

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
REVIEW REPORT OF INDEPENDENT ACCOUNTANTS
JUNE 30, 2016 AND 2015

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of WPG Holdings Limited

We have reviewed the accompanying consolidated balance sheets of WPG Holdings Limited and subsidiaries as of June 30, 2016 and 2015, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2016 and 2015, as well as the consolidated statements of changes in equity and of cash flows for the six months then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Except as explained in the following paragraph, our reviews were made in accordance with the Generally Accepted Auditing Standards No. 36, "Review of Financial Statements" in the Republic of China. A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards in the Republic of China, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

As explained in Notes 4(3)B. and 6(10), we did not review the financial statements of certain insignificant consolidated subsidiaries and investments accounted for under equity method, which statements reflect total assets (including investments accounted for under the equity method) of \$20,310,207 thousand and \$19,994,788 thousand, both constituting 12% of the consolidated total assets, and total liabilities of \$7,198,468 thousand and \$6,452,747 thousand, constituting 6% and 5% of the consolidated total liabilities as of June 30, 2016 and 2015, respectively, and total comprehensive income (including other comprehensive income of associates and joint ventures accounted for under equity method) of \$87,235 thousand, \$167,384 thousand, \$183,454 thousand and \$261,436 thousand, constituting 6%, 73%, 10% and 26% of the consolidated total comprehensive income for the three months and six months then ended, respectively. These amounts and the information disclosed in Note 13 were based solely on the unreviewed financial statements of these companies as of and for the six months ended June 30, 2016 and 2015.

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant consolidated subsidiaries, investments accounted for under equity method and the information disclosed in Note 13 been audited or reviewed by independent accountants as explained in the preceeding paragraph, we are not aware of any material modifications that should be made to the consolidated financial statements referred to in the first paragraph for them to be in conformity with the “Rules Governing the Preparation of Financial Statements by Securities Issuers”, and IAS 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

PricewaterhouseCoopers, Taiwan

August 9, 2016

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the review of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and review report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the consolidated financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2016, DECEMBER 31, 2015, AND JUNE 30, 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(THE CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2016 AND 2015
WERE REVIEWED BUT NOT AUDITED IN CONFORMITY WITH R.O.C. GAAS)

ASSETS	Notes	June 30, 2016		December 31, 2015		June 30, 2015	
		Amount	%	Amount	%	Amount	%
<u>Current Assets</u>							
Cash and cash equivalents	6(1)	\$ 7,966,589	5	\$ 9,446,642	5	\$ 8,500,599	5
Financial assets at fair value through profit or loss - current	6(2)	36,919	-	62,266	-	54,892	-
Available-for-sale financial assets - current	6(3)	22,286	-	35,786	-	14,265	-
Notes receivable, net	6(4)	6,605,902	4	6,511,976	4	3,930,399	2
Accounts receivable, net	6(5) and 8	79,683,905	46	85,440,433	48	77,246,402	46
Accounts receivable - related parties, net	7	208,059	-	319,058	-	280,025	-
Other receivables		6,445,457	4	9,178,333	5	3,644,208	2
Other receivables - related parties	7	56,460	-	95,876	-	99,636	-
Current income tax assets		107,187	-	1,033	-	1,949	-
Inventories	6(7)	53,853,939	31	50,295,037	28	55,823,387	34
Prepayments		1,753,102	1	2,801,241	1	2,588,184	2
Non-current assets cassified as held for sale, net	6(14)	-	-	-	-	10,499	-
Other current assets	8	<u>1,786,050</u>	<u>1</u>	<u>1,299,731</u>	<u>1</u>	<u>819,363</u>	<u>-</u>
		<u>158,525,855</u>	<u>92</u>	<u>165,487,412</u>	<u>92</u>	<u>153,013,808</u>	<u>92</u>
<u>Non-current Assets</u>							
Available-for-sale financial assets - non-current	6(8) and 8	335,899	-	335,296	-	367,704	-
Financial assets carried at cost - non-current	6(9)	466,647	-	468,031	-	469,047	-
Investments in debt instrument without active market - non-current		-	-	5,000	-	5,000	-
Investments accounted for under the equity method	6(10)	598,110	1	555,054	1	634,096	-
Property, plant and equipment	6(11) and 8	4,633,052	3	4,656,320	3	4,602,151	3
Investment property, net	6(12)	1,053,933	1	1,141,609	1	1,109,681	1
Intangible assets	6(13)	5,604,258	3	5,671,154	3	5,737,114	4
Deferred income tax assets		313,690	-	335,020	-	479,830	-
Other non-current assets	6(16) and 8	<u>335,830</u>	<u>-</u>	<u>396,969</u>	<u>-</u>	<u>333,780</u>	<u>-</u>
		<u>13,341,419</u>	<u>8</u>	<u>13,564,453</u>	<u>8</u>	<u>13,738,403</u>	<u>8</u>
<u>Total assets</u>		<u>\$171,867,274</u>	<u>100</u>	<u>\$179,051,865</u>	<u>100</u>	<u>\$166,752,211</u>	<u>100</u>

(Continued)

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2016, DECEMBER 31, 2015, AND JUNE 30, 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(THE CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2016 AND 2015
WERE REVIEWED BUT NOT AUDITED IN CONFORMITY WITH R.O.C. GAAS)

		<u>June 30, 2016</u>		<u>December 31, 2015</u>		<u>June 30, 2015</u>	
<u>LIABILITIES AND EQUITY</u>	<u>Notes</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Current Liabilities</u>							
Short-term borrowings	6(17)	\$ 43,444,684	25	\$ 54,575,352	30	\$ 46,050,423	28
Short-term notes and bills payable	6(18)	3,698,530	2	3,708,197	2	3,308,311	2
Financial liabilities at fair value through profit or loss - current	6(2)	2,602	-	26,719	-	2,358	-
Notes payable		781,356	-	727,694	-	684,920	-
Accounts payable		49,549,980	29	44,513,040	25	46,137,496	28
Accounts payable - related parties	7	264	-	2,121	-	-	-
Other payables	6(24)	8,605,560	5	5,055,168	3	8,678,098	5
Current income tax liabilities		859,866	1	889,808	1	1,179,077	1
Other current liabilities	6(20)	<u>1,809,801</u>	<u>1</u>	<u>2,087,756</u>	<u>1</u>	<u>4,764,530</u>	<u>3</u>
		<u>108,752,643</u>	<u>63</u>	<u>111,585,855</u>	<u>62</u>	<u>110,805,213</u>	<u>67</u>
<u>Non-current Liabilities</u>							
Bonds payable	6(19)	5,915,410	4	5,875,383	3	5,835,628	4
Long-term borrowings	6(20)	9,962,773	6	12,126,659	7	6,820,648	4
Deferred income tax liabilities		413,374	-	442,058	-	405,707	-
Other non-current liabilities		<u>690,032</u>	<u>-</u>	<u>704,152</u>	<u>1</u>	<u>464,528</u>	<u>-</u>
		<u>16,981,589</u>	<u>10</u>	<u>19,148,252</u>	<u>11</u>	<u>13,526,511</u>	<u>8</u>
Total Liabilities		<u>125,734,232</u>	<u>73</u>	<u>130,734,107</u>	<u>73</u>	<u>124,331,724</u>	<u>75</u>
<u>Equity Attributable to Owners of Parent</u>							
<u>Capital</u>							
Common stock	1 and 6(22)	16,557,092	10	16,557,092	9	16,557,092	10
Capital reserve	6(23)						
Capital reserve		15,187,834	9	15,187,178	8	15,187,022	9
Retained earnings	6(24)						
Legal reserve		4,012,786	2	3,470,739	2	3,470,739	2
Undistributed earnings	6(32)	8,595,145	5	10,002,877	6	7,277,268	4
Other equity interest							
Other equity interest	6(25)	1,274,342	1	2,553,776	2	(583,681)	-
Treasury share							
Treasury share	6(22)	<u>-</u>	<u>-</u>	<u>(1,242)</u>	<u>-</u>	<u>(1,526)</u>	<u>-</u>
Total equity attributable to owners of parent		45,627,199	27	47,770,420	27	41,906,914	25
<u>Non-controlling interests</u>							
		<u>505,843</u>	<u>-</u>	<u>547,338</u>	<u>-</u>	<u>513,573</u>	<u>-</u>
Total equity		<u>46,133,042</u>	<u>27</u>	<u>48,317,758</u>	<u>27</u>	<u>42,420,487</u>	<u>25</u>
Significant contingent liabilities and unrecognised contract commitments	9						
Significant events after the balance sheet date	11						
<u>TOTAL LIABILITIES AND EQUITY</u>		<u>\$171,867,274</u>	<u>100</u>	<u>\$179,051,865</u>	<u>100</u>	<u>\$166,752,211</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 9, 2016.

