

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

**Consolidated Financial Statements for the
Nine Months Ended September 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 September 30, 2017 and 2016, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2017 and 2016, as well as changes in equity and cash flows for the nine months ended September 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 September 30, 2017 and 2016 and for the three months and nine 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\$45,192,111 thousand and NT\$45,613,346 thousand, both constituting 13% of the Group's total assets, as of September 30, 2017 and 2016, respectively, and its share of profit in SPIL of NT\$ 751,193 thousand and NT\$823,510 thousand as well as NT\$1,777,112 thousand and NT\$2,158,855 thousand, constituting 11% and 14% as well as 10% and 15% of the Group's net profit for the three months and nine months ended September 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 28 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

November 6, 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	September 30, 2017 (Reviewed)		December 31, 2016 (Retrospectively Adjusted and Audited)		September 30, 2016 (Retrospectively Adjusted and Reviewed)	
	NT\$	%	NT\$	%	NT\$	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 4 and 6)	\$ 38,975,077	11	\$ 38,392,524	11	\$ 37,661,420	10
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	3,339,900	1	3,069,812	1	813,831	-
Available-for-sale financial assets - current (Notes 4 and 8)	80,239	-	266,696	-	70,092	-
Trade receivables, net (Notes 4 and 9)	51,830,071	15	51,145,557	14	52,009,578	14
Other receivables (Note 4)	4,703,637	1	665,480	-	936,417	-
Current tax assets (Notes 4 and 25)	242,856	-	471,752	-	275,770	-
Inventories (Notes 4 and 10)	26,771,663	8	21,438,062	6	23,635,153	7
Inventories related to real estate business (Notes 4, 11, 24 and 36)	10,494,092	3	24,187,515	7	24,141,398	7
Other financial assets - current (Notes 4, 12 and 36)	569,419	-	558,686	-	1,047,303	-
Other current assets	2,905,274	1	2,593,575	1	2,778,234	1
Total current assets	<u>139,912,228</u>	<u>40</u>	<u>142,789,659</u>	<u>40</u>	<u>143,369,196</u>	<u>39</u>
NON-CURRENT ASSETS						
Available-for-sale financial assets - non-current (Notes 4 and 8)	1,111,964	-	1,028,338	1	1,103,939	-
Investments accounted for using the equity method (Notes 4, 5 and 13)	48,829,387	14	49,816,593	14	49,512,787	14
Property, plant and equipment (Notes 4, 14, 24 and 37)	136,981,981	38	143,880,241	40	145,208,855	40
Investment properties (Notes 4, 15, 24 and 36)	8,051,721	2	-	-	-	-
Goodwill (Notes 4, 5, 16 and 28)	10,388,715	3	10,490,309	3	10,443,879	3
Other intangible assets (Notes 4, 17, 24, 28 and 35)	1,441,418	-	1,617,261	-	1,763,579	1
Deferred tax assets (Notes 4 and 25)	3,954,752	1	4,536,924	1	5,236,508	1
Other financial assets - non-current (Notes 4, 12 and 36)	1,165,254	-	1,320,381	-	1,355,254	1
Long-term prepayments for lease (Note 18)	7,809,515	2	2,237,033	1	2,382,424	1
Other non-current assets	351,836	-	205,740	-	238,979	-
Total non-current assets	<u>220,086,543</u>	<u>60</u>	<u>215,132,820</u>	<u>60</u>	<u>217,246,204</u>	<u>61</u>
TOTAL	<u>\$ 359,998,771</u>	<u>100</u>	<u>\$ 357,922,479</u>	<u>100</u>	<u>\$ 360,615,400</u>	<u>100</u>

(Continued)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	September 30, 2017		December 31, 2016		September 30, 2016	
	(Reviewed)		(Retrospectively Adjusted and Audited)		(Retrospectively Adjusted and Reviewed)	
	NT\$	%	NT\$	%	NT\$	%
CURRENT LIABILITIES						
Short-term borrowings (Note 19)	\$ 19,638,390	6	\$ 20,955,522	6	\$ 31,008,127	9
Short-term bills payable (Note 19)	-	-	-	-	1,999,342	1
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	803,925	-	1,763,660	-	3,953,520	1
Trade payables	41,077,069	11	35,803,984	10	37,856,245	10
Other payables (Note 21)	19,389,996	5	21,522,034	6	19,875,189	6
Current tax liabilities (Note 4)	4,105,196	1	4,352,642	1	4,015,514	1
Current portion of bonds payable (Notes 4 and 20)	6,136,891	2	9,658,346	3	9,384,865	3
Current portion of long-term borrowings (Notes 19 and 36)	6,839,993	2	6,567,565	2	6,272,817	2
Other current liabilities	4,407,842	1	3,852,113	1	4,031,571	1
Total current liabilities	102,399,302	28	104,475,866	29	118,397,190	34
NON-CURRENT LIABILITIES						
Bonds payable (Notes 4 and 20)	16,980,485	5	27,341,557	8	26,871,735	7
Long-term borrowings (Notes 19 and 36)	32,525,043	9	46,547,998	13	43,941,187	12
Deferred tax liabilities (Notes 4 and 25)	4,900,453	2	4,856,549	2	4,815,903	1
Net defined benefit liabilities (Notes 4 and 22)	4,061,747	1	4,172,253	1	4,181,619	1
Other non-current liabilities	1,176,135	-	1,201,480	-	1,202,643	-
Total non-current liabilities	59,643,863	17	84,119,837	24	81,013,087	21
Total liabilities	162,043,165	45	188,595,703	53	199,410,277	55
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 23)						
Share capital						
Ordinary shares	83,804,781	23	79,364,735	22	79,236,226	22
Shares subscribed in advance	3,450,278	1	203,305	-	272,824	-
Total share capital	87,255,059	24	79,568,040	22	79,509,050	22
Capital surplus	40,347,274	11	22,265,049	6	22,461,952	6
Retained earnings (Notes 13 and 28)						
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	49,866,727	14	46,710,051	13	39,154,957	11
Total retained earnings	69,985,731	20	64,661,021	18	57,105,927	16
Accumulated other comprehensive income	(5,136,001)	(2)	(1,883,574)	-	(1,655,390)	-
Treasury shares	(7,292,513)	(2)	(7,292,513)	(2)	(7,292,513)	(2)
Equity attributable to owners of the Company	185,159,550	51	157,318,023	44	150,129,026	42
NON-CONTROLLING INTERESTS (Notes 4 and 23)						
	12,796,056	4	12,008,753	3	11,076,097	3
Total equity	197,955,606	55	169,326,776	47	161,205,123	45
TOTAL	\$ 359,998,771	100	\$ 357,922,479	100	\$ 360,615,400	100

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated November 6, 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 September 30				For the Nine Months Ended September 30			
	2017		2016 (Retrospectively Adjusted)		2017		2016 (Retrospectively Adjusted)	
	NT\$	%	NT\$	%	NT\$	%	NT\$	%
OPERATING REVENUES (Note 4)	\$ 73,878,365	100	\$ 72,783,689	100	\$ 206,455,154	100	\$ 197,755,474	100
OPERATING COSTS (Notes 10, 24 and 28)	<u>60,030,685</u>	<u>81</u>	<u>58,673,415</u>	<u>81</u>	<u>168,516,606</u>	<u>82</u>	<u>159,942,771</u>	<u>81</u>
GROSS PROFIT	<u>13,847,680</u>	<u>19</u>	<u>14,110,274</u>	<u>19</u>	<u>37,938,548</u>	<u>18</u>	<u>37,812,703</u>	<u>19</u>
OPERATING EXPENSES (Notes 24 and 28)								
Selling and marketing expenses	811,036	1	837,656	1	2,434,644	1	2,610,411	1
General and administrative expenses	2,982,417	4	2,889,746	4	9,290,897	5	8,371,727	4
Research and development expenses	<u>2,986,188</u>	<u>4</u>	<u>2,947,251</u>	<u>4</u>	<u>8,701,067</u>	<u>4</u>	<u>8,300,488</u>	<u>4</u>
Total operating expenses	<u>6,779,641</u>	<u>9</u>	<u>6,674,653</u>	<u>9</u>	<u>20,426,608</u>	<u>10</u>	<u>19,282,626</u>	<u>9</u>
PROFIT FROM OPERATIONS	<u>7,068,039</u>	<u>10</u>	<u>7,435,621</u>	<u>10</u>	<u>17,511,940</u>	<u>8</u>	<u>18,530,077</u>	<u>10</u>
NON-OPERATING INCOME AND EXPENSES								
Other income (Note 24)	186,566	-	167,694	-	534,734	-	450,061	-
Other gains (losses), net (Note 24)	656,644	1	(640,234)	(1)	5,943,883	3	(8,281)	-
Finance costs (Note 24)	(418,683)	-	(547,458)	(1)	(1,345,502)	(1)	(1,746,585)	(1)
Share of profit of associates and joint ventures (Notes 4, 5 and 13)	<u>321,837</u>	<u>-</u>	<u>453,951</u>	<u>1</u>	<u>404,684</u>	<u>-</u>	<u>1,098,573</u>	<u>1</u>
Total non-operating income and expenses	<u>746,364</u>	<u>1</u>	<u>(566,047)</u>	<u>(1)</u>	<u>5,537,799</u>	<u>2</u>	<u>(206,232)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX EXPENSE	7,814,403	11	6,869,574	9	23,049,739	10	18,323,845	10
INCOME TAX EXPENSE (Notes 4 and 25)	<u>1,083,350</u>	<u>2</u>	<u>975,530</u>	<u>1</u>	<u>5,175,993</u>	<u>2</u>	<u>3,816,787</u>	<u>2</u>
NET PROFIT FOR THE PERIOD	<u>6,731,053</u>	<u>9</u>	<u>5,894,044</u>	<u>8</u>	<u>17,873,746</u>	<u>8</u>	<u>14,507,058</u>	<u>8</u>
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translating foreign operations	1,051,532	1	(4,032,107)	(6)	(4,179,480)	(2)	(6,743,531)	(3)
Unrealized gain (loss) on available-for-sale financial assets	61,556	-	(34,111)	-	183,026	-	(52,969)	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	<u>(5,219)</u>	<u>-</u>	<u>(362,462)</u>	<u>-</u>	<u>477,952</u>	<u>-</u>	<u>(535,044)</u>	<u>-</u>

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ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2017		2016		2017		2016	
	NT\$	%	NT\$	%	NT\$	%	NT\$	%
Other comprehensive income (loss) for the period, net of income tax	\$ 1,107,869	1	\$ (4,428,680)	(6)	\$ (3,518,502)	(2)	\$ (7,331,544)	(3)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 7,838,922</u>	<u>10</u>	<u>\$ 1,465,364</u>	<u>2</u>	<u>\$ 14,355,244</u>	<u>6</u>	<u>\$ 7,175,514</u>	<u>5</u>
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ 6,335,893	9	\$ 5,501,750	7	\$ 16,742,120	8	\$ 13,685,878	7
Non-controlling interests	<u>395,160</u>	-	<u>392,294</u>	1	<u>1,131,626</u>	-	<u>821,180</u>	1
	<u>\$ 6,731,053</u>	<u>9</u>	<u>\$ 5,894,044</u>	<u>8</u>	<u>\$ 17,873,746</u>	<u>8</u>	<u>\$ 14,507,058</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 7,324,936	10	\$ 1,380,954	2	\$ 13,489,693	6	\$ 6,948,799	4
Non-controlling interests	<u>513,986</u>	-	<u>84,410</u>	-	<u>865,551</u>	-	<u>226,715</u>	1
	<u>\$ 7,838,922</u>	<u>10</u>	<u>\$ 1,465,364</u>	<u>2</u>	<u>\$ 14,355,244</u>	<u>6</u>	<u>\$ 7,175,514</u>	<u>5</u>
EARNINGS PER SHARE (Note 26)								
Basic	<u>\$ 0.76</u>		<u>\$ 0.72</u>		<u>\$ 2.08</u>		<u>\$ 1.79</u>	
Diluted	<u>\$ 0.69</u>		<u>\$ 0.64</u>		<u>\$ 1.89</u>		<u>\$ 1.50</u>	

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

(With Deloitte & Touche review report dated November 6, 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											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				
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
Change in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	8,283	-	-	-	-	-	-	-	-	8,283	-	8,283
Profit for the nine months ended September 30, 2016 (After retrospectively adjusted) (Notes 13 and 28)	-	-	-	-	-	13,685,878	13,685,878	-	-	-	-	13,685,878	821,180	14,507,058
Other comprehensive income (loss) for the nine months ended September 30, 2016, net of income tax	-	-	-	-	-	-	-	(6,448,846)	(288,233)	(6,737,079)	-	(6,737,079)	(594,465)	(7,331,544)
Total comprehensive income for the nine months ended September 30, 2016 (After retrospectively adjusted)	-	-	-	-	-	13,685,878	13,685,878	(6,448,846)	(288,233)	(6,737,079)	-	6,948,799	226,715	7,175,514
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)
	-	-	-	1,947,887	-	(14,424,666)	(12,476,779)	-	-	-	-	(12,476,779)	-	(12,476,779)
Issue of dividends received by subsidiaries from the Company	-	-	233,013	-	-	-	-	-	-	-	-	233,013	-	233,013
Partial disposal of interest in subsidiaries and additional acquisition of majority-owned subsidiaries (Note 30)	-	-	(20,552)	-	-	(5,884)	(5,884)	-	-	-	-	(26,436)	26,436	-
Changes in percentage of ownership interest in subsidiaries (Note 30)	-	-	(1,912,887)	-	-	-	-	-	-	-	-	(1,912,887)	(912,886)	(2,825,773)
Issue of ordinary shares under employee share options	26,262	323,390	396,996	-	-	-	-	-	-	-	-	720,386	-	720,386
Non-controlling interest arising from acquisition of subsidiaries (After retrospectively adjusted) (Note 28)	-	-	-	-	-	-	-	-	-	-	-	-	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	-	-	-	-	-	-	-	-	-	-	-	-	425,523	425,523
ADJUSTED BALANCE AT SEPTEMBER 30, 2016	7,936,690	\$ 79,509,050	\$ 22,461,952	\$ 14,597,032	\$ 3,353,938	\$ 39,154,957	\$ 57,105,927	\$ (1,955,276)	\$ 299,886	\$ (1,655,390)	\$ (7,292,513)	\$ 150,129,026	\$ 11,076,097	\$ 161,205,123
ADJUSTED BALANCE AT JANUARY 1, 2017 (Notes 13 and 28)	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	-	-	2,266	-	-	(2,212)	(2,212)	-	-	-	-	54	-	54
Profit for the nine months ended September 30, 2017 (Notes 13 and 28)	-	-	-	-	-	16,742,120	16,742,120	-	-	-	-	16,742,120	1,131,626	17,873,746
Other comprehensive income (loss) for the nine months ended September 30, 2017, net of income tax	-	-	-	-	-	-	-	(4,032,189)	779,762	(3,252,427)	-	(3,252,427)	(266,075)	(3,518,502)
Total comprehensive income (loss) for the nine months ended September 30, 2017	-	-	-	-	-	16,742,120	16,742,120	(4,032,189)	779,762	(3,252,427)	-	13,489,693	865,551	14,355,244

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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 23)	300,000	3,000,000	7,290,000	-	-	-	-	-	-	-	-	10,290,000	10,290,000	
Issue of ordinary shares under conversion of bonds (Notes 20 and 23)	424,258	4,242,577	9,657,905	-	-	-	-	-	-	-	-	13,900,482	13,900,482	
Issue of dividends received by subsidiaries from the Company	-	-	200,977	-	-	-	-	-	-	-	-	200,977	200,977	
Changes in percentage of ownership interest in subsidiaries (Note 30)	-	-	3,055	-	-	-	-	-	-	-	-	3,055	(3,055)	
Issue of ordinary shares under employee share options	55,064	444,442	928,022	-	-	-	-	-	-	-	-	1,372,464	1,372,464	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(246,440)	
Additional non-controlling interest arising on issue of employee share options by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	171,247	
BALANCE AT SEPTEMBER 30, 2017	<u>8,725,506</u>	<u>\$ 87,255,059</u>	<u>\$ 40,347,274</u>	<u>\$ 16,765,066</u>	<u>\$ 3,353,938</u>	<u>\$ 49,866,727</u>	<u>\$ 69,985,731</u>	<u>\$ (5,674,913)</u>	<u>\$ 538,912</u>	<u>\$ (5,136,001)</u>	<u>\$ (7,292,513)</u>	<u>\$ 185,159,550</u>	<u>\$ 12,796,056</u>	<u>\$ 197,955,606</u>

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

(With Deloitte & Touche review report dated November 6, 2017)

(Concluded)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2017	2016
	NT\$	(Retrospectively Adjusted) NT\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 23,049,739	\$ 18,323,845
Adjustments for:		
Depreciation expense	21,440,178	21,694,771
Amortization expense	344,151	389,363
Net loss on fair value change of financial assets and liabilities at fair value through profit or loss	2,567,033	1,492,157
Finance costs	1,345,502	1,746,585
Interest income	(178,027)	(171,615)
Dividend income	(47,225)	(20,625)
Compensation cost of employee share options	397,659	353,676
Share of profit of associates and joint ventures	(404,684)	(1,098,573)
Gain on disposal of property, plant and equipment	(354,871)	(19,284)
Impairment loss recognized on financial assets	99,239	1,886
Reversal of impairment loss on financial assets	-	(27,664)
Impairment loss recognized on non-financial assets	560,383	1,199,970
Gain on disposal of subsidiaries	(5,643,773)	-
Net gain on foreign currency exchange	(1,752,759)	(1,333,438)
Others	648,472	512,775
Changes in operating assets and liabilities		
Financial assets held for trading	1,288,958	2,708,652
Trade receivables	(717,617)	(7,049,447)
Other receivables	(520,774)	(189,591)
Inventories	(5,973,621)	1,077,286
Other current assets	(501,124)	(179,052)
Financial liabilities held for trading	(3,081,176)	(2,044,739)
Trade payables	5,273,085	3,717,681
Other payables	(908,573)	(172,266)
Advance real estate receipts	(49,878)	(2,172,833)
Other current liabilities	401,087	239,510
Other operating activities items	(161,830)	38,013
	<u>37,119,554</u>	<u>39,017,043</u>
Interest received	178,833	164,867
Dividend received	1,917,404	4,037,857
Interest paid	(1,308,597)	(1,668,975)
Income tax paid	(4,638,195)	(4,838,659)
	<u>33,268,999</u>	<u>36,712,133</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets designated as at fair value through profit or loss	(45,998,990)	(52,981,180)
Proceeds on sale of financial assets designated as at fair value through profit or loss	46,243,401	54,592,483

(Continued)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	<u>For the Nine Months Ended September 30</u>	
	<u>2017</u>	<u>2016</u>
	NT\$	(Retrospectively Adjusted) NT\$
Purchase of available-for-sale financial assets	\$ (602,648)	\$ (1,192,678)
Proceeds on sale of available-for-sale financial assets	821,445	867,336
Cash received from return of capital by available-for-sale financial assets	-	28,927
Acquisition of associates and joint ventures	-	(15,816,463)
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	(19,897,337)	(20,391,111)
Proceeds from disposal of property, plant and equipment	1,470,792	129,261
Payments for intangible assets	(236,333)	(373,928)
Proceeds from disposal of intangible assets	34,951	5,482
Decrease (increase) in other financial assets	144,394	(1,754,676)
Decrease (increase) in other non-current assets	<u>13,322</u>	<u>(177,245)</u>
Net cash used in investing activities	<u>(14,480,248)</u>	<u>(37,137,229)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of short-term borrowings	(631,277)	(384,911)
Repayment of short-term bills payable	-	(2,348,712)
Proceeds from issue of bonds	8,000,000	9,000,000
Repayment of bonds payable	(9,123,972)	(10,365,135)
Proceeds from long-term borrowings	31,278,466	48,963,098
Repayment of long-term borrowings	(44,260,682)	(42,202,720)
Dividends paid	(11,214,221)	(12,243,766)
Proceeds from issue of ordinary shares	10,290,000	-
Proceeds from exercise of employee share options	1,146,052	792,233
Decrease in non-controlling interests	(246,440)	(3,062,199)
Other financing activities items	<u>13,932</u>	<u>12,342</u>
Net cash used in financing activities	<u>(14,748,142)</u>	<u>(11,839,770)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS		
	<u>(3,458,056)</u>	<u>(5,324,895)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	582,553	(17,589,761)
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>\$ 38,975,077</u>	<u>\$ 37,661,420</u>

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated November 6, 2017)

(Concluded)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 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 November 6, 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 35 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” and related amendment

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, investment in debt instruments 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.

