsidiary to subsidiary	Other assets	1,372,581		-
		Innosource Limited	Subsidiary to subsidiary	Other assets	765,585		-
		Anstock Limited	Subsidiary to subsidiary	Other assets	1,279,059		-
		ASE Test Limited	Subsidiary to subsidiary	Other liabilities	2,841,534		1
		ISE Labs, Inc.	Subsidiary to subsidiary	Other liabilities	1,399,835		-
		Anstock II Limited	Subsidiary to subsidiary	Other payables	9,090,693		3
			Subsidiary to subsidiary	Interest Expense	112,293		-
		ASE Japan Co., Ltd.	Subsidiary to subsidiary	Other payables	2,417,898		1
		ASE Electronics (M) Sdn. Bhd.	Subsidiary to subsidiary	Other payables	395,493		-
		ASE Labuan Inc.	Subsidiary to subsidiary	Other assets	610,036		-
		ASE Assembly & Test (Shanghai) Limited	Subsidiary to subsidiary	Other receivables	528,853		-
		ASE WeiHai Inc.	Subsidiary to subsidiary	Other receivables	1,403,181		-
		USI Enterprise Limited	Subsidiary to subsidiary	Other payables	2,896,327		1
		ASE Corporation	Subsidiary to subsidiary	Other assets	1,220,024		-
A.S.E. Holding Limited	Subsidiary to subsidiary	Other liabilities	610,666		-		
7	Global Advanced Packaging Technology Limited	USI Enterprise Limited	Subsidiary to subsidiary	Other payables	1,979,706		1
8	ASE Electronics Inc.	J&R Industrial Inc.	Subsidiary to subsidiary	Other payables	190,000		-
		ASE Electronics (M) Sdn. Bhd.	Subsidiary to subsidiary	Operating revenues	133,444		-
9	ASE Assembly & Test (Shanghai) Limited	Anstock Limited	Subsidiary to subsidiary	Other payables	647,861		-
			Subsidiary to subsidiary	Other liabilities	646,623		-
		Shanghai Ding Wei Real Estate Development Co., Ltd.	Subsidiary to subsidiary	Other receivables	913,218		-
		Advanced Semiconductor Engineering (HK) Limited	Subsidiary to subsidiary	Operating Cost	195,052		-
10	USI Inc.	USI Enterprise Limited	Subsidiary to subsidiary	Other payables	1,825,200		1
11	Universal Scientific Industrial (Shanghai) Co., Ltd.	Universal Global Technology Co., Limited	Subsidiary to subsidiary	Operating costs	2,250,652		2
			Subsidiary to subsidiary	Trade payables	1,278,012		-
		Universal Global Industrial Co., Limited	Subsidiary to subsidiary	Operating revenues	186,008		-
		USI Enterprise Limited	Subsidiary to subsidiary	Dividend Payable	892,170		-
		Universal Global Technology (Shanghai) Co., Ltd.	Subsidiary to subsidiary	Other receivables	1,033,295		-
	Subsidiary to subsidiary	Other payables	104,351		-		

(Continued)

No.	Company Name	Related Party	Nature of Relationships	Intercompany Transactions			
				Financial Statement Account	Amount (Note)	Percentage of Consolidated Net Revenue or Total Assets	
12	Universal Global Industrial Co., Limited	USI Electronics (Shenzhen) Co., Ltd	Subsidiary to subsidiary	Operating revenues	\$ 1,294,593	1	
			Subsidiary to subsidiary	Operating costs	4,974,041	4	
			Subsidiary to subsidiary	Trade receivables	570,067	-	
		Universal Global Scientific Industrial Co., Ltd.	Subsidiary to subsidiary	Trade payables	2,199,952	1	
			Subsidiary to subsidiary	Operating revenues	6,878,271	5	
			Subsidiary to subsidiary	Trade receivables	3,080,126	1	
			Subsidiary to subsidiary	Operating revenues	158,629	-	
			Subsidiary to subsidiary	Operating costs	3,266,714	1	
			Subsidiary to subsidiary	Trade payables	1,467,820	-	
13	Universal Global Technology Co., Limited	Universal Global Technology (Kunshan) Co., Ltd.	Subsidiary to subsidiary	Operating revenues	1,097,405	1	
			Subsidiary to subsidiary	Trade receivables	771,006	-	
		USI Electronics (Shenzhen) Co., Ltd	Subsidiary to subsidiary	Other payables	912,600	-	
14	Universal Global Scientific Industrial Co., Ltd.	USI Electronics (Shenzhen) Co., Ltd	Subsidiary to subsidiary	Operating revenues	130,775	-	
			Subsidiary to subsidiary	Trade receivables	129,721	-	
		Universal Scientific Industrial (Shanghai) Co., Ltd.	Subsidiary to subsidiary	Operating revenues	145,019	-	
			Universal Scientific Industrial Co., Ltd.	Subsidiary to subsidiary	Operating revenues	199,053	-
				Subsidiary to subsidiary	Trade receivables	122,035	-
15	USI Electronics (Shenzhen) Co., Ltd	Universal Global Technology (Shanghai) Co., Ltd.	Subsidiary to subsidiary	Other receivables	1,168,081	-	
16	Universal Global Technology (Shanghai) Co., Ltd.	Universal Scientific Industrial (Shanghai) Co., Ltd.	Subsidiary to subsidiary	Operating revenues	188,345	-	

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

(Concluded)