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
SIX MONTHS ENDED JUNE 30, 2016 AND 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)
(UNAUDITED)

Items	Notes	Three months ended June 30,				Six months ended June 30,			
		2016		2015		2016		2015	
		Amount	%	Amount	%	Amount	%	Amount	%
Operating revenues	6(26) and 7	\$ 133,759,319	100	\$ 124,452,633	100	\$ 255,292,068	100	\$ 232,466,638	100
Operating costs	6(7) and 7	(128,040,107)	(96)	(119,077,895)	(96)	(244,401,245)	(96)	(222,277,669)	(96)
Gross profit		<u>5,719,212</u>	<u>4</u>	<u>5,374,738</u>	<u>4</u>	<u>10,890,823</u>	<u>4</u>	<u>10,188,969</u>	<u>4</u>
Operating expenses	6(30)(31)								
Selling and marketing		(2,360,063)	(2)	(2,157,416)	(1)	(4,342,765)	(2)	(3,939,597)	(2)
General and administrative		(960,994)	-	(1,139,591)	(1)	(2,054,483)	-	(2,171,353)	-
Total operating expenses		(3,321,057)	(2)	(3,297,007)	(2)	(6,397,248)	(2)	(6,110,950)	(2)
Operating income		<u>2,398,155</u>	<u>2</u>	<u>2,077,731</u>	<u>2</u>	<u>4,493,575</u>	<u>2</u>	<u>4,078,019</u>	<u>2</u>
Non-operating income and expenses									
Other income	6(27)	112,486	-	25,723	-	185,594	-	92,567	-
Other gains or losses	6(28)	(128,544)	-	78,929	-	(1,772)	-	97,790	-
Financial costs	6(29)	(360,487)	(1)	(332,680)	-	(758,249)	-	(670,395)	-
Share of profit of associates and joint ventures accounted for under equity method		<u>9,035</u>	<u>-</u>	<u>4,448</u>	<u>-</u>	<u>14,016</u>	<u>-</u>	<u>10,905</u>	<u>-</u>
Total non-operating income and expenses		(367,510)	(1)	(223,580)	-	(560,411)	-	(469,133)	-
Income before income tax		<u>2,030,645</u>	<u>1</u>	<u>1,854,151</u>	<u>2</u>	<u>3,933,164</u>	<u>2</u>	<u>3,608,886</u>	<u>2</u>
Income tax expense	6(32)	(473,114)	-	(689,771)	(1)	(815,262)	(1)	(1,045,461)	(1)
Consolidated net income		<u>\$ 1,557,531</u>	<u>1</u>	<u>\$ 1,164,380</u>	<u>1</u>	<u>\$ 3,117,902</u>	<u>1</u>	<u>\$ 2,563,425</u>	<u>1</u>
Components of other comprehensive income (loss) that will be reclassified to profit or loss									
Exchange differences on translation of foreign financial statements		(\$ 27,388)	-	(\$ 884,852)	(1)	(\$ 1,334,010)	-	(\$ 1,503,921)	(1)
Unrealised gain (loss) on available-for-sale financial assets	6(25)	(11,795)	-	(60,411)	-	12,170	-	(60,186)	-
Share of other comprehensive income (loss) of associates and joint venture accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		723	-	188	-	1,814	-	(5,518)	-
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(32)	<u>12,600</u>	<u>-</u>	<u>10,609</u>	<u>-</u>	<u>21,613</u>	<u>-</u>	<u>17,971</u>	<u>-</u>
Total other comprehensive loss, net		(\$ 25,860)	-	(\$ 934,466)	(1)	(\$ 1,298,413)	-	(\$ 1,551,654)	(1)
Total comprehensive income		<u>\$ 1,531,671</u>	<u>1</u>	<u>\$ 229,914</u>	<u>-</u>	<u>\$ 1,819,489</u>	<u>1</u>	<u>\$ 1,011,771</u>	<u>-</u>

(Continued)

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
SIX MONTHS ENDED JUNE 30, 2016 AND 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)
(UNAUDITED)

Items	Notes	Three months ended June 30,				Six months ended June 30,			
		2016		2015		2016		2015	
		Amount	%	Amount	%	Amount	%	Amount	%
Consolidated net income attributable to:									
Owners of parent		\$ 1,552,966	1	\$ 1,160,984	1	\$ 3,108,018	1	\$ 2,558,205	1
Non-controlling interests		<u>4,565</u>	-	<u>3,396</u>	-	<u>9,884</u>	-	<u>5,220</u>	-
		<u>\$ 1,557,531</u>	<u>1</u>	<u>\$ 1,164,380</u>	<u>1</u>	<u>\$ 3,117,902</u>	<u>1</u>	<u>\$ 2,563,425</u>	<u>1</u>
Comprehensive income attributable to:									
Owners of parent		\$ 1,544,591	1	\$ 210,185	-	\$ 1,828,584	1	\$ 990,763	-
Non-controlling interests		<u>(12,920)</u>	-	<u>19,729</u>	-	<u>(9,095)</u>	-	<u>21,008</u>	-
		<u>\$ 1,531,671</u>	<u>1</u>	<u>\$ 229,914</u>	-	<u>\$ 1,819,489</u>	<u>1</u>	<u>\$ 1,011,771</u>	-
Earnings per share (in dollars)									
Basic earnings per share	6(33)	<u>\$</u>	<u>0.94</u>	<u>\$</u>	<u>0.70</u>	<u>\$</u>	<u>1.88</u>	<u>\$</u>	<u>1.55</u>
Diluted earnings per share	6(33)	<u>\$</u>	<u>0.87</u>	<u>\$</u>	<u>0.65</u>	<u>\$</u>	<u>1.73</u>	<u>\$</u>	<u>1.44</u>

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 9, 2016.

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2016 AND 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

		Attributable to owners of the Company														
		Capital Reserve					Retained Earnings		Other Equity Adjustments							
					Changes in share of other comprehensive income of associates and joint ventures accounted for under equity method						Exchange differences on translation of foreign financial statements	Unrealized gain or loss on available-for-sale financial assets			Non-controlling interests	
Notes	Common stock	Additional paid-in capital	Treasury stock transactions	Changes in parent's ownership interest in subsidiaries		Stock warrants	Legal reserve	Special reserve	Undistributed earnings				Treasury stocks	Total		Total equity
<u>2015</u>																
Balance at January 1, 2015	\$ 16,557,092	\$ 14,886,934	\$ 45,083	\$ 464	\$ 20,521	\$ 232,800	\$ 2,890,021	\$ 1,937,752	\$ 7,501,303	\$ 908,749	\$ 75,012	\$ -	\$ 45,055,731	\$ 61,951	\$ 45,117,682	
Distribution of retained earnings for 2014																
Legal reserve appropriated	6(24)	-	-	-	-	-	580,718	-	(580,718)	-	-	-	-	-	-	-
Special reserve reversed	6(24)	-	-	-	-	-	-	(1,937,752)	1,937,752	-	-	-	-	-	-	-
Cash dividends distributed to shareholders	6(24)	-	-	-	-	-	-	-	(4,139,274)	-	-	-	(4,139,274)	-	(4,139,274)	
Changes in equity of associates and joint ventures																
accounted for using equity method	-	-	-	-	1,253	-	-	-	-	-	-	-	-	1,253	-	1,253
Capital increase in subsidiaries not recognised																
proportionately to ownership	-	-	-	(33)	-	-	-	-	-	-	-	-	(33)	-	(33)	
Treasury stocks received through acquisition of																
subsidiary	-	-	-	-	-	-	-	-	-	-	-	(1,526)	(1,526)	-	(1,526)	
Total consolidated profit	-	-	-	-	-	-	-	-	2,558,205	-	-	-	-	2,558,205	5,220	2,563,425
Net other comprehensive income (loss)	6(25)	-	-	-	-	-	-	-	-	(1,507,256)	(60,186)	-	(1,567,442)	15,788	(1,551,654)	
Effect of changes in consolidated entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	422,196	422,196
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,418	8,418
Balance at June 30, 2015	<u>\$ 16,577,092</u>	<u>\$ 14,886,934</u>	<u>\$ 45,083</u>	<u>\$ 431</u>	<u>\$ 21,774</u>	<u>\$ 232,800</u>	<u>\$ 3,470,739</u>	<u>\$ -</u>	<u>\$ 7,277,268</u>	<u>(\$ 598,507)</u>	<u>\$ 14,826</u>	<u>(\$ 1,526)</u>	<u>\$ 41,906,914</u>	<u>\$ 513,573</u>	<u>\$ 42,420,487</u>	
<u>2016</u>																
Balance at January 1, 2016	\$ 16,557,092	\$ 14,886,934	\$ 45,182	\$ 431	\$ 21,831	\$ 232,800	\$ 3,470,739	\$ -	\$ 10,002,877	\$ 2,574,750	(\$ 20,974)	(\$ 1,242)	\$ 47,770,420	\$ 547,338	\$ 48,317,758	
Distribution of retained earnings for 2015																
Legal reserve appropriated	6(24)	-	-	-	-	-	542,047	-	(542,047)	-	-	-	-	-	-	-
Cash dividends distributed to shareholders	6(24)	-	-	-	-	-	-	-	(3,973,703)	-	-	-	(3,973,703)	-	(3,973,703)	
Changes in equity of associates and joint ventures																
accounted for using equity method	-	-	-	-	207	-	-	-	-	-	-	-	-	207	-	207
Total consolidated profit	-	-	-	-	-	-	-	-	3,108,018	-	-	-	-	3,108,018	9,884	3,117,902
Net other comprehensive income (loss)	6(25)	-	-	-	-	-	-	-	-	(1,291,604)	12,170	-	(1,279,434)	(18,979)	(1,298,413)	
Disposal of company's share by subsidiaries recognised																
as treasury share transactions	-	-	449	-	-	-	-	-	-	-	--	1,242	1,691	-	1,691	
Effect of changes in consolidated entities	-	-	-	-	-	-	-	-	-	-	-	-	-	(32,400)	(32,400)	
Balance at June 30, 2016	<u>\$ 16,557,092</u>	<u>\$ 14,886,934</u>	<u>\$ 45,631</u>	<u>\$ 431</u>	<u>\$ 22,038</u>	<u>\$ 232,800</u>	<u>\$ 4,012,786</u>	<u>\$ -</u>	<u>\$ 8,595,145</u>	<u>\$ 1,283,146</u>	<u>(\$ 8,804)</u>	<u>\$ -</u>	<u>\$ 45,627,199</u>	<u>\$ 505,843</u>	<u>\$ 46,133,042</u>	