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

Hedge accounting

The main changes in hedge accounting amended the application requirements for hedge accounting to better reflect the entity's risk management activities. Compared with IAS 39, the main changes include: (1) enhancing types of transactions eligible for hedge accounting, specifically broadening the risk eligible for hedge accounting of non-financial items; (2) changing the way hedging 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.

When IFRS 9 becomes effective, the Company 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. However, the requirements for general hedge accounting shall be applied prospectively.

2) 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 9 “Prepayment Features with Negative Compensation”	January 1, 2019
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
Amendments to IAS 28 “Long-term Interests in Associate and Joint Venture”	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 (%)		
			September 30, 2017	December 31, 2016	September 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	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 29)	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
Shanghai Ding Xu Property management Co., Ltd.	Engaged in the management of real estate properties, and was established in August 2017	Shanghai, China	100.0	-	-
ASE Electronics Inc.	Engaged in the production of substrates	Kaohsiung, ROC	100.0	100.0	100.0

(Continued)

Name of Investee	Main Businesses	Establishment and Operating Location	Percentage of Ownership (%)		
			September 30, 2017	December 31, 2016	September 30, 2016
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
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. (“USP”)	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) Investment properties

Investment properties are properties held to earn rentals (including property under construction for such purposes).

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

Investment properties under construction are stated at cost less accumulated depreciation and accumulated impairment loss. Cost includes professional fees and, borrowing costs eligible for capitalization. Depreciation of these assets commences when the assets are ready for their intended use.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

2) 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.

3) 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>September 30,</u> <u>2017</u> NT\$	<u>December 31,</u> <u>2016</u> NT\$	<u>September 30,</u> <u>2016</u> NT\$
Cash on hand	\$ 6,356	\$ 6,856	\$ 8,146
Checking accounts and demand deposits	24,732,302	28,823,763	29,027,930
Cash equivalent	<u>14,236,419</u>	<u>9,561,905</u>	<u>8,625,344</u>
	<u>\$ 38,975,077</u>	<u>\$ 38,392,524</u>	<u>\$ 37,661,420</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

	September 30, 2017 NT\$	December 31, 2016 NT\$	September 30, 2016 NT\$
<u>Financial assets designated as at FVTPL</u>			
Private-placement convertible bonds	\$ 100,570	\$ 100,583	\$ 100,583
<u>Financial assets held for trading</u>			
Quoted shares	2,306,794	1,855,073	34,728
Open-end mutual funds	588,118	584,945	584,424
Swap contracts	299,677	462,339	38,451
Forward exchange contracts	44,741	66,872	55,645
	<u>3,239,330</u>	<u>2,969,229</u>	<u>713,248</u>
	<u>\$ 3,339,900</u>	<u>\$ 3,069,812</u>	<u>\$ 813,831</u>
<u>Financial liabilities held for trading</u>			
Swap contracts	\$ 747,465	\$ 422,934	\$ 1,708,293
Forward exchange contracts	56,460	108,912	10,825
Foreign currency option contracts	-	17,924	1,560
Interest rate swap contracts	-	-	8,791
Conversion option, redemption option and put option of convertible bonds (Note 20)	-	1,213,890	2,224,051
	<u>\$ 803,925</u>	<u>\$ 1,763,660</u>	<u>\$ 3,953,520</u>

Private-placement convertible bonds included embedded derivative instruments which were not closely related to the host contracts and the Group designated the entire contracts as financial assets at FVTPL on initial recognition.

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

Currency	Maturity Period	Notional Amount (In Thousands)
<u>September 30, 2017</u>		
Sell EUR/Buy US\$	2017.10	EUR1,885/US\$2,265
Sell NT\$/Buy US\$	2017.10-2018.09	NT\$60,432,586/US\$1,997,400
Sell US\$/Buy CNY	2017.10	US\$53,544/CNY349,800
Sell US\$/Buy JPY	2017.10-2017.11	US\$75,667/JPY8,380,000
Sell US\$/Buy NT\$	2017.10	US\$144,040/NT\$4,332,087

(Continued)

Currency	Maturity Period	Notional Amount (In Thousands)
<u>December 31, 2016</u>		
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
<u>September 30, 2016</u>		
Sell EUR/Buy US\$	2016.10	EUR4,960/US\$5,573
Sell JPY/Buy US\$	2016.10	JPY38,308/US\$380
Sell NT\$/Buy US\$	2016.10-2017.09	NT\$62,646,431/US\$1,951,500
Sell US\$/Buy CNY	2016.10	US\$52,535/CNY349,800
Sell US\$/Buy JPY	2016.11-2016.12	US\$83,036/JPY8,420,000
Sell US\$/Buy KRW	2016.10-2016.11	US\$20,000/KRW22,232,000
Sell US\$/Buy NT\$	2016.10-2016.11	US\$51,600/NT\$1,621,665

(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>September 30, 2017</u>		
Sell NT\$/Buy US\$	2017.10-2017.11	NT\$3,296,070/US\$110,000
Sell US\$/Buy CNY	2017.10-2017.12	US\$101,800/CNY672,969
Sell US\$/Buy JPY	2017.10-2017.11	US\$37,761/JPY4,163,602
Sell US\$/Buy KRW	2017.10	US\$5,000/KRW5,650,100
Sell US\$/Buy MYR	2017.10-2017.11	US\$7,000/MYR30,090
Sell US\$/Buy NT\$	2017.10	US\$75,800/NT\$2,293,351
Sell US\$/Buy SGD	2017.10-2017.11	US\$9,400/SGD12,734
<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>September 30, 2016</u>		
Sell NT\$ /Buy US\$	2016.10-2016.11	NT\$10,147,295/US\$325,000
Sell US\$/Buy CNY	2016.10-2016.11	US\$65,000/CNY433,976
Sell US\$/Buy JPY	2016.10-2016.11	US\$21,864/JPY2,227,835
Sell US\$/Buy KRW	2016.10-2016.11	US\$26,400/KRW29,134,690
Sell US\$/Buy MYR	2016.10-2016.11	US\$9,000/MYR36,944
Sell US\$/Buy SGD	2016.10-2016.12	US\$11,100/SGD14,988

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>September 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/CNY6,900

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

As of September 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>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
	NT\$	NT\$	NT\$
Unquoted ordinary shares	\$ 579,223	\$ 553,350	\$ 506,502
Limited partnership	263,147	273,372	448,913
Quoted ordinary shares	261,924	146,786	160,243
Unquoted preferred shares	64,734	78,068	14,166
Open-end mutual funds	<u>23,175</u>	<u>243,458</u>	<u>44,207</u>
	1,192,203	1,295,034	1,174,031
Current	<u>80,239</u>	<u>266,696</u>	<u>70,092</u>
Non-current	<u>\$ 1,111,964</u>	<u>\$ 1,028,338</u>	<u>\$ 1,103,939</u>

9. TRADE RECEIVABLES, NET

	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
	NT\$	NT\$	NT\$
Trade receivables	\$ 51,916,883	\$ 51,199,266	\$ 52,063,840
Less: Allowance for doubtful debts	<u>86,812</u>	<u>53,709</u>	<u>54,262</u>
Trade receivables, net	<u>\$ 51,830,071</u>	<u>\$ 51,145,557</u>	<u>\$ 52,009,578</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 September 30, 2017, December 31, 2016 and September 30, 2016, except that the Group's five largest customers accounted for 34%, 30% and 33% 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

	September 30, 2017	December 31, 2016	September 30, 2016
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Not past due	\$ 47,648,820	\$ 45,959,876	\$ 47,741,458
1 to 30 days	3,694,261	4,467,435	3,695,299
31 to 90 days	469,467	700,122	532,980
More than 91 days	<u>104,335</u>	<u>71,833</u>	<u>94,103</u>
Total	<u>\$ 51,916,883</u>	<u>\$ 51,199,266</u>	<u>\$ 52,063,840</u>

Aging of receivables that were past due but not impaired

	September 30, 2017	December 31, 2016	September 30, 2016
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
1 to 30 days	\$ 3,667,348	\$ 4,449,479	\$ 3,669,497
31 to 90 days	<u>328,895</u>	<u>596,647</u>	<u>333,527</u>
Total	<u>\$ 3,996,243</u>	<u>\$ 5,046,126</u>	<u>\$ 4,003,024</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	11,084	24,683	35,767
Effect of foreign currency exchange differences	<u>(741)</u>	<u>(1,923)</u>	<u>(2,664)</u>
Balance at September 30, 2017	<u>\$ 26,796</u>	<u>\$ 60,016</u>	<u>\$ 86,812</u>

(Continued)

	Impaired Individually	Impaired Collectively	Total
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Balance at January 1, 2016	\$ 39,046	\$ 43,860	\$ 82,906
Impairment losses reversed	(29,013)	1,349	(27,664)
Effect of foreign currency exchange differences	<u>(691)</u>	<u>(289)</u>	<u>(980)</u>
Balance at September 30, 2016	<u>\$ 9,342</u>	<u>\$ 44,920</u>	<u>\$ 54,262</u> (Concluded)

b. Transfers of financial assets

Except those factored receivables of US\$41,849 thousand in prior years have been collected by Citi Bank during the nine months ended September 30, 2016, there was no receivables factored nor advances received for the nine months ended September 30, 2017 and 2016, respectively. The credit lines under the factoring agreements with Citi Bank were both US\$66,000 thousand for the nine months ended September 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 September 30, 2017, December 31, 2016 and September 30, 2016. As of September 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

	September 30, 2017	December 31, 2016	September 30, 2016
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Finished goods	\$ 7,201,767	\$ 6,519,465	\$ 6,639,252
Work in process	4,829,192	2,822,687	4,664,874
Raw materials	13,147,432	10,850,062	11,071,692
Supplies	942,167	795,093	788,774
Raw materials and supplies in transit	<u>651,105</u>	<u>450,755</u>	<u>470,561</u>
	<u>\$ 26,771,663</u>	<u>\$ 21,438,062</u>	<u>\$ 23,635,153</u>

The cost of inventories recognized as operating costs for the three months and nine months ended September 30, 2017 and 2016 were NT\$59,918,119 thousand, NT\$58,582,192 thousand (retrospectively adjusted), NT\$168,241,535 thousand and NT\$158,494,249 thousand (retrospectively adjusted), respectively, which included write-down of inventories at NT\$92,741 thousand, NT\$160,104 thousand, NT\$274,917 thousand and NT\$313,124 thousand, respectively.

11. INVENTORIES RELATED TO REAL ESTATE BUSINESS

	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
	NT\$	NT\$	NT\$
Land and buildings held for sale	\$ 110,174	\$ 263,526	\$ 667
Construction in progress	8,696,393	22,236,464	22,453,205
Land held for construction	<u>1,687,525</u>	<u>1,687,525</u>	<u>1,687,526</u>
	<u>\$ 10,494,092</u>	<u>\$ 24,187,515</u>	<u>\$ 24,141,398</u>

Land and buildings held for sale located in Kun Shan Qiangeng and Shanghai Zhangjiang, China were completed and successively sold. Construction in progress is mainly located on Hutai Road in Shanghai, China and Lidu Road in Kun Shan, China. The capitalized borrowing costs for the three months and nine months ended September 30, 2017 and 2016 are disclosed in Note 24.

Construction in progress located on Caobao Road in Shanghai was completed in the third quarter of 2017 and immediately leased out for the lease business. As a result, the Group reclassified those buildings and land use right under the line item of “inventories related to real estate - construction in progress” to investment properties of NT\$6,971,372 thousand and long-term prepayments of NT\$5,798,449 thousand, respectively. Please refer to Note 15.

As of September 30, 2017, December 31, 2016 and September 30, 2016, inventories related to real estate business of NT\$10,482,554 thousand, NT\$12,076,154 thousand and NT\$11,978,732 thousand, respectively, are expected to be recovered longer than twelve months.

Refer to Note 36 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

	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
	NT\$	NT\$	NT\$
Unsecured subordinate corporate bonds	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Time deposits with original maturity over three months	503,276	480,736	948,086
Guarantee deposits	161,093	178,103	210,966
Pledged time deposits (Note 36)	63,099	206,530	235,913
Others (Note 36)	<u>7,205</u>	<u>13,698</u>	<u>7,592</u>
	1,734,673	1,879,067	2,402,557
Current	<u>569,419</u>	<u>558,686</u>	<u>1,047,303</u>
Non-current	<u>\$ 1,165,254</u>	<u>\$ 1,320,381</u>	<u>\$ 1,355,254</u>

The annual interest rate of the unsecured subordinate corporate bonds was all 3.50% as of September 30, 2017, December 31, 2016 and September 30, 2016.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<u>September 30, 2017</u>	<u>December 31, 2016 (Retrospectively Adjusted)</u>	<u>September 30, 2016 (Retrospectively Adjusted)</u>
	NT\$	NT\$	NT\$
Investments in associates	\$ 48,289,708	\$ 49,146,043	\$ 48,809,103
Investments in joint ventures	<u>539,679</u>	<u>670,550</u>	<u>703,684</u>
	<u>\$ 48,829,387</u>	<u>\$ 49,816,593</u>	<u>\$ 49,512,787</u>

a. Investments in associates

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

Name of Associate	Main Business	Operating Location	Carrying Amount		
			<u>September 30, 2017</u>	<u>December 31, 2016 (Retrospectively Adjusted)</u>	<u>September 30, 2016 (Retrospectively Adjusted)</u>
			NT\$	NT\$	NT\$
Material associate Siliconware Precision Industries Co., Ltd. ("SPIL")	Engaged in assembly, testing and turnkey services of integrated circuits	ROC	\$ 45,192,111	\$ 45,884,727	\$ 45,613,346
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	1,641,440	1,813,677	1,889,881
Hung Ching Development & Construction Co. ("HC")	Engaged in the development, construction and leasing of real estate properties	ROC	1,220,963	1,162,234	1,269,613
Hung Ching Kwan Co. ("HCK")	Engaged in the leasing of real estate properties	ROC	312,567	321,120	324,959
Advanced Microelectronic Products Inc. ("AMPI")	Engaged in integrated circuit	ROC	222,776	264,434	11,453
			<u>48,589,857</u>	<u>49,446,192</u>	<u>49,109,252</u>
	Less: Deferred gain on transfer of land		<u>300,149</u>	<u>300,149</u>	<u>300,149</u>
			<u>\$ 48,289,708</u>	<u>\$ 49,146,043</u>	<u>\$ 48,809,103</u>

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

	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
SPIL	33.29%	33.29%	33.29%
DECA	22.07%	22.07%	22.07%
HC	26.22%	26.22%	26.22%
HCK	27.31%	27.31%	27.31%
AMPI	38.76%	38.76%	17.38%

3) 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%.

4) The Group has successively completed the identification of the difference between the cost of the investments and the Company's share of the net fair value of DECA and AMPI's identifiable assets and liabilities in the second quarter and the third quarter in 2017. Therefore, the Group has retrospectively adjusted the comparative consolidated financial statements for prior periods. As of

December 31 and September 30, 2016, the retrospective adjustments are summarized as follows:

	After Retrospectively Adjusted	Before Retrospectively Adjusted
	NT\$	NT\$
<u>Investments accounted for using the equity method</u>		
December 31, 2016		
DECA	\$ 1,813,677	\$ 1,820,329
AMPI	\$ 264,434	\$ 266,085
September 30, 2016		
DECA	\$ 1,889,881	\$ 1,892,542

The aforementioned retrospective adjustments are accordingly recorded as a decrease of retained earnings as of December 31 and September 30, 2016, respectively.

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

	September 30, 2017	December 31, 2016	September 30, 2016
	NT\$	NT\$	NT\$
SPIL	\$ 50,257,185	\$ 49,634,805	\$ 48,753,100
HC	\$ 1,317,692	\$ 1,310,829	\$ 1,170,138
AMPI	\$ 556,121	\$ 307,038	\$ 83,271

- 6) 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.