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 9, 2016..

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2016 AND 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	Notes	2016	2015
Cash flows from operating activities			
Income before income tax		\$ 3,933,164	\$ 3,608,886
Adjustments to reconcile consolidated net income to net cash provided by operating activities:			
Income and expenses			
Depreciation	6(30)	118,942	121,525
Amortisation	6(30)	19,972	71,786
Bad debts expense		53,795	210,850
Interest expense	6(29)	616,940	542,829
Net gain on financial assets or liabilities at fair value through profit or loss	6(28)	(8,385)	(27,071)
Interest income	6(27)	(17,438)	(16,540)
Dividend income	6(27)	(18,625)	(31,495)
Share of profit of associates and joint ventures accounted for under equity method		(14,016)	(10,905)
Loss on disposal of property, plant and equipment and investment property	6(28)	3,071	842
Loss (gain) on disposal of investments	6(28)	2,414	(83,532)
Impairment loss	6(28)	54,292	3,275
Amortisation of bond discount	6(19)(29)	40,027	39,488
Changes in assets/liabilities relating to operating activities			
Changes in assets relating to operating activities			
Financial assets at fair value through profit or loss - current		9,615	16,046
Notes receivable, net		(93,926)	(625,881)
Accounts receivable, net		5,497,623	2,116,195
Accounts receivable - related parties, net		110,999	(10,484)
Other receivables		2,609,929	(1,199,930)
Other receivables - related parties		39,416	66,360
Inventories		(3,594,250)	(7,639,228)
Prepayments		1,047,512	(400,470)
Other current assets		34,099	(2,415)
Changes in liabilities relating to operating activities			
Notes payable		53,662	246,009
Accounts payable		5,189,291	4,557,471
Accounts payable - related parties		(1,857)	(2,058)
Other payables		(411,133)	(486,780)
Other current liabilities		93,985	211,542
Cash inflow generated from operations		15,369,118	1,276,315
Interest paid		(637,964)	(557,815)
Income tax paid		(653,564)	(688,995)
Interest received		34,231	39,958
Dividends received		48,467	28,097
Net cash provided by operating activities		14,160,288	97,560

(Continued)

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2016 AND 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	Notes	2016	2015
<u>Cash flows from investing activities</u>			
Acquisition of financial assets carried at cost - non-current	\$	-	(\$ 75,000)
Acquisition of available-for-sale financial assets - current		-	(9,912)
Proceeds from disposal of financial assets carried at cost - non-current		-	29,201
Proceeds from disposal of available-for-sale financial assets - current		12,748	56,530
Proceeds from disposal of available-for-sale financial assets - non-current		-	28,970
Proceeds from capital reduction of available-for-sale financial assets		9,182	-
Increase in other financial assets	(	520,418)	(138,643)
Acquisition of investments accounted for under equity method	(	29,400)	(3,000)
Acquisition of property, plant and equipment and intangible assets	6(35) (	63,880)	(69,573)
Proceeds from disposal of property, plant and equipment		1,521	459
Disposal of subsidiaries	6(35) (	29,939)	-
Decrease in refundable deposits		48,309	88,023
Net cash flow from acquisition of subsidiaries	6(34)	-	(56,400)
Proceeds from repayments of investments in debt instrument without active market		5,000	-
Decrease in other non-current assets		12,610	7,040
Net cash used in investing activities	(	554,267)	(142,305)
<u>Cash flows from financing activities</u>			
Increase in short-term borrowings		432,234,388	433,115,081
Decrease in short-term borrowings	(	443,312,536)	(432,496,917)
Increase in long-term borrowings (including current portion of long-term liabilities)		5,380,971	7,381,019
Decrease in long-term borrowings (including current portion of long-term liabilities)	(	7,916,420)	(8,339,556)
Increase in short-term notes and bills payable		11,793,339	27,379,773
Decrease in short-term notes and bills payable	(	11,803,006)	(28,159,228)
Decrease in other non-current liabilities	(	14,120)	(40,888)
Increase in non-controlling interests		-	8,418
Net cash used in financing activities	(	13,637,384)	(1,152,298)
Effect of exchange rate changes on cash and cash equivalents	(	1,448,690)	(1,487,217)
Net decrease in cash and cash equivalents	(	1,480,053)	(2,684,260)
Cash and cash equivalents at beginning of period		9,446,642	11,184,859
Cash and cash equivalents at end of period	\$	7,966,589	\$ 8,500,599

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 9, 2016.

WPG HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2016 AND 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)
(UNAUDITED)

1. HISTORY AND ORGANIZATION

- (1) WPG Holdings Limited (the Company) was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China, and as a holding company of World Peace Industrial Co., Ltd. and Silicon Application Corporation by exchanging shares of common stock on November 9, 2005. The Company's shares were listed on the Taiwan Stock Exchange (TSE) and approved by the Financial Supervisory Commission, Executive Yuan, Securities and Futures Bureau on the same date. After restructuring, Richpower Electronic Devices Co., Ltd. became the Company's subsidiary on January 1, 2008. The Company acquired Pernas Electronics Co., Ltd., Asian Information Technology Inc., Yosun Industrial Corp. and AECO Technology Co., Ltd. by exchanging shares of common stock on July 16, 2008, February 6, 2009, November 15, 2010 and March 1, 2012, respectively. After the Company's organisation restructuring on January 1, 2014, World Peace Industrial Co., Ltd., Silicon Application Corp. and Yosun Industrial Corp. acquired 100% shares in AECO Technology Co., Ltd., Pernas Electronics Co., Ltd. and Richpower Electronic Devices Co., Ltd. through share exchange, and consequently, AECO Technology Co., Ltd., Pernas Electronics Co., Ltd. and Richpower Electronic Devices Co., Ltd. became indirectly owned subsidiaries. The Company originally evaluated Genuine C&C, Inc. using equity method. The Company acquired partial stocks of Genuine C&C, Inc. on April 8, 2015 and completed the purchase on April 15, 2015. After the purchase, the Company held 60.5% shares of Genuine C&C, Inc. which became the Company's directly owned subsidiary. The Company and the subsidiaries included in these consolidated financial statements are collectively referred as the "Group".
- (2) The Company was organised to create the management mechanism of the group, supervise the subsidiaries, integrate the whole group and improve operational efficiency. The Company's subsidiaries are mainly engaged in the distribution and sales of electronic / electrical components, sales of computer software and electrical products and sales of electronic / electrical components.
- (3) In accordance with the Company's Articles of Incorporation, the total authorised common stock is 2 billion shares (including 50 million shares of warrant, warrant preferred stock and warrant bond conversion). As of June 30, 2016, the Company had issued capital of \$16,557,092 with a par value of \$10 (in dollars) per share.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorised for issuance by the Board of Directors on August 9, 2016.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

None.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2017:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective Date by International Accounting Standards Board</u>
Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	January 1, 2016
Accounting for acquisition of interests in joint operations (amendments to IFRS 11)	January 1, 2016
IFRS 14, 'Regulatory deferral accounts'	January 1, 2016
Disclosure initiative (amendments to IAS 1)	January 1, 2016
Clarification of acceptable methods of depreciation and amortization (amendments to IAS 16 and IAS 38)	January 1, 2016
Agriculture: bearer plants (amendments to IAS 16 and IAS 41)	January 1, 2016
Defined benefit plans: employee contributions (amendments to IAS 19R)	July 1, 2014
Equity method in separate financial statements (amendments to IAS 27)	January 1, 2016
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	January 1, 2014
IFRIC 21, 'Levies'	January 1, 2014
Improvements to IFRSs 2010-2012	July 1, 2014
Improvements to IFRSs 2011-2013	July 1, 2014
Improvements to IFRSs 2012-2014	January 1, 2016

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and operating results based on the Group's assessment. The quantitative impact will be disclosed when the assessment is complete.

Amendments to IAS 36, 'Recoverable amount disclosures for non-financial assets'

The amendments remove the requirement to disclose recoverable amount when a cash generating unit (CGU) contains goodwill or indefinite lived intangible assets but there has been

no impairment. When a material impairment loss has been recognised or reversed for an individual asset, including goodwill, or a CGU, it is required to disclose the recoverable amount of the asset or CGU. If the recoverable amount is fair value less costs of disposal, it is required to disclose the level of the fair value hierarchy, the valuation techniques(s) used and key assumptions.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs endorsed by the FSC effective from 2017:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective Date by International Accounting Standards Board</u>
Classification and measurement of share-based payment transactions (amendment to IFRS 2)	January 1, 2018
IFRS 9, 'Financial instruments'	January 1, 2018
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	To be determined by International Accounting Standards Board
IFRS 15, 'Revenue from contracts with customers'	January 1, 2018
Clarifications to IFRS 15, 'Revenue from contracts with customers' (amendments to IFRS 15)	January 1, 2018
IFRS 16, 'Leases'	January 1, 2019
Disclosure initiative (amendments to IAS 7)	January 1, 2017
Recognition of deferred tax assets for unrealised losses (amendments to IAS 12)	January 1, 2017

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and operating results based on the Group's assessment. The quantitative impact will be disclosed when the assessment is complete.

A. IFRS 9, 'Financial instruments'

- (a) Classification of debt instruments is driven by the entity's business model and the contractual cash flow characteristics of the financial assets, which would be classified as financial asset at fair value through profit or loss, financial asset measured at fair value through other comprehensive income or financial asset measured at amortised cost. Equity instruments would be classified as financial asset at fair value through profit or loss, unless an entity makes an irrevocable election at inception to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading.
- (b) The impairment losses of debt instruments are assessed using an 'expected credit loss' approach. An entity assesses at each balance sheet date whether there has been a significant increase in credit risk on that instrument since initial recognition to recognise 12-month expected credit losses ('ECL') or lifetime ECL (interest revenue would be calculated on the gross carrying amount of the asset before impairment

losses occurred); or if the instrument that has objective evidence of impairment, interest revenue after the impairment would be calculated on the book value of net carrying amount (i.e. net of credit allowance).

B. IFRS 15, “Revenue from contracts with customers”

IFRS 15, “Revenue from contracts with customers” replaces IAS 11, “Construction Contracts”, IAS 18, “Revenue” and relevant interpretations. According to IFRS 15, revenue is recognised when a customer obtains control of promised goods or services. A customer obtains control of goods or services when a customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

Step 1: Identify contracts with customer

Step 2: Identify separate performance obligations in the contract(s)

Step 3: Determine the transaction price

Step 4: Allocate the transaction price.

Step 5: Recognise revenue when the performance obligation is satisfied.

Further, IFRS 15 includes a set of comprehensive disclosure requirements that requires an entity to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

C. IFRS 16, ‘Leases’

IFRS 16, ‘Leases’, replaces IAS 17, ‘Leases’ and related interpretations and SICs. The standard requires lessees to recognise a ‘right-of-use asset’ and a lease liability (except for those leases with terms of 12 months or less and leases of low-value assets). The accounting stays the same for lessors, which is to classify their leases as either finance leases or operating leases and account for those two types of leases differently. IFRS 16 only requires enhanced disclosures to be provided by lessors.

D. Amendments to IAS 7, ‘Disclosure initiative’

This amendment requires that an entity shall provide more disclosures related to changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

E. Amendments to IFRS 15, ‘Clarifications to Revenue from Contracts with Customers’

The amendments clarify how to identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract; determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and determine whether the revenue from granting a

licence should be recognised at a point in time or over time. In addition to the clarifications, the amendments include two additional reliefs to reduce cost and complexity for a company when it first applies the new Standard.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Rules Governing the Preparation of Financial Statements by Securities Issuers” and IAS 34, ‘Interim Financial Reporting’ as endorsed by the FSC.

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

- a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- b) Available-for-sale financial assets measured at fair value.
- c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the

policies adopted by the Group.

- c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)			Note
			June 30, 2016	December 31, 2015	June 30, 2015	
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	100.00	
WPG Holdings Limited	Silicon Application Corporation	Sales of computer software and electronic products	100.00	100.00	100.00	
WPG Holdings Limited	WPG Korea Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	100.00	Notes 7 and 8
WPG Holdings Limited	WPG Electronic Ltd.	"	100.00	100.00	100.00	Notes 7 and 8
WPG Holdings Limited	WPG International (CI) Limited	Holding company	100.00	100.00	100.00	Notes 7 and 8
WPG Holdings Limited	Asian Information Technology Inc.	Sales of electronic / electrical components	100.00	100.00	100.00	

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)			Note
			June 30, 2016	December 31, 2015	June 30, 2015	
WPG Holdings Limited	Yosun Industrial Corp.	Sales of electronic / electrical components	100.00	100.00	100.00	
WPG Holdings Limited	WPG Investment Co., Ltd.	Investment company	100.00	100.00	100.00	Notes 7 and 8
WPG Holdings Limited	WPG Core Investment Co., Ltd.	"	100.00	100.00	100.00	Notes 7 and 8
WPG Holdings Limited	Genuine C&C Inc.	Sales of computer and its peripherals	44.21	44.21	44.21	Note 2
World Peace Industrial Co., Ltd.	World Peace International (BVI) Ltd.	Holding company	100.00	100.00	100.00	Notes 7 and 8
World Peace Industrial Co., Ltd.	WPI Investment Holding (BVI) Company Ltd.	"	100.00	100.00	100.00	
World Peace Industrial Co., Ltd.	Longview Technology Inc.	Agent and sales of electronic / electrical components	100.00	100.00	100.00	Notes 7 and 8
World Peace Industrial Co., Ltd.	AECO Technology Co., Ltd.	"	100.00	100.00	100.00	Notes 7 and 8
World Peace Industrial Co., Ltd.	Genuine C&C Inc.	Sales of computer and its peripherals	16.29	16.29	16.29	Note 2
AECO Technology Co., Ltd.	Teco Enterprise Holding (B.V.I.) Co., Ltd.	Investment company	100.00	100.00	100.00	Notes 7 and 8
Teco Enterprise Holding (B.V.I.) Co., Ltd.	AECO Electronic Co., Ltd.	Trading of electronic / electrical products	100.00	100.00	100.00	Notes 7 and 8
AECO Electronic Co., Ltd.	AECO Electronic (Ningbo) Co., Ltd.	Trading of electronic / electrical products	100.00	100.00	100.00	Notes 7 and 8
World Peace International (BVI) Ltd.	Prime Future Technology Limited	Holding company	100.00	100.00	100.00	Notes 7 and 8
Prime Future Technology Limited	World Peace International Pte. Ltd.	"	100.00	100.00	100.00	Notes 7 and 8
World Peace International Pte. Ltd.	Genuine C&C (IndoChina) Pte., Ltd.	Agent and sales of electronic / electrical components	80.00	80.00	80.00	Notes 7 and 8