	September 30, 2017	December 31, 2016	September 30, 2016
	NT\$	NT\$	NT\$
Current assets	\$ 46,610,073	\$ 50,451,295	\$ 44,914,756
Non-current assets	105,454,426	107,606,186	110,714,429
Current liabilities	(38,262,801)	(41,088,439)	(30,432,003)
Non-current liabilities	(15,397,691)	(16,484,482)	(25,527,825)
	<u>\$ 98,404,007</u>	<u>\$ 100,484,560</u>	<u>\$ 99,669,357</u>
Equity			
Proportion of the Group's ownership interest in SPIL	33.29%	33.29%	33.29%
Net assets attributable to the Group	\$ 32,758,694	\$ 33,451,310	\$ 33,179,929
Goodwill	<u>12,433,417</u>	<u>12,433,417</u>	<u>12,433,417</u>
Carrying amount	<u>\$ 45,192,111</u>	<u>\$ 45,884,727</u>	<u>\$ 45,613,346</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
	NT\$	NT\$	NT\$	NT\$
Operating revenue	<u>\$ 21,955,373</u>	<u>\$ 21,955,188</u>	<u>\$ 61,931,600</u>	<u>\$ 62,934,405</u>
Gross profit	<u>\$ 3,727,478</u>	<u>\$ 3,998,837</u>	<u>\$ 9,066,839</u>	<u>\$ 10,886,891</u>
Profit before income tax expense	<u>\$ 1,470,722</u>	<u>\$ 2,105,275</u>	<u>\$ 3,507,926</u>	<u>\$ 5,057,322</u>
Net profit for the period	\$ 1,169,223	\$ 1,636,946	\$ 2,149,164	\$ 3,869,215
Other comprehensive income (loss) for the period	<u>123,630</u>	<u>(1,286,112)</u>	<u>1,245,056</u>	<u>(1,578,042)</u>
Total comprehensive income for the period	<u>\$ 1,292,853</u>	<u>\$ 350,834</u>	<u>\$ 3,394,220</u>	<u>\$ 2,291,173</u>
Cash dividends received from SPIL	<u>\$ 1,815,275</u>	<u>\$ 3,941,740</u>	<u>\$ 1,815,275</u>	<u>\$ 3,941,740</u>

7) Aggregate information of associates that are not individually material

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
	NT\$	NT\$	NT\$	NT\$
The Group's share of:				
Net income (loss) for the period	\$ (23,894)	\$ 10,508	\$ (144,040)	\$ (29,002)
Other comprehensive income (loss) for the period	<u>(46,376)</u>	<u>(6,815)</u>	<u>44,279</u>	<u>(37,574)</u>
Total comprehensive income (loss) for the period	<u>\$ (70,270)</u>	<u>\$ 3,693</u>	<u>\$ (99,761)</u>	<u>\$ (66,576)</u>

8) 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 nine months ended September 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 September 30, 2017, December 31, 2016 and September 30, 2016, the percentage of ownership were all 51.00%. ASEEE are located in ROC and engages 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 September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
	NT\$	NT\$	NT\$	NT\$
The Group's share of net loss and total comprehensive loss for the period	\$ (42,140)	\$ (31,204)	\$ (131,154)	\$ (57,252)

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 nine months ended September 30, 2017 and 2016 were based on ASEEE'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:

	September 30, 2017 NT\$	December 31, 2016 NT\$	September 30, 2016 NT\$
Land	\$ 3,274,238	\$ 3,365,013	\$ 3,339,803
Buildings and improvements	59,075,082	58,028,631	57,676,078
Machinery and equipment	68,825,847	72,700,762	73,399,437
Other equipment	1,658,113	2,089,581	1,841,436
Construction in progress and machinery in transit	<u>4,148,701</u>	<u>7,696,254</u>	<u>8,952,101</u>
	<u>\$ 136,981,981</u>	<u>\$ 143,880,241</u>	<u>\$ 145,208,855</u>

For the nine months ended September 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\$
<u>Cost</u>						
Balance at January 1, 2017	\$ 3,365,013	\$ 96,258,175	\$ 248,200,756	\$ 8,474,661	\$ 7,713,542	\$ 364,012,147
Additions	-	293,069	78,465	78,411	18,135,298	18,585,243
Disposals	-	(535,891)	(7,760,212)	(646,613)	(35,652)	(8,978,368)
Reclassification	(35,965)	5,899,415	15,099,085	141,871	(22,235,980)	(1,131,574)
Effect of foreign currency exchange differences	<u>(54,810)</u>	<u>(2,059,053)</u>	<u>(4,261,996)</u>	<u>(167,199)</u>	<u>571,493</u>	<u>(5,971,565)</u>
Balance at September 30, 2017	<u>\$ 3,274,238</u>	<u>\$ 99,855,715</u>	<u>\$ 251,356,098</u>	<u>\$ 7,881,131</u>	<u>\$ 4,148,701</u>	<u>\$ 366,515,883</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2017	\$ -	\$ 38,229,544	\$ 175,499,994	\$ 6,385,080	\$ 17,288	\$ 220,131,906
Depreciation expense	-	3,866,133	16,958,075	585,491	-	21,409,699
Impairment losses recognized	-	2,310	282,788	368	-	285,466
Disposals	-	(419,294)	(6,839,759)	(603,097)	(17,288)	(7,879,438)
Reclassification	-	(210,046)	24,625	(14,324)	-	(199,745)
Effect of foreign currency exchange differences	<u>-</u>	<u>(688,014)</u>	<u>(3,395,472)</u>	<u>(130,500)</u>	<u>-</u>	<u>(4,213,986)</u>
Balance at September 30, 2017	<u>\$ -</u>	<u>\$ 40,780,633</u>	<u>\$ 182,530,251</u>	<u>\$ 6,223,018</u>	<u>\$ -</u>	<u>\$ 229,533,902</u>

For the nine months ended September 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\$
<u>Cost</u>						
Balance at January 1, 2016	\$ 3,381,300	\$ 94,447,932	\$243,283,607	\$ 7,722,408	\$ 6,397,760	\$355,233,007
Additions	-	(19,825)	100,380	76,145	21,128,121	21,284,821
Disposals	-	(387,024)	(8,033,648)	(84,143)	(215,773)	(8,720,588)
Reclassification	-	3,316,244	14,388,566	594,599	(18,299,584)	(175)
Acquisitions through business combinations	-	-	-	1,159	-	1,159
Effect of foreign currency exchange differences	(41,497)	(2,534,611)	(4,762,613)	(194,188)	(42,550)	(7,575,459)
Balance at September 30, 2016	<u>\$ 3,339,803</u>	<u>\$ 94,822,716</u>	<u>\$244,976,292</u>	<u>\$ 8,115,980</u>	<u>\$ 8,967,974</u>	<u>\$360,222,765</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2016	\$ -	\$ 34,646,878	\$164,568,298	\$ 5,907,414	\$ 113,342	\$205,235,932
Depreciation expense	-	3,845,108	17,236,723	612,940	-	21,694,771
Impairment losses recognized	-	620	876,153	5,564	4,509	886,846
Disposals	-	(332,480)	(7,790,959)	(76,588)	(100,049)	(8,300,076)
Reclassification	-	(5,200)	2,979	2,221	-	-
Acquisitions through business combinations	-	-	-	824	-	824
Effect of foreign currency exchange differences	-	(1,008,288)	(3,316,339)	(177,831)	(1,929)	(4,504,387)
Balance at September 30, 2016	<u>\$ -</u>	<u>\$ 37,146,638</u>	<u>\$171,576,855</u>	<u>\$ 6,274,544</u>	<u>\$ 15,873</u>	<u>\$215,013,910</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 does not qualify for the production needs and therefore recognized an impairment loss of NT\$0 thousand, NT\$372,299 thousand, NT\$285,466 thousand and NT\$886,846 thousand under the line item of other gains (losses), net in the consolidated statements of comprehensive income for the three months and nine months ended September 30, 2017 and 2016, respectively. The recoverable amount of the impaired property, plant and equipment is determined on the basis of its value in use and 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 nine months ended September 30, 2017 and 2016 are disclosed in Note 24.

15. INVESTMENT PROPERTIES

	Land	Buildings and improvements	Total
	NT\$	NT\$	NT\$
<u>Cost</u>			
Balance at January 1, 2017	\$ -	\$ -	\$ -
Transfers from inventories related to real estate business and property, plant and equipment	35,965	8,114,110	8,150,075
Effects of foreign currency exchange differences	<u>-</u>	<u>133,158</u>	<u>133,158</u>
Balance at September 30, 2017	<u>\$ 35,965</u>	<u>\$ 8,247,268</u>	<u>\$ 8,283,233</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2017	\$ -	\$ -	\$ -
Depreciation expenses	-	30,479	30,479
Transfers from inventories related to real estate business and property, plant and equipment	-	199,745	199,745
Effects of foreign currency exchange differences	<u>-</u>	<u>1,288</u>	<u>1,288</u>
Balance at September 30, 2017	<u>\$ -</u>	<u>\$ 231,512</u>	<u>\$ 231,512</u>

The investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Main buildings	10-40 years
Others	3-20 years

The fair value of the investment properties was approximately NT\$11,559,100 thousand which was measured using level 3 inputs, the market approach and the income approach by independent professional appraisers.

Investment properties are held under freehold interests. Refer to Note 36 for the carrying amount of the investment properties that had been pledged by the Group to secure borrowings.

16. GOODWILL

	Cost	Accumulated impairment	Carrying amount
	NT\$	NT\$	NT\$
Balance at January 1, 2017 (Retrospectively adjusted) (Note 28)	\$ 12,479,305	\$ 1,988,996	\$ 10,490,309
Effect of foreign currency exchange differences	<u>(101,594)</u>	<u>-</u>	<u>(101,594)</u>
Balance at September 30, 2017	<u>\$ 12,377,711</u>	<u>\$ 1,988,996</u>	<u>\$ 10,388,715</u>
Balance at January 1, 2016	\$ 12,495,515	\$ 1,988,996	\$ 10,506,519
Acquisitions through business combinations (Retrospectively adjusted) (Note 28)	15,323	-	15,323

(Continued)

	<u>Cost</u> NT\$	<u>Accumulated impairment</u> NT\$	<u>Carrying amount</u> NT\$
Effect of foreign currency exchange differences	\$ (77,963)	\$ -	\$ (77,963)
Balance at September 30, 2016	<u>\$ 12,432,875</u>	<u>\$ 1,988,996</u>	<u>\$ 10,443,879</u> (Concluded)

17. OTHER INTANGIBLE ASSETS

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

	<u>September 30, 2017</u> NT\$	<u>December 31, 2016 (Retrospectively Adjusted)</u> NT\$	<u>September 30, 2016 (Retrospectively Adjusted)</u> NT\$
Customer relationships (Note 28)	\$ 133,854	\$ 194,089	\$ 214,167
Computer software	845,973	943,527	954,310
Patents and acquired specific technology (Note 28)	329,266	359,227	470,440
Others	<u>132,325</u>	<u>120,418</u>	<u>124,662</u>
	<u>\$ 1,441,418</u>	<u>\$ 1,617,261</u>	<u>\$ 1,763,579</u>

For the nine months ended September 30, 2017

	<u>Customer relationships</u> NT\$	<u>Computer software</u> NT\$	<u>Patents and acquired specific technology</u> NT\$	<u>Others</u> NT\$	<u>Total</u> NT\$
<u>Cost</u>					
Balance at January 1, 2017 (Retrospectively Adjusted)	\$ 915,636	\$ 3,552,229	\$ 514,445	\$ 192,392	\$ 5,174,702
Additions	-	165,581	-	30,646	196,227
Disposals	-	(67,670)	(123,743)	(4,996)	(196,409)
Effect of foreign currency exchange differences	<u>-</u>	<u>(40,537)</u>	<u>(1,039)</u>	<u>(680)</u>	<u>(42,256)</u>
Balance at September 30, 2017	<u>\$ 915,636</u>	<u>\$ 3,609,603</u>	<u>\$ 389,663</u>	<u>\$ 217,362</u>	<u>\$ 5,132,264</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	60,235	238,300	32,653	12,963	344,151
Disposals	-	(56,314)	(123,744)	-	(180,058)
					(Continued)

	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>
Effect of foreign currency exchange differences	\$ -	\$ (27,058)	\$ (3,730)	\$ 100	\$ (30,688)
Balance at September 30, 2017	<u>\$ 781,782</u>	<u>\$ 2,763,630</u>	<u>\$ 60,397</u>	<u>\$ 85,037</u>	<u>\$ 3,690,846</u> (Concluded)

For the nine months ended September 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	-	282,739	403,543	1,246	687,528
Disposals or derecognition	(41,099)	(36,542)	(30)	-	(77,671)
Acquisitions through business combinations	41,099	-	64,380	30	105,509
Effect of foreign currency exchange differences	<u>-</u>	<u>(65,196)</u>	<u>(4,318)</u>	<u>(2,327)</u>	<u>(71,841)</u>
Balance at September 30, 2016	<u>\$ 915,636</u>	<u>\$ 3,519,361</u>	<u>\$ 617,657</u>	<u>\$ 192,287</u>	<u>\$ 5,244,941</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2016	\$ 641,234	\$ 2,385,038	\$ 138,386	\$ 54,665	\$ 3,219,323
Amortization expense	101,334	260,597	14,334	13,098	389,363
Disposals or derecognition	(41,099)	(28,772)	(30)	-	(69,901)
Acquisitions through business combinations	-	-	483	23	506
Effect of foreign currency exchange differences	<u>-</u>	<u>(51,812)</u>	<u>(5,956)</u>	<u>(161)</u>	<u>(57,929)</u>
Balance at September 30, 2016	<u>\$ 701,469</u>	<u>\$ 2,565,051</u>	<u>\$ 147,217</u>	<u>\$ 67,625</u>	<u>\$ 3,481,362</u>

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

18. LONG-TERM PREPAYMENTS FOR LEASE

Long-term prepayments for lease mainly represent land use rights located in China with periods for use from 40 to 70 years and will expire from 2049 to 2074, respectively.

19. BORROWINGS

a. Short-term borrowings

Short-term borrowings mainly represented unsecured revolving bank loans with annual interest rates at 0.80%-4.79%, 0.70%-8.99% and 0.21%-7.98% as of September 30, 2017, December 31, 2016 and September 30, 2016, respectively.

b. Short-term bills payable - only as of September 30, 2016

	NT\$
Commercial papers	\$ 2,000,000
Less: unamortized discounts	<u>658</u>
	<u>\$ 1,999,342</u>
Annual interest rate	0.67%

c. Long-term borrowings

1) Bank loans

As of September 30, 2017, December 31, 2016 and September 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 rates will be repayable in December 2018. The others were long-term loans with floating interest rates consisted of the followings:

	<u>September 30,</u> <u>2017</u> NT\$	<u>December 31,</u> <u>2016</u> NT\$	<u>September 30,</u> <u>2016</u> NT\$
Working capital bank loans			
Syndicated bank loans - repayable through January 2018 to July 2018, annual interest rates were 2.43%, 2.55% and 1.94% as of September 30, 2017, December 31, 2016 and September 30, 2016, respectively	\$ 4,850,400	\$ 9,223,500	\$ 8,968,960
Others - repayable through October 2017 to October 2019, annual interest rates were 0.86%-1.87%, 0.74%-4.48% and 0.74%-4.33% as of September 30, 2017, December 31, 2016 and September 30, 2016, respectively	24,287,205	36,009,917	33,147,893

(Continued)

	September 30, 2017	December 31, 2016	September 30, 2016
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Mortgage loans			
Repayable through December 2017 to June 2023, annual interest rates were all 4.95%-5.39% as of September 30, 2017, December 31, 2016 and September 30, 2016	\$ 4,731,091	\$ 4,390,003	\$ 4,607,809
	33,868,696	49,623,420	46,724,662
Less: unamortized arrangement fee	<u>2,399</u>	<u>7,198</u>	<u>9,596</u>
	33,866,297	49,616,222	46,715,066
Less: current portion	<u>6,839,993</u>	<u>6,567,565</u>	<u>6,272,817</u>
	<u>\$ 27,026,304</u>	<u>\$ 43,048,657</u>	<u>\$ 40,442,249</u>
			(Concluded)

Pursuant to the above syndicated bank loans agreements, the Company 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 Company was in compliance with all of the loan covenants during the nine months ended September 30, 2017 and 2016.

2) Long-term bills payable

	September 30, 2017	December 31, 2016	September 30, 2016
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Ta Ching Bills Finance Corporation, repayable in December 2018, annual interest rates were 1.00%, 1.00% and 0.97% as of September 30, 2017, December 31, 2016 and September 30, 2016	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
China Bills Finance Corporation, repayable in February 2019, annual interest rate was 0.96%	1,000,000	-	-
International Bills Finance Corporation, repayable in March 2019, annual interest rate was 0.96%	<u>1,000,000</u>	<u>-</u>	<u>-</u>
	4,000,000	2,000,000	2,000,000
Less: unamortized discounts	<u>1,261</u>	<u>659</u>	<u>1,062</u>
	<u>\$ 3,998,739</u>	<u>\$ 1,999,341</u>	<u>\$ 1,998,938</u>

20. BONDS PAYABLE

	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 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	-	12,900,000	12,544,000
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, interest due semi-annually with annual interest rate at 2.125% and has been repaid in July 2017	-	9,675,000	9,408,000
	<u>23,185,600</u>	<u>37,760,600</u>	<u>37,137,600</u>
Less: discounts on bonds payable	<u>68,224</u>	<u>760,697</u>	<u>881,000</u>
	23,117,376	36,999,903	36,256,600
Less: current portion	<u>6,136,891</u>	<u>9,658,346</u>	<u>9,384,865</u>
	<u>\$ 16,980,485</u>	<u>\$ 27,341,557</u>	<u>\$ 26,871,735</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 December 31, 2016 and September 30, 2016, the conversion prices were both NT\$28.99. As of September 30, 2017, the Bonds holders have exercised the conversion right to convert the Bonds of US\$399,600 thousand into the company's ordinary shares at conversion prices from NT\$27.95 to 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.

As of September 30, 2017, the closing price of the Company’s ordinary shares (translated into U.S. dollars at the prevailing rates) for a period of 20 consecutive trading days is higher than 130% of the conversion price in U.S. dollar translated at the fixed exchange rate of US\$1 to NT\$29.956 determined on pricing date per ordinary share. Therefore, the Company’s board of directors resolved in July 2017 to issue a notice of early redemption and early redeemed the outstanding Bonds of US\$400 thousand in September 2017.

- 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 September 30, 2017, December 31, 2016 and September 30, 2016, the conversion price was NT\$47.76, NT\$49.52 and NT\$49.52, 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. As of September 30, 2017, the Company’s subsidiary has repaid the Green Bonds.

21. OTHER PAYABLES

	September 30, 2017	December 31, 2016	September 30, 2016
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Accrued salary and bonus	\$ 6,500,980	\$ 6,606,406	\$ 5,900,872
Payables for property, plant and equipment	4,406,763	5,605,528	5,607,586
Accrued employees' compensation and remuneration to directors and supervisors	1,875,436	2,400,778	1,577,483
Accrued employee insurance	704,198	617,419	623,069
Accrued utilities	465,230	410,796	446,717
Payables for patents and acquired specific technology (Note 35)	113,681	120,938	117,600
Others	<u>5,323,708</u>	<u>5,760,169</u>	<u>5,601,862</u>
	<u>\$ 19,389,996</u>	<u>\$ 21,522,034</u>	<u>\$ 19,875,189</u>

22. 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.

23. EQUITY

a. Share capital

Ordinary shares

	September 30, 2017	December 31, 2016	September 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>
Number of shares issued and fully paid (in thousands)	<u>8,725,506</u>	<u>7,946,184</u>	<u>7,936,690</u>

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 September 30, 2017, December 31, 2016 and September 30, 2016, there were 500,000 thousand ordinary shares included in the authorized shares 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 in March 2017.