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)			Note
			June 30, 2016	December 31, 2015	June 30, 2015	
World Peace International Pte. Ltd.	WPG Americas Inc.	Agent and sales of electronic / electrical components	4.31	4.31	4.31	Note 4
World Peace International Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	"	100.00	100.00	100.00	
World Peace International Pte. Ltd.	Genuine C&C (South Asia) Pte., Ltd.	"	100.00	100.00	100.00	Notes 7 and 8
World Peace International (South Asia) Pte Ltd.	World Peace International (India) Pvt., Ltd.	"	100.00	100.00	100.00	Notes 7 and 8
World Peace International (South Asia) Pte Ltd.	WPG C&C (Malaysia) Sdn. Bhd	"	100.00	100.00	100.00	Notes 7 and 8
World Peace International (South Asia) Pte Ltd.	WPG C&C (Thailand) Co., Ltd.	Agent and sales of information products	100.00	100.00	100.00	Notes 5, 7 and 8
World Peace International (South Asia) Pte Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	Agent and sales of electronic / electrical components	100.00	100.00	100.00	Notes 7 and 8
WPI Investment Holding (BVI) Company Ltd.	WPI International (Hong Kong) Limited	"	100.00	100.00	100.00	
WPI Investment Holding (BVI) Company Ltd.	WPG Gain Tune Ltd.	"	-	-	60.00	Notes 3 and 8
WPI Investment Holding (BVI) Company Ltd.	WPI International Trading (Shenzhen) Ltd.	Agent and sales of electronic / electrical components	-	-	100.00	Notes 8 and 16
WPI Investment Holding (BVI) Company Ltd.	VITEC WPG Limited	"	-	50.00	50.00	Notes 8, 14 and 15
WPI Investment Holding (BVI) Company Ltd.	World Peace International (Asia) Limited	"	100.00	100.00	100.00	Notes 7 and 8
WPI International (Hong Kong) Limited	WPI International Trading (Shanghai) Ltd.	Agent and sales of information products	100.00	100.00	100.00	Notes 7 and 8

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)			Note
			June 30, 2016	December 31, 2015	June 30, 2015	
WPI International (Hong Kong) Limited	WPG C&C Limited	Agent and sales of information products	100.00	100.00	100.00	
WPI International (Hong Kong) Limited	AIO Components Company Limited	Agent and sales of electronic / electrical components	100.00	100.00	100.00	Notes 7 and 8
AIO Components Company Limited	AIO (Shanghai) Components Company Limited	"	100.00	100.00	100.00	Notes 7 and 8
WPG C&C Limited	Genuine Trading (Hong Kong) Company Limited	"	24.71	24.71	39.92	Notes 8 and 10
Longview Technology Inc.	Longview Technology GC Limited	Holding company	100.00	100.00	100.00	Notes 7 and 8
Longview Technology Inc.	Long-Think International Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	100.00	Notes 7 and 8
Longview Technology GC Limited	Long-Think International (Hong Kong) Limited	"	100.00	100.00	100.00	Notes 7 and 8
Long-Think International (Hong Kong) Limited	Long-Think International (Shanghai) Limited	"	100.00	100.00	100.00	Notes 7 and 8
Silicon Application Corporation	Silicon Application (BVI) Corp.	Holding company	100.00	100.00	100.00	Notes 7 and 8
Silicon Application Corporation	Win-Win Systems Ltd.	"	100.00	100.00	100.00	Notes 7 and 8
Silicon Application Corporation	SAC Components (South Asia) Pte. Ltd.	Sales of computer software and electronic products	100.00	100.00	100.00	Notes 7 and 8
Silicon Application Corporation	Win-Win Electronic Corp.	"	100.00	100.00	100.00	Notes 7 and 8
Silicon Application Corporation	Pernas Electronic Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	100.00	Notes 7 and 8
Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	"	100.00	100.00	100.00	
Pernas Electronics Co., Ltd.	Pernas Enterprise (Samoa) Limited	International investment	100.00	100.00	100.00	Notes 7 and 8

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)			Note
			June 30, 2016	December 31, 2015	June 30, 2015	
Pernas Enterprise (Samoa) Limited	World Components Agent (Shanghai) Inc.	Sales of electronic / electrical products	100.00	100.00	100.00	Notes 7 and 8
Silicon Application (BVI) Corp.	Silicon Application Company Limited	Sales of computer software and electronic products	100.00	100.00	100.00	Notes 7 and 8
Silicon Application Company Limited	Dstar Electronic Company Limited	"	100.00	100.00	100.00	Notes 7 and 8
WPG Korea Co., Ltd.	Apache Communication Inc. (B.V.I.)	Investment company	100.00	100.00	100.00	Notes 7 and 8
Apache Communication Inc. (B.V.I.)	Apache Korea Corp.	Sales of electronic / electrical products	100.00	100.00	100.00	Notes 7 and 8
WPG International (CI) Limited	WPG International (Hong Kong) Limited	Holding company	100.00	100.00	100.00	Notes 7 and 8
WPG International (CI) Limited	WPG Americas Inc.	Agent and sales of electronic / electrical components	95.69	95.69	95.69	Note 4
WPG International (CI) Limited	WPG South Asia Pte. Ltd.	Sales of electronic / electrical products	100.00	100.00	100.00	Notes 7 and 8
WPG International (CI) Limited	WPG Cloud Service Limited	General trading	100.00	100.00	100.00	Notes 7 and 8
WPG International (CI) Limited	WPG Gain Tune Ltd.	Agent for selling electronic / electrical components	60.00	60.00	-	Notes 3 and 7
WPG International (Hong Kong) Limited	WPG Electronics (Hong Kong) Limited	"	100.00	100.00	100.00	Notes 7 and 8
WPG International (Hong Kong) Limited	WPG China Inc.	"	100.00	100.00	100.00	
WPG International (Hong Kong) Limited	WPG China (SZ) Inc.	Sales of computer software and electronic products	100.00	100.00	100.00	
WPG Americas Inc.	Dynamic Image Technologies, LLC	Sales of electronic /electrical products	-	-	-	Note 11
WPG South Asia Pte. Ltd.	WPG Malaysia Sdn. Bhd	Agent and sales of electronic / electrical components	100.00	100.00	100.00	Notes 7 and 8
WPG South Asia Pte. Ltd.	WPG (Thailand) Co., Ltd.	"	100.00	100.00	100.00	Notes 7, 8 and 9

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)			Note
			June 30, 2016	December 31, 2015	June 30, 2015	
WPG South Asia Pte. Ltd.	WPG India Electronics Pvt. Ltd.	Agent and sales of electronic / electrical components	99.99	99.99	99.99	Notes 7, 8 and 13
WPG South Asia Pte. Ltd.	WPG Electronics (Philippines) Inc.	"	100.00	100.00	100.00	Notes 6, 7 and 8
WPG South Asia Pte. Ltd.	WPG SCM Limited	"	100.00	100.00	100.00	
WPG Malaysia Sdn. Bhd	WPG India Electronics Pvt. Ltd.	"	0.01	0.01	0.01	Notes 7, 8 and 13
Asian Information Technology Inc.	Apache Communication Inc.	Sales of electronic / electrical products	100.00	100.00	100.00	
Asian Information Technology Inc.	Henshen Electric Trading Co., Ltd.	"	100.00	100.00	100.00	Notes 7 and 8
Asian Information Technology Inc.	Frontek Technology Corporation	"	100.00	100.00	100.00	
Asian Information Technology Inc.	Fame Hall International Co., Ltd.	Investment company	100.00	100.00	100.00	Notes 7 and 8
Frontek Technology Corporation	Frontek International Limited	Investment company	100.00	100.00	100.00	Notes 7 and 8
Fame Hall International Co., Ltd.	AIT Japan Inc.	Sales of electronic / electrical products	100.00	100.00	100.00	Notes 7 and 8
Frontek International Limited	AITG Electronic Limited	Sales of electronic / electrical components	100.00	100.00	100.00	Notes 7 and 8
Yosun Industrial Corp.	Sertek Incorporated	"	100.00	100.00	100.00	
Yosun Industrial Corp.	Suntop Investments Limited	Investment company	100.00	100.00	100.00	
Yosun Industrial Corp.	Richpower Electronic Devices Co., Ltd.	Sales of electronic / electrical products	100.00	100.00	100.00	
Richpower Electronic Devices Co., Ltd.	Mec Technology Co., Ltd.	"	100.00	100.00	100.00	Notes 7 and 8
Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	"	100.00	100.00	100.00	
Mec Technology Co., Ltd.	Mec Technology Co., Limited	"	100.00	100.00	100.00	Notes 7 and 8

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)			Note
			June 30, 2016	December 31, 2015	June 30, 2015	
Mec Technology Co., Ltd.	Richpower Electronic Devices Pte., Ltd.	Sales of electronic / electrical products	100.00	100.00	100.00	Notes 7 and 8
Sertek Incorporated	Sertek Limited	"	100.00	100.00	100.00	Notes 7 and 8
Suntop Investments Limited	Yosun Hong Kong Corp. Ltd.	"	100.00	100.00	100.00	
Suntop Investments Limited	Yosun Singapore Pte Ltd.	"	100.00	100.00	100.00	Notes 7 and 8
Sertek Limited	Sertek (Shanghai) Limited	"	100.00	100.00	100.00	Notes 7 and 8
Yosun Hong Kong Corp. Ltd.	Giatek Corp. Ltd.	"	100.00	100.00	100.00	Notes 7 and 8
Yosun Hong Kong Corp. Ltd.	Yosun South China Corp. Ltd.	"	100.00	100.00	100.00	Notes 7 and 8
Yosun Hong Kong Corp. Ltd.	Yosun Shanghai Corp. Ltd.	Warehouse business and sales of electronic components	100.00	100.00	100.00	Notes 7 and 8
Yosun Singapore Pte Ltd.	Yosun Industrial (Malaysia) Sdn. Bhd.	Sales of electronic / electrical products	100.00	100.00	100.00	Notes 7 and 8
Yosun Singapore Pte Ltd.	Yosun India Private Ltd.	"	100.00	100.00	100.00	Notes 7 and 8
WPG Investment Co., Ltd.	Taibao Creation Co., Ltd.	Retail of groceries	25.00	25.00	25.00	Notes 7, 8 and 12
Genuine C&C, Inc.	Hat-Trick Co., Ltd.	General investment and retail of groceries	100.00	100.00	100.00	Notes 2, 7 and 8
Genuine C&C, Inc.	Taibao Creation Co., Ltd.	Retail of groceries	50.00	50.00	50.00	Notes 2, 7, 8 and 12
Genuine C&C, Inc.	Genuine C&C Holding Inc. (Seychelles)	Holding company	100.00	100.00	100.00	Note 2
Genuine C&C Holding Inc. (Seychelles)	Genuine Trading (Hong Kong) Company Limited	"	75.29	75.29	60.08	Notes 2 and 10
Genuine C&C Holding Inc. (Seychelles)	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Sales of electronic /electrical products	55.00	55.00	49.00	Notes 2, 7, 8 and 17
Genuine Trading (Hong Kong) Company Limited	Hubei Xinsheng Technology Investment Management Co., Ltd.	Sales of electronic products and peripherals	83.33	83.33	83.33	Note 2

- Note 1: The combined ownership percentage of common shares held by the Company and its subsidiaries is more than 50% or has control power.
- Note 2: The Company acquired ordinary shares of Genuine C&C, Inc. on April 15, 2015 and holds 44.21% of shares. The Company originally held 16.29% of shares of Genuine C&C, Inc. through the Company's wholly-owned subsidiary, World Peace Industrial Co., Ltd. Thus, the Company holds 60.50% of shares in total after the acquisition and Genuine C&C Inc. group became the Company's consolidated entity starting from April 15, 2015.
- Note 3: The subsidiary increased its capital in March 2015. WPI Investment Holding (BVI) Company Ltd. did not participate in the capital increase proportionately, thus, the shareholding ratio decreased from 99.90% to 60.00%. Furthermore, due to restructuring, the subsidiary was sold to WPG International (CI) Limited by WPI Investment Holding (BVI) Company Ltd. in July 2015.
- Note 4: WPG International (CI) Limited increased capital of WPG Americas Inc. by cash in April 2015. However, World Peace Industrial Co., Ltd. did not participate in the capital increase based on its shareholding ratio. World Peace Industrial Co., Ltd. totally held 4.31%, of shares of WPG Americas Inc. through World Peace International Pte Ltd. and WPI International (Hong Kong) Limited as of June 30, 2016, December 31, 2015 and June 30, 2015, respectively. Along with shares of WPG Americas Inc. held by WPG International (CI) Limited, the total shareholding ratio is 100%.
- Note 5: Due to restriction of local regulations, the Company holds 51% ownership which is under the name of other individuals. The substantial ownership held by the Company was 100%.
- Note 6: Due to restriction of local regulations, the Company holds 62% ownership which is under the name of other individuals. The substantial ownership held by the Company was 100%.
- Note 7: The financial statements as of June 30, 2016 were not reviewed by independent accountants since it did not meet the definition of significant subsidiaries.
- Note 8: The financial statements as of June 30, 2015 were not reviewed by independent accountants since it did not meet the definition of significant subsidiaries.
- Note 9: Due to restriction of local regulations, the Company holds 61% ownership which is under the name of other individuals. The substantial ownership held by the Company was 100%.
- Note 10: WPG C & C Limited originally held 39.92% of shares of Genuine Trading (Hong Kong) Company Limited. As Genuine Trading (Hong Kong) Company Limited increased its capital in October 2015, WPG C & C Limited's shareholding ratio decreased to 24.71%. Along with 75.29% of shares from the original 60.08% held by Genuine C&C Holding Inc. after capital increase, the Group holds 100% of

shares of Genuine Trading (Hong Kong) Company Limited in total.

Note 11: It was liquidated in May 2015.

Note 12: Genuine C&C, Inc. holds 50% of Taibao Creation Co., Ltd. Along with 25% of shares held by WPG Investment Co., Ltd., the Group holds 75% of shares of Taibao Creation Co., Ltd. in total.

Note 13: WPG South Asia Pte. Ltd. and WPG Malaysia Sdn. Bhd. separately holds 99.99% and 0.01% of shares of the subsidiary, and both companies together hold 100% of shares of the subsidiary.

Note 14: It was formerly known as TEKSEL WPG Limited and was renamed in November 2015.

Note 15: Its shares were sold by WPI Investment Holding (BVI) Company Limited on January 1, 2016, whose shareholding ratio became 49.99%. The Group has lost control over VITEC WPG Limited.

Note 16: It has completed cancellation of registration in September 2015.

Note 17: The subsidiary increased its capital by cash on July 20, 2015. Genuine C&C Holding Inc. (Seychelles) participated in the capital increase and held 55% of shares of the subsidiary after the increase.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of June 30, 2016, December 31, 2015, and June 30, 2015, the non-controlling interest amounted to \$505,843, \$547,338 and \$513,573, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest				Note
		June 30, 2016		December 31, 2015		
		Amount	Ownership	Amount	Ownership	
Genuine C&C, Inc. and its subsidiaries	Taiwan	\$ 403,830	39.5%	\$ 413,924	39.5%	

Name of subsidiary	Principal place of business	Non-controlling interest		Note
		June 30, 2015		
		Amount	Ownership	
Genuine C&C, Inc. and its subsidiaries	Taiwan	\$ 408,166	39.5%	

Summarised financial information of the subsidiaries:

(a) Balance sheets

Genuine C&C, Inc. and its subsidiaries			
	<u>June 30, 2016</u>	<u>December 31, 2015</u>	<u>June 30, 2015</u>
Current assets	\$ 2,472,465	\$ 2,667,863	\$ 2,372,491
Non-current assets	117,780	136,738	123,020
Current liabilities	(1,453,426)	(1,633,525)	(1,359,263)
Non-current liabilities	(48,376)	(51,115)	(47,495)
Total net assets	1,088,443	1,119,961	1,088,753
Less: non-controlling interest	(66,096)	(72,059)	(55,427)
Equity attributable to owners of the parent company	<u>\$ 1,022,347</u>	<u>\$ 1,047,902</u>	<u>\$ 1,033,326</u>

(b) Statements of comprehensive income

Genuine C&C, Inc. and its subsidiaries		
Three months ended June 30,		
	<u>2016</u>	<u>2015</u>
Revenue	\$ 2,663,647	\$ 2,666,572
Profit before tax	9,218	(4,160)
Income tax benefit	(3,043)	(1,614)
Profit (loss) for the period	6,175	(5,774)
Other comprehensive loss, net of tax	(3,107)	(1,374)
Total comprehensive income (loss)	<u>\$ 3,068</u>	<u>(\$ 7,148)</u>
Total comprehensive loss attributable to non-controlling interest	<u>(\$ 3,449)</u>	<u>(\$ 9,210)</u>
Dividends paid to non-controlling interests	<u>\$ 15,715</u>	<u>\$ 15,715</u>

Genuine C&C, Inc. and its subsidiaries		
Six months ended June 30,		
	<u>2016</u>	<u>2015</u>
Revenue	\$ 5,510,817	\$ 5,640,223
Profit before tax	14,420	8,856
Income tax benefit	(2,063)	(5,111)
Profit for the period	12,357	3,745
Other comprehensive loss, net of tax	(4,091)	(3,215)
Total comprehensive income	<u>\$ 8,266</u>	<u>\$ 530</u>
Total comprehensive loss attributable to non-controlling interest	<u>(\$ 5,963)</u>	<u>(\$ 8,671)</u>
Dividends paid to non-controlling interests	<u>\$ 15,715</u>	<u>\$ 15,715</u>

(c) Statements of cash flows

	<u>Genuine C&C, Inc. and its subsidiaries</u>	
	<u>Six months ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
Net cash provided by operating activities	\$ 31,862	\$ 5,950
Net cash provided by (used in) investing activities	13,328	(3,312)
Net cash (used in) provided by financing activities	(237,145)	56,980
Effect of exchange rates on cash and cash equivalents	(4,399)	(5,472)
(Decrease) increase in cash and cash equivalents	(196,354)	54,146
Cash and cash equivalents, beginning of period	<u>421,071</u>	<u>306,575</u>
Cash and cash equivalents, end of period	<u>\$ 224,717</u>	<u>\$ 360,721</u>

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities

denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

- d) All foreign exchange gains and losses are presented in the statement of comprehensive income within other gains or losses.