As disclosed in Note 20, there were 424,258 thousand ordinary shares were issued under the conversion of Bonds as of September 30, 2017. The record dates of 323,094 thousand and 101,164 thousand ordinary shares were October 13, 2017 and July 13, 2017, respectively. The Company has completed the registration formalities before the consolidated financial statements were authorized for issue by the board of directors.

American Depositary Receipts

The Company issued ADSs and each ADS represents five ordinary shares. As of September 30, 2017, December 31, 2016 and September 30, 2016, 107,475 thousand, 125,518 thousand and 125,518 thousand ADSs were outstanding and represented approximately 537,377 thousand, 627,590 thousand and 627,590 thousand ordinary shares of the Company, respectively.

b. Capital surplus

	<u>September 30,</u> <u>2017</u> <u>NT\$</u>	<u>December 31,</u> <u>2016</u> <u>NT\$</u>	<u>September 30,</u> <u>2016</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	\$ 15,515,797	\$ 5,844,397	\$ 5,704,731
Arising from conversion of bonds payable	451,815	-	-
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	1,151,345	950,368	950,368
Arising from exercised employee share options	828,104	630,411	597,869
Arising from expired employee share options (Note 27)	17,167	3,626	3,626
Arising from share of changes in capital surplus of associates	84,509	82,243	38,567
<u>May not be used for any purpose</u>			
Arising from employee share options	1,245,707	1,230,247	1,198,714
Arising from equity component of convertible bonds	214,022	214,022	214,022
Others (3)	<u>7,526,018</u>	<u>-</u>	<u>-</u>
	<u>\$ 40,347,274</u>	<u>\$ 22,265,049</u>	<u>\$ 22,461,952</u>

- 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 24(g).

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:

	Appropriation of Earnings		Dividends Per Share	
	For Year 2016	For Year 2015	For Year 2016	For Year 2015
	NT\$	NT\$	NT\$	NT\$
			(in dollars)	(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

	For the Nine Months Ended September 30	
	2017	2016
	NT\$	NT\$
Balance at January 1	\$ (1,642,724)	\$ 4,493,570
Exchange differences arising on translating foreign operations	(3,912,689)	(6,147,519)
Share of exchange difference of associates and joint venture accounted for using the equity method	<u>(119,500)</u>	<u>(301,327)</u>
Balance at September 30	<u>\$ (5,674,913)</u>	<u>\$ (1,955,276)</u>

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

	For the Nine Months Ended September 30	
	2017	2016
	NT\$	NT\$
Balance at January 1	\$ (240,850)	\$ 588,119
Unrealized gain (loss) arising on revaluation of available-for-sale financial assets	133,521	(62,028)
Cumulative loss reclassified to profit or loss on impairment of available-for-sale financial assets	50,206	-
Cumulative gain reclassified to profit or loss on disposal of available-for-sale financial assets	(1,417)	7,512
Unrealized gain (loss) on available-for-sale financial assets of associates and joint venture accounted for using the equity method	<u>597,452</u>	<u>(233,717)</u>
Balance at September 30	<u>\$ 538,912</u>	<u>\$ 299,886</u>

e. Treasury shares (in thousand shares)

	Beginning Balance	Addition	Decrease	Ending Balance
<u>For the nine months ended September 30, 2017</u>				
Shares held by subsidiaries	145,883	-	-	145,883

(Continued)

	Beginning Balance	Addition	Decrease	Ending Balance
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 nine months ended September 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>

(Concluded)

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>September 30, 2017</u>			
ASE Test	88,200	\$ 1,380,721	\$ 3,276,648
J&R Holding	46,704	381,709	1,735,045
ASE Test, Inc.	<u>10,979</u>	<u>196,677</u>	<u>407,862</u>
	<u>145,883</u>	<u>\$ 1,959,107</u>	<u>\$ 5,419,555</u>
<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>September 30, 2016</u>			
ASE Test	88,200	\$ 1,380,721	\$ 3,316,338
J&R Holding	46,704	381,709	1,756,061
ASE Test, Inc.	<u>10,979</u>	<u>196,677</u>	<u>412,802</u>
	<u>145,883</u>	<u>\$ 1,959,107</u>	<u>\$ 5,485,201</u>

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 Nine Months Ended September 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	1,131,626	821,180
Exchange difference on translating foreign operations	(266,791)	(596,012)
Unrealized gain on available-for-sale financial assets	716	1,547
Non-controlling interest arising from acquisition of subsidiaries (Note 28)	-	42,857
Additional non-controlling interests arising from partial disposal of subsidiaries (Note 30)	(3,055)	26,436
Repurchase of outstanding ordinary shares of subsidiaries (Note 30)	-	(912,886)
Non-controlling interest relating to outstanding vested share options held by the employees of subsidiaries	171,247	425,523
Cash dividends to non-controlling interests	<u>(246,440)</u>	<u>(236,426)</u>
Balance at September 30	<u>\$ 12,796,056</u>	<u>\$ 11,076,097</u>

24. PROFIT BEFORE INCOME TAX

a. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
	NT\$	NT\$	NT\$	NT\$
Government subsidy	\$ 65,560	\$ 94,227	\$ 228,436	\$ 219,725
Interest income	63,687	57,429	178,027	171,615
Rental income	36,882	13,144	81,046	38,096
Dividends income	<u>20,437</u>	<u>2,894</u>	<u>47,225</u>	<u>20,625</u>
	<u>\$ 186,566</u>	<u>\$ 167,694</u>	<u>\$ 534,734</u>	<u>\$ 450,061</u>

b. Other gains (losses), net

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
	NT\$	NT\$	NT\$	NT\$
Gain on disposal of subsidiaries (Note 29)	\$ -	\$ -	\$ 5,643,773	\$ -
Net gains (losses) arising on financial instruments held for trading	487,369	(2,056,755)	(2,812,496)	(1,657,476)
Net gains on financial assets designated as at FVTPL	109,329	58,947	245,463	165,319
Foreign exchange gains, net	33,192	1,592,864	2,722,632	2,235,621
Gain (loss) on disposal of property, plant and equipment	(32,134)	77,271	354,871	19,284
Impairment losses	-	(374,185)	(335,672)	(888,732)
Others	<u>58,888</u>	<u>61,624</u>	<u>125,312</u>	<u>117,703</u>
	<u>\$ 656,644</u>	<u>\$ (640,234)</u>	<u>\$ 5,943,883</u>	<u>\$ (8,281)</u>

c. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
	NT\$	NT\$	NT\$	NT\$
Total interest expense for financial liabilities measured at amortized cost	\$ 473,102	\$ 610,084	\$ 1,561,202	\$ 1,923,733
Less: Amounts included in the cost of qualifying assets				
Inventories related to real estate business	(50,678)	(60,625)	(187,446)	(176,710)
Property, plant and equipment	<u>(8,904)</u>	<u>(13,913)</u>	<u>(45,653)</u>	<u>(38,828)</u>
	413,520	535,546	1,328,103	1,708,195
Other finance costs	<u>5,163</u>	<u>11,912</u>	<u>17,399</u>	<u>38,390</u>
	<u>\$ 418,683</u>	<u>\$ 547,458</u>	<u>\$ 1,345,502</u>	<u>\$ 1,746,585</u>

Information relating to the capitalized borrowing costs was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 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	1.75%-4.48%	1.21%-4.05%	1.26%-5.49%	1.15%-4.05%

d. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
	NT\$	(Retrospectively Adjusted) NT\$	NT\$	(Retrospectively Adjusted) NT\$
Property, plant and equipment	\$ 7,193,602	\$ 7,252,369	\$ 21,409,699	\$ 21,694,771
Investment properties	30,479	-	30,479	-
Other intangible assets	113,497	122,809	344,151	389,363
Total	\$ 7,337,578	\$ 7,375,178	\$ 21,784,329	\$ 22,084,134
Summary of depreciation by function				
Operating costs	\$ 6,712,293	\$ 6,764,505	\$ 19,934,724	\$ 20,206,684
Operating expenses	511,788	487,864	1,505,454	1,488,087
	<u>\$ 7,224,081</u>	<u>\$ 7,252,369</u>	<u>\$ 21,440,178</u>	<u>\$ 21,694,771</u>
Summary of amortization by function				
Operating costs	\$ 33,927	\$ 40,143	\$ 106,068	\$ 114,823
Operating expenses	79,570	82,666	238,083	274,540
	<u>\$ 113,497</u>	<u>\$ 122,809</u>	<u>\$ 344,151</u>	<u>\$ 389,363</u>

e. Operating expenses directly related to investment properties

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
	NT\$	NT\$	NT\$	NT\$
Direct operating expenses of investment properties that generated rental income	\$ 125,785	\$ -	\$ 125,785	\$ -

f. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
	NT\$	NT\$	NT\$	NT\$
Post-employment benefits				
Defined contribution plans	\$ 597,856	\$ 594,697	\$ 1,741,016	\$ 1,764,165
Defined benefit plans	74,888	100,268	239,115	297,425
	672,744	694,965	1,980,131	2,061,590
Equity-settled share-based payments	96,948	112,979	397,659	353,676
Other employee benefits	12,912,326	12,922,010	37,945,020	36,296,065
	<u>\$ 13,682,018</u>	<u>\$ 13,729,954</u>	<u>\$ 40,332,810</u>	<u>\$ 38,711,331</u>

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
	NT\$	NT\$	NT\$	NT\$
Summary of employee benefits expense by function				
Operating costs	\$ 9,110,546	\$ 9,302,919	\$ 26,837,930	\$ 26,264,502
Operating expenses	<u>4,571,472</u>	<u>4,427,035</u>	<u>13,484,880</u>	<u>12,446,829</u>
	<u>\$ 13,682,018</u>	<u>\$ 13,729,954</u>	<u>\$ 40,322,810</u>	<u>\$ 38,711,331</u>

(Concluded)

g. 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 nine months ended September 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 September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
	NT\$	NT\$	NT\$	NT\$
Employees' compensation	\$ 609,500	\$ 506,210	\$ 1,676,620	\$ 1,409,574
Remuneration to directors	55,409	46,019	152,420	128,143

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.

25. INCOME TAX

a. Income tax recognized in profit or loss

The major components of income tax were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
	NT\$	NT\$	NT\$	NT\$
Current income tax				
In respect of the current period	\$ 946,752	\$ 1,135,051	\$ 3,843,507	\$ 3,609,224
Income tax on unappropriated earnings	-	-	818,557	559,606
Changes in estimate for prior periods	<u>581</u>	<u>(4,265)</u>	<u>(42,415)</u>	<u>26,514</u>
	<u>947,333</u>	<u>1,130,786</u>	<u>4,619,649</u>	<u>4,195,344</u>
Deferred income tax				
In respect of the current period	108,731	(34,465)	574,219	(238,983)
Adjustments attributable to changes in tax rates	-	-	-	14,184
Changes in estimate for prior periods	412	379	51,857	(26,840)
Effect of foreign currency exchange differences	<u>26,874</u>	<u>(121,170)</u>	<u>(69,732)</u>	<u>(126,918)</u>
	<u>136,017</u>	<u>(155,256)</u>	<u>556,344</u>	<u>(378,557)</u>
Income tax recognized in profit or loss	<u>\$ 1,083,350</u>	<u>\$ 975,530</u>	<u>\$ 5,175,993</u>	<u>\$ 3,816,787</u>

b. Integrated income tax

As of September 30, 2017, December 31, 2016 and September 30, 2016, unappropriated earnings were all generated on and after January 1, 1998. As of September 30, 2017, December 31, 2016 and September 30, 2016, the balance of the Imputation Credit Account ("ICA") was NT\$3,317,787 thousand, NT\$3,328,374 thousand and NT\$2,484,934 thousand, respectively.

The creditable ratio for the distribution of earnings of 2016 and 2015 was 10.01% (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 2015 and through 2013 to 2015, respectively.

26. 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 September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
		(Retrospectively Adjusted)		(Retrospectively Adjusted)
	NT\$	NT\$	NT\$	NT\$
Net profit for the period attributable to owners of the Company	\$ 6,335,893	\$ 5,501,750	\$ 16,742,120	\$ 13,685,878
Effect of potentially dilutive ordinary shares:				
Employee share options issued by subsidiaries	(258,766)	(102,880)	(737,608)	(291,290)
Investments in associates	(14,711)	(232,138)	(411,398)	(455,098)
Convertible bonds	<u>(74,899)</u>	<u>146,220</u>	<u>70,088</u>	<u>(551,720)</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 5,987,517</u>	<u>\$ 5,312,952</u>	<u>\$ 15,663,202</u>	<u>\$ 12,387,770</u>

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
	Weighted average number of ordinary shares in the computation of basic earnings per share	8,350,512	7,668,008	8,057,642
Effect of potentially dilutive ordinary shares:				
Convertible bonds	230,465	515,295	124,911	515,295
Employee share options	35,624	62,335	42,865	61,385
Employees' compensation	<u>8,203</u>	<u>6,732</u>	<u>40,677</u>	<u>37,793</u>
Weighted average number of ordinary shares in the computation of diluted earnings per share	<u>8,624,804</u>	<u>8,252,370</u>	<u>8,266,095</u>	<u>8,272,940</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 nine months ended September 30, 2017 and were excluded from the computation of diluted earnings per share for the same period.

27. 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 Nine Months Ended September 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	(4,925)	36.3	(4,556)	34.5
Options exercised	<u>(55,064)</u>	20.8	<u>(26,262)</u>	20.9
Balance at September 30	<u>150,806</u>	29.4	<u>221,789</u>	27.1
Options exercisable, end of period	<u>99,776</u>	25.8	<u>132,619</u>	20.8

The weighted average share prices at exercise dates of share options for the nine months ended September 30, 2017 and 2016 was NT\$37.6 and NT\$36.5, 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)
September 30, 2017	\$ 20.4-22.6 36.5	2.3 7.9
December 31, 2016	20.4-22.6 36.5	2.5 8.7
September 30, 2016	20.4-22.6 36.5	2.7 8.9

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 Nine Months Ended September 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 September 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 September 30, 2017, December 31, 2016 and September 30, 2016, the remaining contractual life was 0.3 year, 1 year and 1.3 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 Nine Months Ended September 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>(3,762)</u>	2.0
Balance at September 30	<u>25,933</u>	2.2	<u>25,933</u>	2.2
Options exercisable, end of period	<u>25,933</u>	2.2	<u>25,933</u>	2.2

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)
September 30, 2017	\$ 1.5 2.4-2.9	3.2 3.1
December 31, 2016	1.5 2.4-2.9	4.0 3.9
September 30, 2016	1.5 2.4-2.9	4.2 4.1

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 Nine Months Ended September 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>(930)</u>	15.5	<u>(1,211)</u>	15.5
Balance at September 30	<u>24,067</u>	15.5	<u>25,416</u>	15.5
Options exercisable, end of period	<u> -</u>	-	<u> -</u>	-

As of September 30, 2017, December 31, 2016 and September 30, 2016, the remaining contractual life of the share options was 8.2 years, 8.9 years and 9.2 years, respectively.

Employee benefits expense recognized for employee share options granted by the Company and its subsidiary, USISH, was NT\$96,948 thousand, NT\$112,979 thousand, NT\$313,659 thousand and NT\$353,676 thousand for the three months and nine months ended September 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.

28. 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 September 30, 2016, the retrospective adjustments are summarized as follows:

	After Retrospectively Adjusted	Before Retrospectively Adjusted
	NT\$	NT\$
<hr/> December 31, 2016 <hr/>		
Goodwill	<u>\$ 10,490,309</u>	<u>\$ 10,558,878</u>
Other intangible assets	<u>\$ 1,617,261</u>	<u>\$ 1,560,989</u>
<hr/> September 30, 2016 <hr/>		
Goodwill	<u>\$ 10,443,879</u>	<u>\$ 10,512,448</u>
Other intangible assets	<u>\$ 1,763,579</u>	<u>\$ 1,704,669</u>
<hr/> For three months ended September 30, 2016 <hr/>		
Operating costs	<u>\$ 58,673,415</u>	<u>\$ 58,670,777</u>
Operating expenses	<u>\$ 6,674,653</u>	<u>\$ 6,674,653</u>
<hr/> For nine months ended September 30, 2016 <hr/>		
Operating costs	<u>\$ 159,942,771</u>	<u>\$ 159,938,375</u>
Operating expenses	<u>\$ 19,282,626</u>	<u>\$ 19,241,527</u>

The aforementioned retrospective adjustments are accordingly recorded as a decrease of retained earnings of NT\$28,880 thousand and NT\$27,297 thousand and as an increase of non-controlling

interests of NT\$16,583 thousand and NT\$17,638 thousand as of December 31 and September 30, 2016, respectively.

29. 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>

30. 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.

31. NON-CASH TRANSACTIONS

Except those disclosed in Note 11, for the nine months ended September 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 Nine Months Ended September 30	
	2017	2016
	NT\$	NT\$
Payments for property, plant and equipment		
Purchase of property, plant and equipment	\$ 18,585,243	\$ 21,284,821
Increase (decrease) in prepayments for property, plant and equipment (recorded under the line item of other non-current assets)	158,982	(29,653)
Decrease (increase) in payables for property, plant and equipment	1,198,765	(825,229)
Capitalized borrowing costs	<u>(45,653)</u>	<u>(38,828)</u>
	<u>\$ 19,897,337</u>	<u>\$ 20,391,111</u>
Proceeds from disposal of property, plant and equipment		
Consideration from disposal of property, plant and equipment	\$ 1,453,801	\$ 439,798
Decrease (increase) in other receivables	<u>16,991</u>	<u>(310,537)</u>
	<u>\$ 1,470,792</u>	<u>\$ 129,261</u>
Payments for other intangible assets		
Purchase of other intangible assets	\$ 196,227	\$ 687,528
Increase (decrease) in payables for patents (recorded under the line item of other payables)	<u>40,106</u>	<u>(313,600)</u>
	<u>\$ 236,333</u>	<u>\$ 373,928</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>

32. OPERATING LEASE ARRANGEMENTS

Except those discussed in Note 18, 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\$278,291 thousand, NT\$396,530 thousand, NT\$910,084 thousand and NT\$1,073,013 thousand for the three months and nine months ended September 30, 2017 and 2016, respectively, from the aforementioned operating lease arrangements and the land use rights disclosed in Note 18.

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

	NT\$
Less than 1 year	\$ 269,353
1 to 5 years	471,824
More than 5 years	<u>401,385</u>
	<u>\$ 1,142,562</u>

33. 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 19.