B. Translation of foreign operations

- a) The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- b) The operating results and financial position of all the overseas branches that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period;
 - iii. Accounts with head office and working capital are translated using the historical exchange rates; and
 - iv. Exchange differences denominated in NTD arising from translation of overseas branches' financial statements are recorded as 'other equity – exchange differences on translation of foreign financial statements' under shareholders' equity,
- c) When a foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, if the Group retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.
- d) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, if the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in these foreign operations.

- e) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.
- (5) Classification of current and non-current items
- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - b) Assets held mainly for trading purposes;
 - c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.
 - B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - a) Liabilities that are expected to be paid off within the normal operating cycle;
 - b) Liabilities arising mainly from trading activities;
 - c) Liabilities that are to be paid off within twelve months from the balance sheet date;
 - d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date.
- (6) Cash equivalents
- Cash equivalents refer to short-term highly liquid investments that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitment in operations are classified as cash equivalents.
- (7) Financial assets at fair value through profit or loss
- A. Financial assets at fair value through profit or loss are financial assets held for trading. Financial assets are classified in this category of held for trading if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as financial assets held for trading unless they are designated as hedges.
 - B. On a regular way purchase or sale basis, financial assets held for trading are recognised and derecognised using trade date accounting. Derivatives are recognised and derecognised using settlement date accounting.
 - C. Financial assets at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognised in profit or loss.

(8) Available-for-sale financial assets

- A. Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.
- B. On a regular way purchase or sale basis, available-for-sale financial assets are recognised and derecognised using trade date accounting.
- C. Available-for-sale financial assets are initially recognised at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognised in other comprehensive income. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured or derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are presented in 'financial assets measured at cost'.

(9) Loans and receivables

A. Accounts receivable

Accounts receivable are loans and receivables originated by the entity. They are created by the entity by selling goods or providing services to customers in the ordinary course of business. Accounts receivable are initially recognized at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. However, short-term accounts receivable which are non-interest bearing are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

B. Investments in debt instruments without active market

- a) Investments in debt instruments without active market are loans and receivables not originated by the entity. They are bond investments with fixed or determinable payments that are not quoted in an active market, and also meet all of the following conditions:
 - i. Not designated on initial recognition as at fair value through profit or loss;
 - ii. Not designated on initial recognition as available-for-sale;
 - iii. Not for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.
- b) On a regular way purchase or sale basis, investments in debt instruments without active market are recognised and derecognised using trade date accounting.
- c) Investments in debt instruments without active market are initially recognised at fair value on the trade date plus transaction costs and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Amortisation of a premium or a discount on such assets is recognised in profit or loss.

(10) Impairment of financial assets

- A. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired as a result of one or more events

that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

B. The criteria that the Group uses to determine whether there is objective evidence of an impairment loss is as follows:

- a) Significant financial difficulty of the issuer or debtor;
- b) The Group, for economic or legal reasons relating to the borrower's financial difficulty, granted the borrower a concession that a lender would not otherwise consider;
- c) It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- d) The disappearance of an active market for that financial asset because of financial difficulties;
- e) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group, including adverse changes in the payment status of borrowers in the group or national or local economic conditions that correlate with defaults on the assets in the group;
- f) Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered; or
- g) A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

C. When the Group assesses that there has been objective evidence of impairment and an impairment loss has occurred, accounting for impairment is made as follows according to the category of financial assets:

- a) Financial assets measured at amortised cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate, and is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost that would have been at the date of reversal had the impairment loss not been recognised previously. Impairment loss is recognised and reversed by adjusting the

carrying amount of the asset through the use of an impairment allowance account.

b) Financial assets measured at cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at current market return rate of similar financial asset, and is recognised in profit or loss. Impairment loss recognised for this category shall not be reversed subsequently. Impairment loss is recognised by adjusting the carrying amount of the asset through the use of an impairment allowance account.

c) Available-for-sale financial assets

The amount of the impairment loss is measured as the difference between the asset's acquisition cost less any principal repayment and amortisation and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, and is reclassified from 'other comprehensive income' to 'profit or loss'. Impairment loss of an investment in an equity instrument recognised in profit or loss shall not be reversed through profit or loss. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(11) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has not retained control of the financial asset.

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realisable value. The calculation of net realizable value is based on the estimated selling price in the normal course of business, net of estimated selling expenses.

(13) Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(14) Investments accounted for using the equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control.

- In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 per cent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds the Group's interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred statutory/constructive obligations or made payments on behalf of the associate.
 - C. When changes in an associate's equity are not recognised in profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
 - D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
 - F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
 - G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
 - H. When the Group disposes its investment in an associate and loses significant influence

over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

The estimated useful lives of property, plant and equipment are as follows:

Buildings	5 ~ 55 years
Transportation equipment	2 ~ 10 years
Office equipment	1 ~ 10 years
Leasehold improvements	2 ~ 15 years
Other property, plant and equipment	1 ~ 10 years

(16) Leases

If substantially all the significant risks and rewards of rental object remain to lessor, the Group accounts for this kind of leases as operating lease. Rental revenues and expenses made under an operating lease are recognised in profit or loss on a straight-line basis over the lease term.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 5~55 years.

(18) Intangible assets

A. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

- B. Intangible assets, other than goodwill, are software and business right which are amortised on a straight-line basis over their estimated useful lives of 3~5 years.

(19) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
- B. The recoverable amounts of goodwill shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(20) Borrowings

- A. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.
- B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(21) Notes and accounts payable

Notes and accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. However, short-term accounts payable which are non-interest bearing are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Financial liabilities at fair value through profit or loss

- A. Financial liabilities at fair value through profit or loss are financial liabilities held for trading. Financial liabilities are classified in this category of held for trading except for derivatives which are categorised as financial liabilities held for trading unless they are designated as hedges.
- B. Financial liabilities at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial liabilities are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial liabilities are recognised in profit or loss.

(23) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(24) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(25) Financial liabilities and equity instruments

Convertible corporate bonds issued by the Company contain conversion options (that is, the bondholders have the right to convert the bonds into the Company's common shares by exchanging a fixed amount of cash for a fixed number of common shares). The Company classifies the bonds payable and derivative features embedded in convertible corporate bonds on initial recognition as a financial asset and a financial liability. Convertible corporate bonds are accounted for as follows:

- A. Bonds payable of convertible corporate bonds is initially recognised at fair value and subsequently stated at amortised cost. Any difference between the proceeds and the redemption value is accounted for as the premium or discount on bonds payable and presented as an addition to or deduction from bonds payable, which is amortised in profit or loss as an adjustment to the 'finance costs' over the period of bond circulation using the effective interest method.
- B. Conversion options embedded in convertible corporate bonds issued by the Company, which meet the definition of an equity instrument, are initially recognised in 'capital surplus - stock warrants' at the residual amount of total issue price less amounts of 'bonds

- payable - net' as stated above. Conversion options are not subsequently remeasured.
- C. Any transaction costs directly attributable to the issuance of convertible corporate bonds are allocated to the liability and equity components in proportion to the allocation of proceeds.
 - D. When bondholders exercise conversion options, the liability component of the bonds (including 'bonds payable') shall be remeasured on the conversion date. The book value of common shares issued due to the conversion shall be based on the adjusted book value of the abovementioned liability component plus the book value of capital surplus – stock warrants.

(26) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value and recognized in profit or loss.

(27) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expenses in that period when the employees render service.

B. Pensions

a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.
- iv. Pension cost for the interim period is calculated on a year-to-date basis by using

the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(28) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable

- profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

(29) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(30) Revenue recognition

The Group manufactures and sells computer software, electrical components products and so on. Revenue is measured at the fair value of the consideration received or receivable taking into account the business tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. Revenue arising from the sales of goods is recognised when the Group has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

(31) Business combinations

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business

combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(32) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

A. Financial assets-impairment of equity investments

The Group follows the guidance of IAS 39 to determine whether a financial asset-equity investment is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an equity investment is less than its cost and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

If the decline of the fair value of an individual equity investment below cost was considered significant or prolonged, the Group would suffer an additional loss of \$833,636

in its financial statements for the six months ended June 30, 2016, being the transfer of the accumulated fair value adjustments recognised in other comprehensive income on the impaired available-for-sale financial assets to profit or loss or being the recognition of the impairment loss on the impaired financial assets measured at cost in profit or loss.

B. Revenue recognition on a net/gross basis

The determination of whether the Group is acting as principal or agent in a transaction is based on an evaluation of the Group's exposure to the significant risks and rewards associated with the sale of goods or the rendering of service in accordance with the business model and substance of the transaction. Where the Group acts as a principal, the amount received or receivable from customer is recognised as revenue on a gross basis. Where the Group acts as an agent, net revenue is recognised representing commissions earned.