34. 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 September 30, 2017, December 31, 2016 and September 30, 2016, respectively, were as follows:

	<u>Carrying Amount</u> NT\$	<u>Fair Value</u> NT\$
September 30, 2017	\$ 23,117,376	\$ 23,209,581
December 31, 2016	36,999,903	37,300,356
September 30, 2016	36,256,600	36,680,738

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>September 30, 2017</u>				
Financial assets at FVTPL				
Financial assets designated as at FVTPL				
Private-placement convertible bonds	\$ -	\$ 100,570	\$ -	\$ 100,570
Derivative financial assets				
Swap contracts	-	299,677	-	299,677
Forward exchange contracts	-	44,741	-	44,741
Non-derivative financial assets held for trading				
Quoted shares	2,306,794	-	-	2,306,794
Open-end mutual funds	<u>588,118</u>	<u>-</u>	<u>-</u>	<u>588,118</u>
	<u>\$ 2,894,912</u>	<u>\$ 444,988</u>	<u>\$ -</u>	<u>\$ 3,339,900</u>
Available-for-sale financial assets				
Unquoted shares	\$ -	\$ -	\$ 643,957	\$ 643,957
Limited partnership	-	-	263,147	263,147
Quoted shares	261,924	-	-	261,924
Open-end mutual funds	<u>23,175</u>	<u>-</u>	<u>-</u>	<u>23,175</u>
	<u>\$ 285,099</u>	<u>\$ -</u>	<u>\$ 907,104</u>	<u>\$ 1,192,203</u>
Financial liabilities at FVTPL				
Derivative financial liabilities				
Swap contracts	\$ -	\$ 747,465	\$ -	\$ 747,465
Forward exchange contracts	<u>-</u>	<u>56,460</u>	<u>-</u>	<u>56,460</u>
	<u>\$ -</u>	<u>\$ 803,925</u>	<u>\$ -</u>	<u>\$ 803,925</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>September 30, 2016</u>				
Financial assets at FVTPL				
Financial assets designated as at FVTPL				
Private-placement convertible bonds	\$ -	\$ 100,583	\$ -	\$ 100,583
Derivative financial assets				
Forward exchange contracts	-	55,645	-	55,645
Swap contracts	-	38,451	-	38,451
Non-derivative financial assets held for trading				
Open-end mutual funds	584,424	-	-	584,424
Quoted shares	<u>34,728</u>	<u>-</u>	<u>-</u>	<u>34,728</u>
	<u>\$ 619,152</u>	<u>\$ 194,679</u>	<u>\$ -</u>	<u>\$ 813,831</u>
Available-for-sale financial assets				
Limited Partnership	\$ -	\$ -	\$ 448,913	\$ 448,913
Unquoted shares	-	-	520,668	520,668
Quoted shares	160,243	-	-	160,243
Open-end mutual funds	<u>44,207</u>	<u>-</u>	<u>-</u>	<u>44,207</u>
	<u>\$ 204,450</u>	<u>\$ -</u>	<u>\$ 969,581</u>	<u>\$ 1,174,031</u>
Financial liabilities at FVTPL				
Derivative financial liabilities				
Conversion option, redemption option and put option of convertible bonds	\$ -	\$ 2,224,051	\$ -	\$ 2,224,051
Swap contracts	-	1,708,293	-	1,708,293
Forward exchange contracts	-	10,825	-	10,825
Interest rate swap contracts	-	8,791	-	8,791
Foreign currency option contracts	<u>-</u>	<u>1,560</u>	<u>-</u>	<u>1,560</u>
	<u>\$ -</u>	<u>\$ 3,953,520</u>	<u>\$ -</u>	<u>\$ 3,953,520</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 nine months ended

September 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 nine months ended September 30, 2017 and 2016 were as follows:

	For the Nine Months Ended September 30	
	2017	2016
	NT\$	NT\$
Balance at January 1	\$ 904,790	\$ 741,089
Purchases	2,649	297,678
Total gains or losses recognized		
In profit or loss	28	(10,734)
In other comprehensive income	(335)	(29,525)
Disposals	<u>(28)</u>	<u>(28,927)</u>
Balance at September 30	<u>\$ 907,104</u>	<u>\$ 969,581</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
Private-placement convertible bonds	Discounted cash flows - Future cash flows are estimated based on observable forward interest rates and stock prices at balance sheet dates and contract interest rates and 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\$0 thousand and NT\$50,206 thousand under the line item of other gains (losses), net in the consolidated statements of comprehensive income for the three months and the nine months ended September 30, 2017 and 2016, respectively.

c. Categories of financial instruments

	September 30, 2017	December 31, 2016	September 30, 2016
	NT\$	NT\$	NT\$
Financial assets			
FVTPL			
Designated as at FVTPL	\$ 100,570	\$ 100,583	\$ 100,583
Held for trading	3,239,330	2,969,229	713,248
Available-for-sale financial assets	1,192,203	1,295,034	1,174,031
Loans and receivables (Note 1)	97,243,458	92,082,628	93,009,972
Financial liabilities			
FVTPL			
Held for trading	803,925	1,763,660	3,953,520
Measured at amortized cost (Note 2)	142,587,867	168,397,006	177,209,507

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

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

d. Financial risk management objectives and policies

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

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

1) Market risk

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

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

a) Foreign currency exchange rate risk

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

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities (including those eliminated upon consolidation) as well as derivative instruments which exposed the Group to foreign currency exchange rate risk at each balance sheet date are presented in Note 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\$112,000 thousand and NT\$218,000 thousand for the nine months ended September 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 nine months ended September 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:

	September 30, 2017	December 31, 2016	September 30, 2016
	NT\$	NT\$	NT\$
Fair value interest rate risk			
Financial liabilities	\$ 19,064,600	\$ 30,243,887	\$ 29,731,458
Cash flow interest rate risk			
Financial assets	26,250,636	29,977,709	30,340,234
Financial liabilities	52,462,269	65,800,323	72,903,042

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 nine months ended September 30, 2017 and 2016 would have decreased or increased approximately by NT\$197,000 thousand and NT\$320,000 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 nine months ended September 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 nine months ended September 30, 2017 and 2016 would have increased or decreased approximately by NT\$30,000 thousand and NT\$7,200 thousand, respectively, and other comprehensive income before income tax for the nine months ended September 30, 2017 and 2016 would have increased or decreased both approximately by NT\$12,000 thousand.

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 nine months ended September 30, 2016 would have decreased approximately by NT\$644,000 thousand, or increased approximately NT\$528,000 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>September 30, 2017</u>					
Non-derivative financial liabilities					
Non-interest bearing	\$ 32,269,355	\$ 16,114,887	\$ 4,270,517	\$ 27,782	\$ 179,485
Floating interest rate liabilities	8,943,728	4,493,645	8,809,353	30,518,169	1,446,822
Fixed interest rate liabilities	<u>3,138,643</u>	<u>1,953,601</u>	<u>6,444,055</u>	<u>13,415,160</u>	<u>6,462,396</u>
	<u>\$ 44,351,726</u>	<u>\$ 22,562,133</u>	<u>\$ 19,523,925</u>	<u>\$ 43,961,111</u>	<u>\$ 8,088,703</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>September 30, 2016</u>					
Non-derivative financial liabilities					
Non-interest bearing	\$ 25,814,299	\$ 20,449,262	\$ 4,484,715	\$ 1,882	\$ 185,672
Floating interest rate liabilities	17,893,862	7,033,066	6,508,471	41,578,145	2,123,033
Fixed interest rate liabilities	<u>4,718,810</u>	<u>3,804,691</u>	<u>10,026,691</u>	<u>28,049,987</u>	<u>2,062,500</u>
	<u>\$ 48,426,971</u>	<u>\$ 31,287,019</u>	<u>\$ 21,019,877</u>	<u>\$ 69,630,014</u>	<u>\$ 4,371,205</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>September 30, 2017</u>			
Net settled			
Forward exchange contracts	<u>\$ (60)</u>	<u>\$ 35,000</u>	<u>\$ -</u>
Gross settled			
Forward exchange contracts			
Inflows	\$ 3,757,497	\$ 1,572,050	\$ -
Outflows	<u>(3,779,092)</u>	<u>(1,579,412)</u>	<u>-</u>
	<u>(21,595)</u>	<u>(7,362)</u>	<u>-</u>
Swap contracts			
Inflows	16,718,797	14,804,391	37,287,450
Outflows	<u>(16,776,093)</u>	<u>(15,205,080)</u>	<u>(36,802,430)</u>
	<u>(57,296)</u>	<u>(400,689)</u>	<u>485,020</u>
	<u>\$ (78,891)</u>	<u>\$ (408,051)</u>	<u>\$ 485,020</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	\$ <u>22,680</u>	\$ <u>13,320</u>	\$ <u>-</u>
Foreign currency options contracts	\$ <u>(344)</u>	\$ <u>-</u>	\$ <u>-</u>
Gross settled			
Forward exchange contracts			
Inflows	\$ 5,134,196	\$ 912,213	\$ -
Outflows	<u>(5,245,724)</u>	<u>(915,900)</u>	<u>-</u>
	<u>(111,528)</u>	<u>(3,687)</u>	<u>-</u>
Swap contracts			
Inflows	5,345,159	17,399,695	43,537,500
Outflows	<u>(5,439,190)</u>	<u>(17,540,927)</u>	<u>(42,882,201)</u>
	<u>(94,031)</u>	<u>(141,232)</u>	<u>655,299</u>
	<u>\$ (205,559)</u>	<u>\$ (144,919)</u>	<u>\$ 655,299</u>
<u>September 30, 2016</u>			
Net settled			
Forward exchange contracts	\$ <u>43,105</u>	\$ <u>1,600</u>	\$ <u>-</u>
Foreign currency option contracts	\$ <u>1,043</u>	\$ <u>-</u>	\$ <u>-</u>
Gross settled			
Forward exchange contracts			
Inflows	\$ 3,504,294	\$ 672,875	\$ -
Outflows	<u>(3,507,738)</u>	<u>(674,546)</u>	<u>-</u>
	<u>(3,444)</u>	<u>(1,671)</u>	<u>-</u>
Swap contracts			
Inflows	14,149,871	16,423,419	37,318,400
Outflows	<u>(14,255,579)</u>	<u>(16,759,396)</u>	<u>(38,314,216)</u>
	<u>(105,708)</u>	<u>(335,977)</u>	<u>(995,816)</u>
Interest rate swap contracts			
Outflows	<u>(11,595)</u>	<u>-</u>	<u>-</u>
	<u>\$ (120,747)</u>	<u>\$ (337,648)</u>	<u>\$ (995,816)</u> (Concluded)

35. 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
Fu Hwa Construction Co., Ltd. | Substantial related party
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 37).
- 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 September 30, 2017, NT\$113,681 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 September 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 Ended September 30</u>		<u>For the Nine Months Ended September 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	\$ 203,736	\$ 209,947	\$ 600,528	\$ 610,714
Post-employment benefits	877	959	2,803	2,836
Share-based payments	<u>2,377</u>	<u>15,180</u>	<u>9,753</u>	<u>47,520</u>
	<u>\$ 206,990</u>	<u>\$ 226,086</u>	<u>\$ 613,084</u>	<u>\$ 661,070</u>

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

36. 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>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Inventories related to real estate business	\$ 4,825,338	\$ 16,813,023	\$ 19,272,915
Investment properties	7,068,509	-	-
Land use rights (Long-term prepayments for lease)	5,747,793	-	-
Other financial assets (including current and non-current)	<u>70,304</u>	<u>220,228</u>	<u>243,505</u>
	<u>\$ 17,711,944</u>	<u>\$ 17,033,251</u>	<u>\$ 19,516,420</u>

37. 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 September 30, 2017, December 31, 2016 and September 30, 2016, unused letters of credit of the Group were approximately NT\$36,000 thousand, NT\$97,000 thousand and NT\$88,000 thousand, respectively.
- b. As of September 30, 2017, December 31, 2016 and September 30, 2016, outstanding commitments to purchase property, plant and equipment of the Group were approximately NT\$3,924,041 thousand, NT\$6,630,957 thousand and NT\$6,983,924 thousand, respectively, of which NT\$384,777 thousand, NT\$668,509 thousand and NT\$1,353,773 thousand had been prepaid, respectively. As of September 30, 2017, December 31, 2016 and September 30, 2016, the commitment that the Group has contracted for the construction related to our real estate business were approximately NT\$1,744,599 thousand, NT\$1,574,822 thousand and NT\$2,106,576 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.

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>September 30, 2017</u>			
Monetary financial assets			
US\$	\$ 3,267,105	US\$1=NT\$30.315	\$ 99,042,297
US\$	936,859	US\$1=CNY6.6369	28,400,886
JPY	4,531,368	JPY1=NT\$0.2697	1,222,110
JPY	8,673,633	JPY1=US\$0.0089	2,339,279
Monetary financial liabilities			
US\$	2,933,131	US\$1=NT\$30,315	88,917,880
US\$	898,508	US\$1=CNY6.6369	27,238,274
JPY	4,608,452	JPY1=NT\$0.2697	1,242,900
JPY	8,918,097	JPY1=US\$0.0089	2,405,211
<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

(Continued)

	Foreign Currencies (In Thousand)	Exchange Rate	Carrying Amount (In Thousand)
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
<hr/> September 30, 2016 <hr/>			
Monetary financial assets			
US\$	3,455,665	US\$1=NT\$31.36	108,369,656
US\$	1,028,436	US\$1=CNY6.6778	32,251,751
JPY	3,040,963	JPY1=NT\$0.3109	945,435
JPY	8,992,855	JPY1=US\$0.0099	2,795,879
Monetary financial liabilities			
US\$	2,778,373	US\$1=NT\$31.36	87,129,763
US\$	969,433	US\$1=CNY6.6778	30,401,433
JPY	6,985,135	JPY1=NT\$0.3109	2,171,678
JPY	9,313,192	JPY1=US\$0.0099	2,895,471
			(Concluded)

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

Foreign Currencies	<u>For the Three Months Ended September 30, 2017</u>		<u>For the Three Months Ended September 30, 2016</u>	
	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
US\$	US\$1=NT\$30.315	\$ (5,577)	US\$1=NT\$31.36	\$ (83,330)
NT\$		188,942		1,635,486
CNY	CNY1=NT\$4.5676	<u>(146,922)</u>	CNY1=NT\$4.6962	<u>27,079</u>
		<u>\$ 36,443</u>		<u>\$ 1,579,235</u>
Foreign Currencies	<u>For the Nine Months Ended September 30, 2017</u>		<u>For the Nine Months Ended September 30, 2016</u>	
	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
US\$	US\$1=NT\$30.315	\$ (200,581)	US\$1=NT\$31.36	\$ (335,549)
NT\$		3,209,973		2,553,110
CNY	CNY1=NT\$4.5676	<u>(255,670)</u>	CNY1=NT\$4.6962	<u>56,388</u>
		<u>\$ 2,753,722</u>		<u>\$ 2,273,949</u>

39. OTHERS

- a. 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.

- b. 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.

According to the share exchange agreement, the completion of share exchange transaction is subject to the satisfaction or waiver of all conditions precedent. 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. As of the date the consolidated financial statements were authorized for issue by the board of directors, the unsatisfied conditions includes the unconditional approvals at the Company and SPIL's shareholders meeting and the approval or consent to consummate the transaction from the Ministry of Commerce of the People's Republic of China, therefore the share exchange transaction has not been completed.

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. As of September 30, 2017, the outstanding balance of the Bonds has been fully converted or redeemed.
- 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 hold 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 in development, sale and leasing. 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 nine months ended September 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 nine months ended September 30, 2017</u>							
Revenue from external customers	<u>\$ 93,180,402</u>	<u>\$ 19,603,493</u>	<u>\$ 90,663,084</u>	<u>\$ 235,691</u>	<u>\$ 2,772,484</u>	<u>\$ -</u>	<u>\$ 206,455,154</u>
Inter-segment revenues (Note)	<u>\$ 3,669,072</u>	<u>\$ 131,404</u>	<u>\$ 33,468,135</u>	<u>\$ -</u>	<u>\$ 6,259,786</u>	<u>\$ (43,528,397)</u>	<u>\$ -</u>
Segment profit before income tax	<u>\$ 7,567,192</u>	<u>\$ 5,142,974</u>	<u>\$ 4,583,065</u>	<u>\$ 5,416,632</u>	<u>\$ 339,876</u>	<u>\$ -</u>	<u>\$ 23,049,739</u>
<u>As of September 30, 2017</u>							
Segment assets	<u>\$ 196,634,932</u>	<u>\$ 40,814,194</u>	<u>\$ 78,606,614</u>	<u>\$ 32,959,815</u>	<u>\$ 10,983,216</u>	<u>\$ -</u>	<u>\$ 359,998,771</u>
<u>For the nine months ended September 30, 2016 (Retrospectively adjusted)</u>							
Revenue from external customers	<u>\$ 91,662,376</u>	<u>\$ 19,728,887</u>	<u>\$ 80,768,466</u>	<u>\$ 3,136,724</u>	<u>\$ 2,459,021</u>	<u>\$ -</u>	<u>\$ 197,755,474</u>
Inter-segment revenues (Note)	<u>\$ 3,225,876</u>	<u>\$ 183,035</u>	<u>\$ 35,123,433</u>	<u>\$ -</u>	<u>\$ 7,057,756</u>	<u>\$ (45,590,100)</u>	<u>\$ -</u>
Segment profit before income tax	<u>\$ 8,465,375</u>	<u>\$ 5,058,493</u>	<u>\$ 2,868,374</u>	<u>\$ 1,462,139</u>	<u>\$ 469,464</u>	<u>\$ -</u>	<u>\$ 18,323,845</u>
<u>As of September 30, 2016</u>							
Segment assets	<u>\$ 200,632,939</u>	<u>\$ 42,705,683</u>	<u>\$ 76,091,008</u>	<u>\$ 28,592,422</u>	<u>\$ 12,593,348</u>	<u>\$ -</u>	<u>\$ 360,615,400</u>

Note: Inter-segment revenues were eliminated upon consolidation.

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

FINANCINGS PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 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	\$ 606,300	\$ 606,300	1.46~2.04	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 3,055,732	\$ 6,111,464
		J & R Holding Limited	Long-term receivables form related parties	Yes	2,061,420	2,061,420	2,061,420	1.38~1.64	The need for short-term financing	-	Operating capital	-	-	-	18,515,955	27,773,933
2	J & R Holding Limited	The Company	Other receivables form related parties	Yes	10,549,620	10,549,620	6,881,505	1.46~2.05	The need for short-term financing	-	Operating capital	-	-	-	11,156,001	22,312,001
		Global Advanced Packaging Technology Limited	Long-term receivables form related parties	Yes	532,865	515,355	515,355	1.17~1.63	The need for short-term financing	-	Operating capital	-	-	-	18,515,955	27,773,933
		ASE WeiHai Inc.	Other receivables form related parties	Yes	2,053,550	697,245	697,245	1.31~1.72	The need for short-term financing	-	Operating capital	-	-	-	18,515,955	27,773,933
		Omniquest Industrial Limited	Long-term receivables form related parties	Yes	1,413,660	1,364,175	1,364,175	1.17~1.63	The need for short-term financing	-	Operating capital	-	-	-	18,515,955	27,773,933
		ASE Assembly & Test (Shanghai) Limited	Other receivables form related parties	Yes	532,865	515,355	515,355	1.34~1.72	The need for short-term financing	-	Operating capital	-	-	-	18,515,955	27,773,933
		Anstock Limited	Long-term receivables form related parties	Yes	1,869,130	1,260,658	1,132,765	3.69~11.75	The need for short-term financing	-	Operating capital	-	-	-	18,515,955	27,773,933
		Innosource Limited	Long-term receivables form related parties	Yes	763,542	760,907	760,907	1.17~1.63	The need for short-term financing	-	Operating capital	-	-	-	18,515,955	27,773,933
		ASE Corporation	Long-term receivables form related parties	Yes	2,977,775	1,212,600	1,212,600	1.17~1.63	The need for short-term financing	-	Operating capital	-	-	-	18,515,955	27,773,933
		ASE Labuan Inc.	Long-term receivables form related parties	Yes	626,900	606,300	606,300	1.17~1.63	The need for short-term financing	-	Operating capital	-	-	-	18,515,955	27,773,933
		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	-	-	-	18,515,955	27,773,933
3	ASE Test Limited	The Company	Other receivables form related parties	Yes	5,762,700	5,305,125	5,305,125	1.46~2.04	The need for short-term financing	-	Operating capital	-	-	-	6,435,006	12,870,012
		A.S.E. Holding Limited	Long-term receivables form related parties	Yes	2,194,150	1,061,025	1,061,025	1.17~1.63	The need for short-term financing	-	Operating capital	-	-	-	18,515,955	27,773,933
		Omniquest Industrial Limited	Long-term receivables form related parties	Yes	1,410,525	30,315	30,315	1.17~1.63	The need for short-term financing	-	Operating capital	-	-	-	18,515,955	27,773,933
		ASE Investment (Labuan) Inc.	Long-term receivables form related parties	Yes	1,660,725	485,040	485,040	1.17~1.63	The need for short-term financing	-	Operating capital	-	-	-	18,515,955	27,773,933
		J & R Holding Limited	Long-term receivables form related parties	Yes	5,699,220	5,699,220	5,699,220	1.17~1.64	The need for short-term financing	-	Operating capital	-	-	-	18,515,955	27,773,933
4	ASE Test, Inc.	The Company	Other receivables form related parties	Yes	5,600,000	5,400,000	5,400,000	0.74	The need for short-term financing	-	Operating capital	-	-	-	5,704,014	11,408,028
		ASE Investment (Labuan) Inc.	Other receivables form related parties	Yes	1,233,548	1,151,970	1,100,000	0.74	The need for short-term financing	-	Operating capital	-	-	-	5,704,014	11,408,028
		Omniquest Industrial Limited	Other receivables form related parties	Yes	1,567,250	-	-	0.74	The need for short-term financing	-	Operating capital	-	-	-	5,704,014	11,408,028
		ASE Corporation	Other receivables form related parties	Yes	1,970,475	1,970,475	-	-	The need for short-term financing	-	Operating capital	-	-	-	5,704,014	11,408,028
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	-	-	-	200,637	401,274
		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	-	-	-	200,637	401,274
6	ISE Labs, Inc.	J & R Holding Limited	Other receivables form related parties Long-term receivables form related parties	Yes	1,441,870	1,394,490	1,394,490	1.37~1.73	The need for short-term financing	-	Operating capital	-	-	-	18,515,955	27,773,933

(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	\$ 1,667,325	\$ 1,667,325	2.77~3.23	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 3,095,108	\$ 6,190,216
		ASE WeiHai Inc.	Other receivables form related parties	Yes	1,253,800	606,300	606,300	2.77~3.23	The need for short-term financing	-	Operating capital	-	-	-	18,515,955	27,773,933
8	ASE Japan Co., Ltd.	J & R Holding Limited	Other receivables form related parties	Yes	2,429,700	2,373,360	2,292,450	0.43	The need for short-term financing	-	Operating capital	-	-	-	18,515,955	27,773,933
9	USI Enterprise Limited	The Company	Other receivables form related parties	Yes	7,366,075	4,850,400	3,940,950	1.46~2.04	The need for short-term financing	-	Operating capital	-	-	-	8,485,437	16,970,874
		USIINC	Other receivables form related parties	Yes	2,131,460	2,061,420	1,818,900	1.46~2.04	The need for short-term financing	-	Operating capital	-	-	-	8,485,437	16,970,874
		J&R Holding Limited	Other receivables form related parties	Yes	4,547,250	4,547,250	4,547,250	1.17~1.63	The need for short-term financing	-	Operating capital	-	-	-	8,485,437	16,970,874
		Global Advanced Packaging Technology Limited	Other receivables form related parties	Yes	2,037,425	1,970,475	1,970,475	1.17~1.63	The need for short-term financing	-	Operating capital	-	-	-	8,485,437	16,970,874
10	Huntington Holdings International Co.Ltd.	The Company	Other receivables form related parties	Yes	1,567,250	909,450	909,450	1.46~2.04	The need for short-term financing	-	Operating capital	-	-	-	9,082,070	18,164,141
		A.S.E. Holding Limited	Other receivables form related parties	Yes	394,095	394,095	394,095	1.64	The need for short-term financing	-	Operating capital	-	-	-	9,082,070	18,164,141
11	Anstock Limited	ASE Assembly & Test (Shanghai) Limited	Other receivables form related parties Long-term receivables form related parties	Yes	1,809,720	1,151,035	1,151,035	4.93~8.93	The need for short-term financing	-	Operating capital	-	-	-	18,515,955	27,773,933
12	ASE (Kun Shan) Inc.	ASE Investment (Kun Shan) Limited	Other receivables form related parties	Yes	1,966	1,964	1,964	4.35	The need for short-term financing	-	Operating capital	-	-	-	18,515,955	27,773,933
13	Real Tech Holdings Limited	The Company	Other receivables form related parties	Yes	1,723,975	1,212,600	1,212,600	1.46~2.04	The need for short-term financing	-	Operating capital	-	-	-	8,737,584	17,475,168
		A.S.E. Holding Limited	Other receivables form related parties	Yes	454,725	454,725	454,725	1.64	The need for short-term financing	-	Operating capital	-	-	-	8,737,584	17,475,168
14	Shanghai Ding Hui Real Estate Development Co., Ltd.	Kun Shan Ding Hong Real Estate Development Co., Ltd.	Other receivables form related parties	Yes	342,900	228,380	228,380	4.35	The need for short-term financing	-	Operating capital	-	-	-	18,515,955	27,773,933
		Shanghai Ding Qi Property Management Co., Ltd.	Other receivables form related parties	Yes	59,436	59,379	59,379	4.35	The need for short-term financing	-	Operating capital	-	-	-	18,515,955	27,773,933
15	Universal Scientific Industrial (Shanghai) Co., Ltd.	Universal Global Technology (Shanghai) Co., Ltd.	Other receivables form related parties	Yes	3,429,000	3,425,700	1,187,576	1.75	The need for short-term financing	-	Operating capital	-	-	-	7,496,469	14,992,938
		Universal Global Technology Co., Limited	Other receivables form related parties	Yes	2,743,200	2,740,560	-	-	The need for short-term financing	-	Operating capital	-	-	-	7,496,469	14,992,938
16	Omniquest Industrial Limited	The Company	Other receivables form related parties	Yes	2,977,775	1,364,175	1,364,175	0.92~2.04	The need for short-term financing	-	Operating capital	-	-	-	3,505,776	7,011,552
17	Anstock II Limited	J & R Holding Limited	Other receivables form related parties	Yes	9,309,465	-	-	2.45	The need for short-term financing	-	Operating capital	-	-	-	18,515,955	27,773,933
18	USI Electronics (Shenzhen) Co., Ltd.	Universal Global Technology (Shanghai) Co., Ltd.	Other receivables form related parties	Yes	1,828,800	1,827,040	1,370,280	0.80~1.75	The need for short-term financing	-	Operating capital	-	-	-	2,150,915	4,301,831
		Universal Global Technology Co., Limited	Other receivables form related parties	Yes	1,485,900	1,484,470	909,441	0.8	The need for short-term financing	-	Operating capital	-	-	-	2,150,915	4,301,831
19	ASE Assembly & Test (Shanghai) Limited	Shanghai Ding Wei Real Development Co., Ltd.	Other receivables form related parties	Yes	914,400	913,520	913,520	4.35	The need for short-term financing	-	Operating capital	-	-	-	18,515,955	27,773,933
20	ASE Investment (Labuan) Inc.	The Company	Other receivables form related parties	Yes	2,808,135	1,606,695	1,554,725	0.92~2.04	The need for short-term financing	-	Operating capital	-	-	-	3,129,027	6,258,053
21	Global Advanced Packaging Technology Limited	The Company	Other receivables form related parties	Yes	2,037,425	1,970,475	1,970,475	1.46~2.04	The need for short-term financing	-	Operating capital	-	-	-	2,863,380	5,726,759

(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	\$ 3,183,075	\$ 3,183,075	\$ 1,212,600	1.46~2.04	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 3,507,052	\$ 7,014,103
23	ASE Electronics Inc.	The Company	Other receivables form related parties	Yes	600,000	600,000	600,000	0.74	The need for short-term financing	-	Operating capital	-	-	-	813,868	1,627,736
24	Universal Global Technology(Kunshan) Co., Ltd.	Universal Global Technology (Shanghai) Co., Ltd.	Other receivables form related parties	Yes	457,200	456,760	-	1.75	The need for short-term financing	-	Operating capital	-	-	-	639,988	1,279,976
25	ASE Labuan Inc.	The Company	Other receivables form related parties	Yes	626,900	606,300	606,300	1.46~2.04	The need for short-term financing	-	Operating capital	-	-	-	817,296	1,634,592
26	ASE Electronics (M) Sdn. Bhd.	J & R Holding Limited	Other receivables form related parties	Yes	395,460	-	-	1.17~1.63	The need for short-term financing	-	Operating capital	-	-	-	18,515,955	27,773,933
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	-	-	-	18,515,955	27,773,933
28	Innosource Limited	The Company	Other receivables form related parties	Yes	760,500	757,875	757,875	1.74~2.04	The need for short-term financing	-	Operating capital	-	-	-	944,471	1,888,943

(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 NINE MONTHS ENDED SEPTEMBER 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	\$ 55,547,865	\$ 9,503,412 (Note 3)	\$ -	\$ -	\$ -	-	\$ 74,063,820	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.

TABLE 3

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

SEPTEMBER 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	Sep 30, 2017				Note
				Shares/ Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
The Company	Stock							
	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	-	
The Company	Bond							
	AMPI Third Private of Domestic Unsecured Convertible Bonds	-	Financial assets at fair value through profit or loss - current	1,000	100,570	-	100,570	
	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	407,862	-	407,862	
	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 Global Real Estate Income Fund-A	-	Available-for-sale financial assets - current	2,500,000	23,325	-	23,325	
The Company	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	474,958	-	474,958	
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,575,019	23,172	-	23,172	
	Hua Nan Kirin Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,616,592	31,125	-	31,125	
	Hua Nan Phoenix Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,833,825	45,761	-	45,761	
Luchu Development Corporation	Stock							
	Powerchip Technology Corporation	-	Available-for-sale financial assets - non-current	1,727,481	46,143	-	46,143	
A.S.E. Holding Limited	Stock							
	Global Strategic Investment Inc.	-	Available-for-sale financial assets - non-current	490,000	US\$ 431 thousand	3	US\$ 431 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\$ 388 thousand	2	US\$ 388 thousand	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Sep 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\$ 57,234 thousand	1	US\$ 57,234 thousand	
	Limited Liability Partnership							
	Crimson Velocity Fund, L.P.	-	Available-for-sale financial assets - non-current	-	US\$ 545 thousand	-	US\$ 545 thousand	
	H&QAP Greater China Growth Fund, L.P.	-	Available-for-sale financial assets - non-current	-	US\$ 881 thousand	8	US\$ 881 thousand	
ASE Test Limited	Stock							
	The Company	Parent Company	Available-for-sale financial assets - non-current	88,200,472 (Note)	US\$ 108,087 thousand	1	US\$ 108,087 thousand	
Shanghai Ding Hui Real Estate Development Co., Ltd.	Fund							
	180ETF	-	Financial assets at fair value through profit or loss - current	447,825	CNY 1,543 thousand	-	CNY 1,543 thousand	
	300ETF	-	Financial assets at fair value through profit or loss - current	339,700	CNY 1,326 thousand	-	CNY 1,326 thousand	
	Stock							
	Gree Electric Appliances, Inc. Of Zhuhai	-	Financial assets at fair value through profit or loss - current	28,000	CNY 1,061 thousand	-	CNY 1,061 thousand	
	Saic Motor Corporation Limited	-	Financial assets at fair value through profit or loss - current	19,250	CNY 581 thousand	-	CNY 581 thousand	
USIINC	Stock							
	Allied Circuit Co., Ltd	-	Available-for-sale financial assets - current	827,009	\$ 57,064	2	\$ 57,064	
	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							
	Superactive Group Company Limited	-	Financial assets at fair value through profit or loss - current	5,548,800	US\$ 355 thousand	-	US\$ 355 thousand	
	Cadence Design SYS Inc.	-	Financial assets at fair value through profit or loss - current	9,633	US\$ 380 thousand	-	US\$ 380 thousand	
	Solid Gain Investments Ltd.	-	Available-for-sale financial assets - non-current	1,322,833	US\$ 707 thousand	20	US\$ 707 thousand	
	Preferred Stock							
	Techgains I Corporation	-	Available-for-sale financial assets - non-current	526,732	US\$ 269 thousand	10	US\$ 269 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							
	Superactive Group Company Limited	-	Financial assets at fair value through profit or loss - current	5,613,600	US\$ 359 thousand	-	US\$ 359 thousand	
	WacomCo., Ltd.	-	Available-for-sale financial assets - non-current	1,200,000	US\$ 5,594 thousand	1	US\$ 5,594 thousand	
	Sequans Communications SA	-	Available-for-sale financial assets - non-current	370,554	US\$ 1,164 thousand	-	US\$ 1,164 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	Sep 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 Ping An Insurance (Group) Company of China, Ltd.	-	Financial assets at fair value through profit or loss - current	1,700,000	CNY 92,072 thousand	-	CNY 92,072 thousand	
	CITIC Securities Company Limited	-	Financial assets at fair value through profit or loss - current	168,700	CNY 3,069 thousand	-	CNY 3,069 thousand	
	Industrial and Commercial Bank of China Limited	-	Financial assets at fair value through profit or loss - current	14,000,000	CNY 68,996 thousand	-	CNY 68,996 thousand	
	China Construction Bank Corporation	-	Financial assets at fair value through profit or loss - current	8,686,000	CNY 47,826 thousand	-	CNY 47,826 thousand	
	CK Hutchison Holdings Limited	-	Financial assets at fair value through profit or loss - current	170,000	CNY 14,423 thousand	-	CNY 14,423 thousand	
	Tencent Holdings Ltd	-	Financial assets at fair value through profit or loss - current	320,000	CNY 91,414 thousand	-	CNY 91,414 thousand	
	China Mobile Limited	-	Financial assets at fair value through profit or loss - current	700,000	CNY 47,078 thousand	-	CNY 47,078 thousand	
	China Life Insurance Company Limited	-	Financial assets at fair value through profit or loss - current	1,630,000	CNY 32,202 thousand	-	CNY 32,202 thousand	
	AIA Group Limited	-	Financial assets at fair value through profit or loss - current	1,440,000	CNY 70,478 thousand	-	CNY 70,478 thousand	
	Cheung Kong Property Holdings Limited	-	Financial assets at fair value through profit or loss - current	520,000	CNY 28,565 thousand	-	CNY 28,565 thousand	
UGTW	Stock TriKnight Capital Corporation	-	Available-for-sale financial assets - non-current	10,500,000	\$ 99,012	5	\$ 99,012	

(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 NINE MONTHS ENDED SEPTEMBER 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\$ 86,160 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 329,491 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	\$ 2,141,085
USISH	Stock Industrial and Commercial of China Limited	Financial assets at fair value through profit or loss - current	-	-	-	-	14,778,000	CNY 66,859 thousand	778,000	CNY 3,881 thousand	CNY 3,520 thousand	CNY 367 thousand	14,000,000	CNY 68,996 thousand

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 NINE MONTHS ENDED SEPTEMBER 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 NINE MONTHS ENDED SEPTEMBER 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	\$ 1,267,734	5	Net 60 days from the end of the month of when invoice is issued	\$ -	-	\$ (472,269)	(5)	Note
	ASE Electronics Inc.	Subsidiary	Purchases	1,600,882	6	Net 60 days from the end of the month of when invoice is issued	-	-	(468,836)	(5)	Note
	Universal Scientific Industrial Co., Ltd.	Subsidiary	Sales	(3,427,024)	(5)	Net 60 days from the end of the month of when invoice is issued	-	-	1,137,970	6	Note
	ISE Labs, Inc.	Subsidiary	Sales	(121,534)	-	Net 45 days from invoice date	-	-	23,073	-	Note
ASE Assembly & Test (Shanghai) Limited	Advanced Semiconductor Engineering (HK) Limited	Consolidated subsidiary	Purchases	273,732	13	Net 45 days from invoice date	-	-	(60,799)	(11)	Note
Advanced Semiconductor Engineering (HK) Limited	ASE (Shanghai) Inc.	Parent company	Purchases	1,421,727	100	Net 90 days from the end of the month of when invoice is issued	-	-	(503,576)	(100)	Note
	ASE Assembly & Test (Shanghai) Limited	Consolidated subsidiary	Sales	(273,732)	(20)	Net 45 days from invoice date	-	-	60,799	17	Note
ASE Electronics (M) Sdn. Bhd.	ASE Electronics Inc.	Consolidated subsidiary	Purchases	258,063	22	Net 60 days from invoice date	-	-	(89,344)	(21)	Note
Universal Scientific Industrial Co., Ltd.	The Company	The Ultimate Parent of the Company	Purchases	3,427,024	20	Net 60 days from the end of the month of when invoice is issued	-	-	(1,137,970)	(34)	Note
ASE (Shanghai) Inc.	The Company	The Ultimate Parent of the Company	Sales	(1,267,734)	(35)	Net 60 days from the end of the month of when invoice is issued	-	-	472,269	37	Note
	Advanced Semiconductor Engineering (HK) Limited	Subsidiary	Sales	(1,421,727)	(39)	Net 90 days from the end of the month of when invoice is issued	-	-	503,728	40	Note
ASE Electronics Inc.	The Company	The Ultimate Parent of the Company	Sales	(1,600,882)	(56)	Net 60 days from the end of the month of when invoice is issued	-	-	487,056	53	Note
	ASE Electronics (M) Sdn. Bhd.	Consolidated subsidiary	Sales	(258,063)	(9)	Net 60 days from invoice date	-	-	87,625	10	Note
	Universal Scientific Industrial (Shanghai) Co., Ltd.	Consolidated subsidiary	Sales	(167,579)	(6)	Net 60 days from the end of the month of when invoice is issued	-	-	71,628	8	Note
ISE Labs, Inc.	The Company	The Ultimate Parent of the Company	Purchases	121,534	56	Net 45 days from invoice date	-	-	(23,073)	(33)	Note

(Continued)

Buyer	Related Party	Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Suzhou ASEN Semiconductors Co., Ltd.	NXP Semiconductors Taiwan Ltd.	Subsidiary of the company has significant influence over Suzhou ASEN Semiconductors Co., Ltd.—Subsidiary of NXP B.V	Sales	\$ (1,401,229)	(30)	Net 90 days from the end of the month of when invoice is issued	-	-	\$ 620,709	43	
USI Electronics (Shenzhen) Co., Ltd.	Universal Global Industrial Co., Limited	Consolidated subsidiary	Purchases	CNY 480,447 thousand	18	T/T 75 days	-	-	(CNY 156,550 thousand)	(13)	Note
			Sales	(CNY 1,697,403 thousand)	(52)	T/T 75 days	-	-	CNY 506,188 thousand	52	Note
Universal Scientific Industrial (Shanghai) Co., Ltd.	Universal Global Technology Co., Limited	Subsidiary	Purchases	CNY 725,924 thousand	12	T/T 75 days	-	-	(CNY 311,011 thousand)	(17)	Note
	Universal Global Industrial Co., Limited	Subsidiary	Sales	(CNY 49,020 thousand)	(1)	T/T 75 days	-	-	CNY 6,976 thousand	1	Note
	Universal Global Technology (Shanghai) Co., Ltd.	Subsidiary	Sales	(CNY 37,602 thousand)	(1)	T/T 75 days	-	-	CNY 32,659 thousand	2	Note
	ASE Electronics Inc.	Consolidated subsidiary	Purchases	CNY 37,224 thousand	1	Net 60 days from the end of the month of when invoice is issued	-	-	(CNY 15,490 thousand)	(1)	Note
Universal Global Technology Co., Limited	Universal Scientific Industrial (Shanghai) Co., Ltd.	Parent company	Sales	(US\$ 107,396 thousand)	(63)	T/T 75 days	-	-	US\$ 46,869 thousand	54	Note
	Universal Global Technology (Kunshan) Co., Ltd.	Consolidated subsidiary	Sales	(US\$ 58,328 thousand)	(34)	T/T 75 days	-	-	US\$ 37,053 thousand	43	Note
	Universal Global Technology (Shanghai) Co., Ltd.	Subsidiary	Sales	(US\$ 5,009 thousand)	(3)	T/T 75 days	-	-	US\$ 2,617 thousand	3	Note
Universal Global Industrial Co., Limited	USI Electronics (Shenzhen) Co., Ltd.	Consolidated subsidiary	Purchases	US\$ 249,412 thousand	49	T/T 75 days	-	-	(US\$ 76,269 thousand)	(42)	Note
	USI Electronics (Shenzhen) Co., Ltd.	Consolidated subsidiary	Sales	(US\$ 69,976 thousand)	(14)	T/T 75 days	-	-	US\$ 23,476 thousand	14	Note
	Universal Scientific Industrial (Shanghai) Co., Ltd.	Parent company	Purchases	US\$ 7,155 thousand	1	T/T 75 days	-	-	(US\$ 1,051 thousand)	(1)	Note
	Universal Global Scientific Industrial Co., Ltd.	Consolidated subsidiary	Purchases	US\$ 5,516 thousand	1	T/T 75 days	-	-	(US\$ 2,818 thousand)	(2)	Note
	Universal Global Scientific Industrial Co., Ltd.	Consolidated subsidiary	Sales	(US\$ 356,191 thousand)	(71)	T/T 75 days	-	-	US\$ 115,744 thousand	67	Note
	Universal Global Technology (Kunshan) Co., Ltd.	Consolidated subsidiary	Purchases	US\$ 174,197 thousand	35	T/T 75 days	-	-	(US\$ 60,280 thousand)	(33)	Note
Universal Global Technology (Kunshan) Co., Ltd.	Consolidated subsidiary	Sales	(US\$ 5,410 thousand)	(1)	T/T 75 days	-	-	US\$ 261 thousand	-	Note	
Universal Global Scientific Industrial Co., Ltd.	Universal Global Industrial Co., Limited	Consolidated subsidiary	Purchases	\$ 10,882,088	85	T/T 75 days	-	-	\$ (3,508,604)	(76)	Note
	Universal Global Industrial Co., Limited	Consolidated subsidiary	Sales	(160,453)	(1)	T/T 75 days	-	-	106,145	2	Note
	Universal Scientific Industrial (Shanghai) Co., Ltd.	Parent company	Sales	(219,085)	(1)	T/T 75 days	-	-	148,661	3	Note
	USI Electronics (Shenzhen) Co., Ltd.	Consolidated subsidiary	Sales	(195,074)	(1)	T/T 75 days	-	-	64,492	1	Note
	Universal Scientific Industrial Co., Ltd.	Subsidiary	Sales	(420,807)	(3)	T/T 75 days	-	-	232,842	4	Note
Universal Global Technology (Kunshan) Co., Ltd.	Universal Global Technology Co., Limited	Consolidated subsidiary	Purchases	CNY 397,844 thousand	22	T/T 75 days	-	-	(CNY 245,920 thousand)	(32)	Note
	Universal Global Industrial Co., Limited	Consolidated subsidiary	Purchases	CNY 37,324 thousand	2	T/T 75 days	-	-	(CNY 1,736 thousand)	-	Note
	Universal Global Industrial Co., Limited	Consolidated subsidiary	Sales	(CNY 1,184,358 thousand)	(58)	T/T 75 days	-	-	CNY 427,607 thousand	59	Note
Universal Global Technology (Shanghai) Co., Ltd.	Universal Global Technology Co., Limited	Consolidated subsidiary	Purchases	CNY 33,448 thousand	1	T/T 75 days	-	-	(CNY 17,372 thousand)	-	Note
	Universal Scientific Industrial (Shanghai) Co., Ltd.	Parent company	Purchases	CNY 37,551 thousand	1	T/T 75 days	-	-	(CNY 32,659 thousand)	-	Note
	Universal Scientific Industrial (Shanghai) Co., Ltd.	Parent company	Sales	(CNY 51,945 thousand)	(2)	T/T 75 days	-	-	CNY - thousand	-	Note
	USI Electronics (Shenzhen) Co., Ltd.	Consolidated subsidiary	Sales	(CNY 31,395 thousand)	(1)	T/T 75 days	-	-	CNY - thousand	-	Note

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

(Concluded)

TABLE 7

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
SEPTEMBER 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	\$ 1,137,970 (Note5)	3	\$ 93,306	Continued collection	\$ 268,127	\$ -
ASE Electronics Inc.	The Company	The Ultimate Parent of the Company	1,087,941 (Note5)	4	-	-	148,075	-
Omniquest Industrial Limited	The Company	Parent company	1,364,175 (Notes 3,5)	-	-	-	-	-
ISE Labs, Inc.	J & R Holding Limited	Parent company	1,395,018 (Notes 3,5)	-	-	-	-	-
Anstock Limited	ASE Assembly & Test (Shanghai) Limited	Consolidated subsidiary	1,152,174 (Notes 3,5)	-	-	-	-	-
A.S.E. Holding Limited	The Company	Parent company	606,300 (Notes 3,5)	-	-	-	-	-
	J & R Holding Limited	Consolidated subsidiary	2,067,458 (Notes 3,5)	-	-	-	-	-
ASE Test, Inc.	The Company	Parent company	7,402,063 (Notes 3,4,5)	-	-	-	585,498	-
	ASE Investment (Labuan) Inc.	Consolidated subsidiary	1,100,000 (Notes 3,5)	-	-	-	-	-
ASE Test Limited	The Company	The Ultimate Parent of the Company	5,305,125 (Notes 3,5)	-	-	-	-	-
	J & R Holding Limited	Parent company	5,730,183 (Notes 3,5)	-	-	-	-	-
	A.S.E. Holding Limited	Consolidated subsidiary	1,084,512 (Notes 3,5)	-	-	-	-	-
	ASE Investment (Labuan) Inc.	Consolidated subsidiary	489,124 (Notes 3,5)	-	-	-	-	-
ASE (Korea) Inc.	The Company	The Ultimate Parent of the Company	1,667,634 (Notes 3,5)	-	-	-	1,667,507	-
	ASE WeiHai Inc.	Subsidiary	610,331 (Notes 3,5)	-	-	-	4,215	-
J & R Holding Limited	The Company	Parent company	6,881,505 (Notes 3,5)	-	-	-	-	-
	Global Advanced Packaging Technology Limited	Subsidiary	535,679 (Notes 3,5)	-	-	-	-	-
	Anstock Limited	Subsidiary	1,136,959 (Notes 3,5)	-	-	-	-	-
	ASE WeiHai Inc.	Consolidated subsidiary	700,440 (Notes 3,5)	-	-	-	-	-
	ASE Assembly & Test (Shanghai) Limited	Consolidated subsidiary	529,197 (Notes 3,5)	-	-	-	-	-
	ASE Labuan Inc.	Consolidated subsidiary	610,454 (Notes 3,5)	-	-	-	-	-
	ASE Corporation	Consolidated subsidiary	1,220,861 (Notes 3,5)	-	-	-	-	-
	Omniquest Industrial Limited	Consolidated subsidiary	1,373,522 (Notes 3,5)	-	-	-	-	-
	Innosource Limited	Consolidated subsidiary	766,110 (Notes 3,5)	-	-	-	-	-
Innosource Limited	The Company	Parent company	757,875 (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	2,293,255 (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	\$ 1,554,725 (Notes 3,5)	-	\$ -	-	\$ -	\$ -
ASE Corporation	The Company	The Ultimate Parent of the Company	1,212,600 (Notes 3,5)	-	-	-	-	-
Global Advanced Packaging Technology Limited	The Company	The Ultimate Parent of the Company	1,970,475 (Notes 3,5)	-	-	-	-	-
ASE Labuan Inc.	The Company	The Ultimate Parent of the Company	606,300 (Notes 3,5)	-	-	-	-	-
ASE (Shanghai) Inc.	The Company	The Ultimate Parent of the Company	472,269 (Note 5)	3	109,534	Continued collection	79,868	-
	Advanced Semiconductor Engineering (HK) Limited	Subsidiary	503,728 (Note 5)	4	-	-	132,275	-
ASE Assembly & Test (Shanghai) Limited	Shanghai Ding Wei Real Estate Development Co., Ltd.	Consolidated subsidiary	939,685 (Notes 3,5)	-	-	-	-	-
Shanghai Ding Hui Real Estate Development Co., Ltd.	Kun Shan Ding Hong Real Estate Development Co., Ltd.	Subsidiary	238,012 (Notes 3,5)	-	-	-	-	-
USI Enterprise Limited	The Company	The Ultimate Parent of the Company	3,940,950 (Notes 3,5)	-	-	-	-	-
	J & R Holding Limited	Consolidated subsidiary	4,557,300 (Notes 3,5)	-	-	-	-	-
	Global Advanced Packaging Technology Limited	Consolidated subsidiary	1,973,154 (Notes 3,5)	-	-	-	-	-
	USI Inc.	Parent company	1,826,472 (Notes 3,5)	-	-	-	-	-
Huntington Holdings International Co. Ltd.	The Company	The Ultimate Parent of the Company	909,450 (Notes 3,5)	-	-	-	-	-
	A.S.E. Holding Limited	Consolidated subsidiary	394,435 (Notes 3,5)	-	-	-	-	-
Real Tech Holdings Limited	The Company	The Ultimate Parent of the Company	1,212,600 (Notes 3,5)	-	-	-	-	-
	A.S.E. Holding Limited	Consolidated subsidiary	455,117 (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.	623,469	3	-	-	163,887	-
USI Electronics (Shenzhen) Co., Ltd.	Universal Global Industrial Co., Limited	Consolidated subsidiary	CNY 506,249 thousand (Note 5)	4	-	-	CNY 53,119 thousand	-
	Universal Global Technology Co., Limited	Parent company	CNY 200,430 thousand (Notes 3,5)	-	-	-	-	-
	Universal Global Technology (Shanghai) Co., Ltd.	Consolidated subsidiary	CNY 301,345 thousand (Notes 3,5)	-	-	-	-	-
Universal Scientific Industrial (Shanghai) Co., Ltd.	Universal Global Technology (Shanghai) Co., Ltd.	Subsidiary	CNY 292,785 thousand (Notes 3,5)	3	-	-	CNY 260,000 thousand	-
Universal Global Technology Co., Limited	Universal Scientific Industrial (Shanghai) Co., Ltd.	Parent company	US\$ 46,869 thousand (Note 5)	4	-	-	US\$ 10,359 thousand	-
	Universal Global Technology (Kunshan) Co., Ltd.	Consolidated subsidiary	US\$ 37,053 thousand (Note 5)	2	-	-	US\$ 7,031 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 Industrial Co., Limited	USI Electronics (Shenzhen) Co., Ltd.	Consolidated subsidiary	US\$ 23,597thousand (Note 5)	4	-	-	US\$ 8,154 thousand	-
	Universal Global Scientific Industrial Co., Ltd.	Consolidated subsidiary	US\$ 119,930 thousand (Note 5)	4	-	-	US\$ 47,019 thousand	-
	Universal Global Technology (Shanghai) Co., Ltd.	Consolidated subsidiary	US\$ 3,559 thousand (Notes 3,5)	-	-	-	US\$ - thousand	-
Universal Global Scientific Industrial Co., Ltd.	Universal Global Industrial Co., Limited	Consolidated subsidiary	\$ 217,523 (Note 5)	3	-	-	\$ 169,599	-
	Universal Global Technology Co., Limited	Parent company	148,661 (Note 5)	4	-	-	74,361	-
	Universal Scientific Industrial Co., Ltd.	Subsidiary	233,036 (Note 5)	2	-	-	-	-
Universal Global Technology (Kunshan) Co., Ltd.	Universal Global Industrial Co., Limited	Consolidated subsidiary	CNY 427,715 thousand (Note 5)	4	-	-	CNY 101,282 thousand	-

(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 NINE MONTHS ENDED SEPTEMBER 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 Sep 30, 2017			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee (Note 1)	Note
				Sep 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	\$ 15,018,259	\$ 587,337	\$ 574,955	Subsidiary
	J & R Holding Limited	Bermuda	Investment activities	US\$ 479,693 thousand	US\$ 479,693 thousand	435,128	100	53,686,966	5,458,294	5,278,988	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	31,821	1,984	1,984	Subsidiary
	Omniquest Industrial Limited	British Virgin Islands	Investment activities	US\$ 250,504 thousand	US\$ 250,504 thousand	250,504,067	71	12,107,439	1,754,568	1,248,701	Subsidiary
	Innosource Limited	British Virgin Islands	Investment activities	US\$ 86,000 thousand	US\$ 86,000 thousand	86,000,000	100	4,733,666	523,658	526,449	Subsidiary
	HCK	Taiwan	Engaged in the leasing of real estate properties	\$ 390,470	\$ 390,470	35,497,273	27	312,567	(31,319)	(8,553)	Associate
	HC	Taiwan	Engaged in the development, construction and leasing of real estate properties	2,845,913	2,845,913	68,629,782	26	1,220,963	19,844	18,007	Associate
	ASE Test, Inc.	Taiwan	Engaged in the testing of semiconductors	20,698,867	20,698,867	1,131,452,502	100	28,208,008	1,799,559	1,814,964	Subsidiary
	USI Inc.	Taiwan	Investment activities	20,836,477	20,836,477	1,112,236,706	99	44,600,130	2,798,435	2,784,563	Subsidiary
	Luchu Development Corporation	Taiwan	Engaged in the development of real estate properties	1,366,238	1,366,238	131,961,457	67	1,337,913	(431)	(290)	Subsidiary
	ASEEE	Taiwan	Engaged in the production of embedded substrate	765,000	765,000	76,500,000	51	539,679	(257,165)	(131,154)	Associate
	SPIL	Taiwan	Engaged in assembly, testing and turnkey services of integrated circuits	48,790,498	48,790,498	1,037,300,000	33	45,192,111	5,411,176	691,189	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	1,641,440	(503,727)	(123,147)	Associate
	AMPI	Taiwan	Engaged in integrated circuit	178,861	178,861	33,308,452	10	28,965	(76,156)	(7,974)	Associate
ASE Test, Inc.	Alto Enterprises Limited	British Virgin Islands	Investment activities	US\$ 188,000 thousand	US\$ 188,000 thousand	188,000,000	100	4,383,637	192,905	(Note 2)	Subsidiary
	Super Zone Holdings Limited	Hong Kong	Investment activities	US\$ 100,000 thousand	US\$ 100,000 thousand	100,000,000	100	3,050,039	(44,351)	(Note 2)	Subsidiary
	Luchu Development Corporation	Taiwan	Engaged in the development of real estate properties	372,504	372,504	37,250,448	19	377,590	(431)	(Note 2)	Subsidiary
	TLJ Intertech Inc.	Taiwan	Engaged in information software services	89,998	89,998	2,119,080	60	57,567	3,824	(Note 2)	Subsidiary
	AMPI	Taiwan	Engaged in integrated circuit	225,000	225,000	90,000,000	28	193,811	(76,156)	(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\$ 116,718 thousand	US\$ 62,856 thousand	(Note 2)	Subsidiary
	ASE Investment (Labuan) Inc.	Malaysia	Investment activities	US\$ 168,643 thousand	US\$ 168,643 thousand	168,642,842	70	US\$ 361,260 thousand	US\$ 18,428 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\$ 1,148,794 thousand	US\$ 62,856 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\$ 49,207 thousand	US\$ 58,230 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\$ 33,092 thousand	US\$ 83 thousand	(Note 2)	Subsidiary
ASE Japan Co., Ltd.	ASE Japan Co., Ltd.	Japan	Engaged in the packaging and testing of semiconductors	US\$ 25,606 thousand	US\$ 25,606 thousand	7,200	100	US\$ 79,405 thousand	US\$ 1,276 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\$ 13,475 thousand	US\$ 625 thousand	(Note 2)	Subsidiary
	Global Advanced Packaging Technology Limited	British Cayman Islands	Investment activities	US\$ 190,000 thousand	US\$ 190,000 thousand	190,000,000	100	US\$ 484,911 thousand	US\$ 111,277 thousand	(Note 2)	Subsidiary
	Anstock Limited	British Cayman Islands	Investment activities	US\$ 10 thousand	US\$ 10 thousand	10,000	100	US\$ 729 thousand	US\$ 335 thousand	(Note 2)	Subsidiary
	Anstock II Limited	British Cayman Islands	Investment activities	US\$ 10 thousand	US\$ 10 thousand	10,000	100	US\$ 164 thousand	(US\$ 34 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\$ 516,138 thousand	US\$ 18,250 thousand	(Note 2)
ASE Test Limited	ASE Holdings (Singapore) Pte Ltd	Singapore	Investment activities	US\$ 65,520 thousand	US\$ 65,520 thousand	71,428,902	100	US\$ 158,752 thousand	US\$ 13,879 thousand	(Note 2)	Subsidiary
	ASE Test Holdings, Ltd.	British Cayman Islands	Investment activities	US\$ 222,399 thousand	US\$ 222,399 thousand	5	100	US\$ 101,694 thousand	US\$ 790 thousand	(Note 2)	Subsidiary
	ASE Investment (Labuan) Inc.	Malaysia	Investment activities	US\$ 72,304 thousand	US\$ 72,304 thousand	72,304,040	30	US\$ 154,826 thousand	US\$ 18,428 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\$ 119,082 thousand	US\$ 35,748 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\$ 101,693 thousand	US\$ 790 thousand	(Note 2)	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of Sep 30, 2017			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee (Note 1)	Note
				Sep 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\$ 158,752 thousand	US\$ 13,879 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\$ 578,435 thousand	US\$ 58,239 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\$ 443,594 thousand	US\$ 59,340 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\$ 134,801 thousand	(US\$ 1,090 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\$ 134,235 thousand	(US\$ 1,088 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\$ 120,618 thousand	US\$ 58,230 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\$ 8,791 thousand	US\$ 169 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	\$ 45,409,703	\$ 2,918,284	(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\$ 10,495 thousand	(US\$ 8 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\$ 1,441,132 thousand	US\$ 98,963 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\$ 1,145 thousand	US\$ 4 thousand	(Note 2)	Subsidiary
	Rise Accord Limited	British Virgin Islands	Holding company	US\$ 2,000 thousand	US\$ 2,000 thousand	20,000	100	US\$ 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\$ 1,369,454 thousand	US\$ 101,823 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 2,413,950 thousand	CNY 181,045 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\$ 20,581 thousand	US\$ 417 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\$ 161,973 thousand	US\$ 12,215 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\$ 875 thousand	US\$ 43 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\$ 47,434 thousand	US\$ 2,902 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\$ 6,386 thousand	US\$ 112 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\$ 2,902 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	2,141,085	137,896	(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 NINE MONTHS ENDED SEPTEMBER 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 nine months ended Sep 30, 2017		Accumulated amount of remittance from Taiwan to Mainland China as of Sep 30, 2017	Net income of investee for the nine months ended Sep 30, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended Sep 30, 2017	Book value of investments in Mainland China as of Sep 30, 2017	Accumulated amount of investment income remitted back to Taiwan as of Sep 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)	\$ 1,864,191 (US\$ 61,908 thousand) (Note 5)	100	\$ 1,864,191 (US\$ 61,908 thousand) (Note 5)	\$ 12,603,309 (US\$ 415,745 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)	275,094 (US\$ 8,979 thousand) (Note 4)	100	275,094 (US\$ 8,979 thousand) (Note 4)	6,251,420 (US\$ 206,215 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)	3,363,426 (US\$ 111,465 thousand) (Note 4)	100	3,363,426 (US\$ 111,465 thousand) (Note 4)	14,814,970 (US\$ 488,701 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)	596,952 (US\$ 19,555 thousand) (Note 5)	60	358,171 (US\$ 11,733 thousand) (Note 5)	2,895,309 (US\$ 95,507 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)	449,093 (US\$ 14,735 thousand) (Note 5)	100	449,093 (US\$ 14,735 thousand) (Note 5)	2,611,937 (US\$ 86,160 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)	4,039,215 (CNY 914,390 thousand) (Note 5)	100	4,039,215 (CNY 914,390 thousand) (Note 5)	23,054,394 (CNY 5,047,327 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)	(142,897) (CNY -31,534 thousand) (Note 5)	100	(142,897) (CNY -31,534 thousand) (Note 5)	6,826,421 (CNY 1,494,517 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)	(14,230) (CNY -3,169 thousand) (Note 5)	100	(14,230) (CNY -3,169 thousand) (Note 5)	5,003,931 (CNY 1,095,571 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)	18,112 (CNY 3,975 thousand) (Note 5)	100	18,112 (CNY 3,975 thousand) (Note 5)	3,165,536 (CNY 693,035 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)	44,351 (US\$ -1,440 thousand) (Note 4)	100	44,351 (US\$ -1,440 thousand) (Note 4)	3,049,924 (US\$ 100,608 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)	125,149 (US\$ 4,085 thousand) (Note 4)	100	125,149 (US\$ 4,085 thousand) (Note 4)	2,843,912 (US\$ 93,812 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 Sep 30, 2017		Accumulated amount of remittance from Taiwan to Mainland China as of Sep 30, 2017	Net income of investee for the six months ended Sep 30, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended Sep 30, 2017	Book value of investments in Mainland China as of Sep 30, 2017	Accumulated amount of investment income remitted back to Taiwan as of Sep 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)	\$ 15,460 (CNY 3,451 thousand) (Note 4)	100	\$ 15,460 (CNY 3,451 thousand) (Note 4)	\$ 447,161 (CNY 97,897 thousand)	None
ASE Trading (Shanghai) Ltd.	Engaged in trading activity	2,566 (CNY 500 thousand)	(Note 2)	- (Note 2)	-	-	- (Note 2)	(7) (CNY -2 thousand) (Note 4)	100	(7) (CNY -2 thousand) (Note 4)	1,999 (CNY 438 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)	(15,395) (CNY -3,438 thousand) (Note 5)	100	(15,395) (CNY -3,438 thousand) (Note 5)	(22,899) (CNY -5,013 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)	(1,097) (CNY -246 thousand) (Note 5)	100	(1,097) (CNY -246 thousand) (Note 5)	5,707 (CNY 1,250 thousand)	None
Shanghai Ding Xu Property Management Co., Ltd.	Engaged in the management of real estate properties	22,860 (CNY 5,000 thousand)	(Note 2)	- (Note 2)	-	-	- (Note 2)	122 (CNY 27 thousand) (Note 5)	100	122 (CNY 27 thousand) (Note 5)	22,960 (CNY 5,027 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	935,131 (CNY 208,316 thousand) (Note 6)	76	711,400 (US\$ 23,297 thousand) (Note 6)	8,161,419 (US\$ 269,220 thousand)	\$ 1,406,326 (US\$ 48,243 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	3,858,952 (US\$ 126,375 thousand) (Note 6)	76	2,929,634 (US\$ 95,941 thousand) (Note 6)	28,455,803 (US\$ 938,671 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	(7,181) (US\$ -235 thousand) (Note 6)	99	(7,121) (US\$ -233 thousand) (Note 6)	318,491 (US\$ 10,506 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)	371,142 (CNY 82,678 thousand) (Note 6)	76	278,007 (CNY 61,938 thousand) (Note 6)	2,425,465 (CNY 531,010 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)	789,458 (CNY 175,586 thousand) (Note 6)	76	599,340 (CNY 133,528 thousand) (Note 6)	2,734,460 (CNY 598,659 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)	5,102 (CNY 1,137 thousand) (Note 6)	76	3,873 (CNY 863 thousand) (Note 6)	190,852 (CNY 41,783 thousand)	None

(Continued)

Investee Company	Accumulated Investment in Mainland China as of September 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)	17,112,042 (Note 8)
USI Inc.	3,382,665	32,402,340 (US\$1,027,236 thousand)	- (Note 7)

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

- (1) ASE Mauritius Inc., ASE Corporation, Omniquest Industrial Limited, Innosource Limited and J&R Holding Limited.
- (2) ASE Mauritius Inc., Alto Enterprises Limited, Innosource Limited, ASE Corporation, Omniquest Industrial Limited and J&R Holding Limited.
- (3) Global Advanced Packaging Technology Limited 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 September 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: $\$28,520,070 \times 60\% = 17,112,042$.

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 NINE MONTHS ENDED SEPTEMBER 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	\$ 7,401,702	The transaction has the same terms with other companies The transaction has the same terms with other companies It is calculated by fixed ratio based on actual expenses. There is an upper limit to the expenses. The transaction has the same terms with other companies The transaction has the same terms with other companies	2
			Parent company to subsidiary	Disposal of property, plant and equipment	234,655		-
		Universal Scientific Industrial Co., Ltd.	Parent company to subsidiary	Purchase of property, plant and equipment	242,453		-
			Parent company to subsidiary	Trade receivables	1,137,970		-
		ASE (Shanghai) Inc.	Parent company to subsidiary	Operating revenues	3,427,024		2
			Parent company to subsidiary	Trade payables	470,436		-
		ASE (U.S.) Inc.	Parent company to subsidiary	Operating costs	1,267,734		1
			Parent company to subsidiary	Operating expenses	676,013		-
		ASE Electronics Inc.	Parent company to subsidiary	Trade payables	468,836		-
			Parent company to subsidiary	Other payables	619,105		-
		ISE Labs, Inc.	Parent company to subsidiary	Operating costs	1,600,882		1
			Parent company to subsidiary	Operating revenues	121,534		-
		J & R Holding Limited	Parent company to subsidiary	Other payables	6,881,505		2
		Omniquest Industrial Limited	Parent company to subsidiary	Other payables	1,364,175		-
		ASE Labuan Inc.	Parent company to subsidiary	Other payables	606,300		-
		ASE Test Limited	Parent company to subsidiary	Other payables	5,305,125		1
		Global Advanced Packaging Technology Limited	Parent company to subsidiary	Other payables	1,970,475		1
		Innosource Limited	Parent company to subsidiary	Other payables	757,875		-
		ASE Investment (Labuan) Inc.	Parent company to subsidiary	Other payables	1,554,725		-
		J&R Industrial Inc.	Parent company to subsidiary	Other payables	190,000		-
		ASE (Korea) Inc.	Parent company to subsidiary	Other payables	1,667,634		-
		Huntington Holdings International Co. Ltd.	Parent company to subsidiary	Other payables	909,450		-
		USI Enterprise Limited	Parent company to subsidiary	Other payables	3,940,950		1
Real Tech Holdings Limited	Parent company to subsidiary	Other payables	1,212,600	-			
ASE Corporation	Parent company to subsidiary	Other payables	1,212,600	-			
A.S.E. Holding Limited	Parent company to subsidiary	Other payables	606,300	-			
ASE WeiHai Inc.	Parent company to subsidiary	Disposal of property, plant and equipment	182,707	-			
1	ASE Test, Inc.	ASE Investment (Labuan) Inc.	Subsidiary to subsidiary	Other receivables	1,100,000	-	
2	ASE (Shanghai) Inc.	Advanced Semiconductor Engineering (HK) Limited	Subsidiary to subsidiary	Trade receivables	503,728	-	
				Operating revenues	1,421,727	1	
3	Shanghai Ding Hui Real Estate Development Co., Ltd.	Kun Shan Ding Hong Real Estate Development Co., Ltd.	Subsidiary to subsidiary	Other receivables	238,012	-	

(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	\$ 489,124		-
5	A.S.E. Holding Limited	ASE Test Limited	Subsidiary to subsidiary	Other liabilities	1,084,512		-
		Huntington Holdings International Co. Ltd.	Subsidiary to subsidiary	Other payables	394,435		-
		Real Tech Holdings Limited	Subsidiary to subsidiary	Other payables	455,117		-
6	J & R Holding Limited	Global Advanced Packaging Technology Limited	Subsidiary to subsidiary	Other assets	535,679		-
		Omniquest Industrial Limited	Subsidiary to subsidiary	Other assets	1,373,522		-
		Innosource Limited	Subsidiary to subsidiary	Other assets	766,110		-
		Anstock Limited	Subsidiary to subsidiary	Other assets	1,136,959		-
		ASE Test Limited	Subsidiary to subsidiary	Other liabilities	5,730,183		2
		ISE Labs, Inc.	Subsidiary to subsidiary	Other payables	242,682		-
			Subsidiary to subsidiary	Other liabilities	1,152,336		-
		Anstock II Limited	Subsidiary to subsidiary	Interest Expense	123,344		-
		ASE Japan Co., Ltd.	Subsidiary to subsidiary	Other payables	2,293,255		1
		ASE Labuan Inc.	Subsidiary to subsidiary	Other assets	610,454		-
		ASE Assembly & Test (Shanghai) Limited	Subsidiary to subsidiary	Other receivables	529,197		-
		ASE WeiHai Inc.	Subsidiary to subsidiary	Other receivables	700,440		-
		USI Enterprise Limited	Subsidiary to subsidiary	Other payables	4,557,300		1
ASE Corporation	Subsidiary to subsidiary	Other assets	1,220,861		-		
A.S.E. Holding Limited	Subsidiary to subsidiary	Other liabilities	2,067,458		1		
7	Global Advanced Packaging Technology Limited	USI Enterprise Limited	Subsidiary to subsidiary	Other payables	1,973,154		1
8	ASE WeiHai Inc.	ASE (Korea)Inc.	Subsidiary to subsidiary	Other payables	610,331		-
9	ASE Electronics Inc.	J&R Industrial Inc.	Subsidiary to subsidiary	Other payables	190,000		-
		Universal Scientific Industrial (Shanghai) Co., Ltd.	Subsidiary to subsidiary	Operating revenues	167,579	The transaction has the same terms with other companies	-
		ASE Electronics (M) Sdn. Bhd.	Subsidiary to subsidiary	Operating revenues	258,063	The transaction has the same terms with other companies	-
10	ASE Assembly & Test (Shanghai) Limited	Anstock Limited	Subsidiary to subsidiary	Other payables	658,868		-
		Subsidiary to subsidiary	Other liabilities	493,306		-	
		Shanghai Ding Wei Real Estate Development Co., Ltd.	Subsidiary to subsidiary	Other receivables	939,685		-
		Advanced Semiconductor Engineering (HK) Limited	Subsidiary to subsidiary	Operating Cost	273,732	The transaction has the same terms with other companies	-
11	USI Inc.	USI Enterprise Limited	Subsidiary to subsidiary	Other payables	1,818,900		1
12	Universal Scientific Industrial (Shanghai) Co., Ltd.	Universal Global Technology Co., Limited	Subsidiary to subsidiary	Operating costs	3,283,140	The transaction has the same terms with other companies	2
		Subsidiary to subsidiary	Trade payables	1,420,589		-	
		Universal Global Industrial Co., Limited	Subsidiary to subsidiary	Operating revenues	219,992	The transaction has the same terms with other companies	-
		USI Enterprise Limited	Subsidiary to subsidiary	Dividend Payable	907,511		-
		Universal Global Technology (Shanghai) Co., Ltd.	Subsidiary to subsidiary	Operating revenues	170,822	The transaction has the same terms with other companies	-
		Subsidiary to subsidiary	Trade receivables	149,173		-	
Subsidiary to subsidiary	Other receivables	1,188,165		-			

(Continued)

No.	Company Name	Related Party	Nature of Relationships	Intercompany Transactions			Percentage of Consolidated Net Revenue or Total Assets
				Financial Statement Account	Amount (Note)	Terms	
13	Universal Global Industrial Co., Limited	USI Electronics (Shenzhen) Co., Ltd	Subsidiary to subsidiary	Operating revenues	\$ 2,134,153	The transaction has the same terms with other companies	1
			Subsidiary to subsidiary	Operating costs	7,615,164	The transaction has the same terms with other companies	4
			Subsidiary to subsidiary	Trade receivables	711,683		-
			Subsidiary to subsidiary	Trade payables	2,312,088		1
		Universal Global Scientific Industrial Co., Ltd.	Subsidiary to subsidiary	Operating revenues	10,856,355	The transaction has the same terms with other companies	5
			Subsidiary to subsidiary	Trade receivables	3,508,767		1
			Subsidiary to subsidiary	Other receivables	126,899		-
		Universal Global Technology (Kunshan) Co., Ltd.	Subsidiary to subsidiary	Operating revenues	166,859	The transaction has the same terms with other companies	-
			Subsidiary to subsidiary	Operating costs	5,318,637	The transaction has the same terms with other companies	3
			Subsidiary to subsidiary	Trade payables	1,827,388		1
			Subsidiary to subsidiary	Other payables	126,263		-
Universal Global Technology (Shanghai) Co., Ltd.	Subsidiary to subsidiary	Other receivables	107,906		-		
14	Universal Global Technology Co., Limited	Universal Global Technology (Kunshan) Co., Ltd.	Subsidiary to subsidiary	Operating revenues	1,778,853	The transaction has the same terms with other companies	1
			Subsidiary to subsidiary	Trade receivables	1,123,274		-
		USI Electronics (Shenzhen) Co., Ltd	Subsidiary to subsidiary	Other payables	909,450		-
			Subsidiary to subsidiary	Operating revenues	153,180	The transaction has the same terms with other companies	-
		USI America Inc.	Subsidiary to subsidiary	Labor cost	100,671	The transaction has the same terms with other companies	-
15	Universal Global Scientific Industrial Co., Ltd.	USI Electronics (Shenzhen) Co., Ltd	Subsidiary to subsidiary	Operating revenues	195,074	The transaction has the same terms with other companies	-
			Subsidiary to subsidiary	Operating revenues	219,085	The transaction has the same terms with other companies	-
		Universal Scientific Industrial (Shanghai) Co., Ltd.	Subsidiary to subsidiary	Trade receivables	148,661		-
			Subsidiary to subsidiary	Operating revenues	160,453	The transaction has the same terms with other companies	-
		Universal Global Industrial Co., Limited	Subsidiary to subsidiary	Trade receivables	106,145		-
			Subsidiary to subsidiary	Other receivables	111,378		-
		Universal Scientific Industrial Co., Ltd.	Subsidiary to subsidiary	Operating revenues	420,807	The transaction has the same terms with other companies	-
			Subsidiary to subsidiary	Trade receivables	232,842		-
16	USI Electronics (Shenzhen) Co., Ltd	Universal Global Technology (Shanghai) Co., Ltd.	Subsidiary to subsidiary	Other receivables	1,376,438		-
17	Universal Global Technology (Shanghai) Co., Ltd.	USI Electronics (Shenzhen) Co., Ltd	Subsidiary to subsidiary	Operating revenues	140,597	The transaction has the same terms with other companies	-
			Subsidiary to subsidiary	Operating revenues	232,213	The transaction has the same terms with other companies	-

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

(Concluded)