The following characteristics of a principal are used as indicators to determine whether the Group shall recognise revenue on a gross basis:

- a. The Group has primary responsibilities for the goods or services it provides;
- b. The Group bears inventory risk;
- c. The Group has the latitude in establishing prices for the goods or services, either directly or indirectly.
- d. The Group bears credit risk of customers.

(2) Critical accounting estimates and assumptions

Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group's subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units. Please refer to Note 6(13) for the information on goodwill impairment.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>June 30, 2016</u>	<u>December 31, 2015</u>	<u>June 30, 2015</u>
Cash on hand and petty cash	\$ 3,141	\$ 4,270	\$ 6,622
Checking accounts	2,996,910	2,591,021	1,201,024
Demand deposits	4,547,238	6,377,180	6,097,502
Time deposits	419,300	474,171	1,195,451
	<u>\$ 7,966,589</u>	<u>\$ 9,446,642</u>	<u>\$ 8,500,599</u>

- A. The Group associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. The bank deposits and time deposits pledged as collateral and non-pledged time deposits that are not considered as cash equivalents have been transferred to 'other current assets'

by the Group. Details are provided in Note 8.

(2) Financial assets / liabilities at fair value through profit or loss

Items	June 30, 2016	December 31, 2015	June 30, 2015
Current items:			
Financial assets held for trading			
Listed stocks	\$ 11,053	\$ 11,938	\$ 12,993
Derivatives	6,803	29,709	6,237
Domestic open-end fund	20,266	20,266	35,000
	38,122	61,913	54,230
Valuation adjustment of financial assets held for trading	(1,203)	353	662
	<u>\$ 36,919</u>	<u>\$ 62,266</u>	<u>\$ 54,892</u>

Current items:

Financial liabilities held for trading

Derivatives	<u>\$ 2,602</u>	<u>\$ 26,719</u>	<u>\$ 2,358</u>
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- A. The Group recognised net gain of \$22,055, \$21,462, \$8,385 and \$27,071 on financial assets and liabilities held for trading for the three months ended June 30, 2016 and 2015 and six months ended June 30, 2016 and 2015, respectively.
- B. The counterparties of the Group's debt instrument investments are mostly listed companies or financial institutions which have good credit quality so the Group expects that the counterparties would not default on the contract.
- C. The non-hedging derivative instrument transactions and contract information are as follows:

Derivative instruments	June 30, 2016			December 31, 2015		
	Contract amount (notional principal) (Note)	Contract period		Contract amount (notional principal) (Note)	Contract period	
Forward foreign exchange contracts						
- Sell	USD 8,500	2016.05.30~ 2016.07.29		USD 14,000	2015.11.26~ 2016.02.05	
	EUR 650	2016.04.29~ 2016.08.17		EUR 600	2015.12.04~ 2016.02.16	
- Sell-SWAP	USD 8,000	2016.06.02~ 2016.07.29		USD 15,340	2015.04.24~ 2016.06.21	
- Buy	USD 28,161	2015.11.25~ 2017.06.21		USD 17,820	2015.11.20~ 2016.02.26	
	EUR 2,700	2016.06.13~ 2016.07.14		EUR 1,100	2015.12.17~ 2016.01.14	

<u>Derivative instruments</u>	<u>June 30, 2015</u>		
	<u>Contract amount (notional principal)</u>		<u>Contract period</u>
<u>Forward foreign exchange contracts</u>	<u>(Note)</u>		
- Sell	USD	5,000	2015.06.02~ 2015.08.24
	EUR	200	2015.06.03~ 2015.09.04
- Sell-SWAP	USD	19,000	2015.01.16~ 2016.06.21
- Buy	USD	19,820	2015.03.18~ 2015.10.30
	EUR	2,000	2015.06.24~ 2015.07.14

Note: expressed in thousands.

The Group entered into forward exchange contracts to manage exposures to foreign exchange rate fluctuations of import or export sales. However, the forward exchange contracts did not meet the criteria for hedge accounting. Therefore, the Group did not apply hedge accounting.

(3) Available-for-sale financial assets - current

<u>Items</u>	<u>June 30, 2016</u>	<u>December 31, 2015</u>	<u>June 30, 2015</u>
Listed stocks	\$ 24,334	\$ 36,952	\$ 14,876
Valuation adjustment of available-for-sale financial assets	(2,048)	(1,166)	(611)
	<u>\$ 22,286</u>	<u>\$ 35,786</u>	<u>\$ 14,265</u>

A. The Group recognised (\$11,795), (\$16,531), \$12,170 and (\$4,667) in other comprehensive income (loss) for fair value change of current and non-current available-for-sale financial assets and reclassified \$0, \$43,880, \$0 and \$55,519 from equity to profit or loss for the three-months ended June 30, 2016 and 2015 and six months ended June 30, 2016 and 2015, respectively.

B. The counterparties of the Group's debt instrument investments are mostly listed companies or financial institutions which have good credit quality so the Group does not expect the counterparties to default on the contract.

(4) Notes receivable

	<u>June 30, 2016</u>	<u>December 31, 2015</u>	<u>June 30, 2015</u>
Notes receivable	<u>\$ 6,605,902</u>	<u>\$ 6,511,976</u>	<u>\$ 3,930,399</u>

The notes receivable are mostly checks collected from counterparties or from financial institutions which have good credit quality so the Group does not expect any contract default.

(5) Accounts receivable

	<u>June 30, 2016</u>	<u>December 31, 2015</u>	<u>June 30, 2015</u>
Accounts receivable	\$ 80,542,935	\$ 86,259,250	\$ 77,902,352
Less: Allowance for doubtful accounts	(859,030)	(818,817)	(655,950)
	<u>\$ 79,683,905</u>	<u>\$ 85,440,433</u>	<u>\$ 77,246,402</u>

A. The credit quality of financial assets that were neither past due nor impaired was in the following categories:

	<u>June 30, 2016</u>	<u>December 31, 2015</u>	<u>June 30, 2015</u>
Group 1	\$ 25,537,509	\$ 30,958,362	\$ 35,645,801
Group 2	49,093,602	49,343,178	36,074,464
	<u>\$ 74,631,111</u>	<u>\$ 80,301,540</u>	<u>\$ 71,720,265</u>

Group 1: Includes customers with current ratio, debt ratio, earnings and etc. within a certain range.

Group 2: Customers not belonging to Group 1.

B. The ageing analysis of accounts receivable that were past due is as follows:

	<u>June 30, 2016</u>	<u>December 31, 2015</u>	<u>June 30, 2015</u>
0 to 30 days	\$ 3,525,622	\$ 2,991,898	\$ 4,521,510
31 to 60 days	858,361	2,119,226	239,101
61 to 90 days	616,257	317,224	354,674
91 to 120 days	134,411	141,769	348,810
121 to 150 days	192,357	102,371	273,415
151 to 180 days	40,821	6,014	55,148
Over 181 days	543,995	279,208	389,429
	<u>\$ 5,911,824</u>	<u>\$ 5,957,710</u>	<u>\$ 6,182,087</u>

C. Movement analysis of financial assets that were impaired is as follows:

	<u>2016</u>
	<u>Group provision</u>
At January 1	\$ 818,817
Provision for impairment	49,796
Write-offs during the period	(453)
Effects of foreign exchange	(6,297)
Others (Note)	(2,833)
At June 30	<u>\$ 859,030</u>

Note: Others are amounts reclassified to overdue receivables.

	<u>2015</u>
	<u>Group provision</u>
At January 1	\$ 554,967
Provision for impairment	202,837
Write-offs during the period	(45,662)
Effects of foreign exchange	(750)
Others (Note)	(55,442)
At June 30	<u>\$ 655,950</u>

Note: Others including the effect of consolidated entities and the amounts reclassified to overdue receivables that amounted to \$20,830 and (\$76,272), respectively.

(6) Transfer of financial assets

Transferred financial assets that are derecognised in their entirety

The Group entered into factoring of accounts receivable with banks. In accordance with the contract requirements, the Group shall only be liable for the losses incurred on any commercial dispute and did not assume the risk of uncollectible accounts receivable. The Group does not have any continuing involvement in the transferred accounts receivable. The derecognised amounts had already deducted the estimated commercial disputes. The commercial papers and time deposits pledged to the banks are for losses incurred only on commercial disputes or for the banks' practice of accounts receivable factoring. The pledged commercial papers and time deposits do not cover losses other than those arising from commercial disputes. As of June 30, 2016, December 31, 2015 and June 30, 2015, outstanding accounts receivable were as follows:

June 30, 2016						
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities (In Thousands)	Amount advanced	Interest rate of amount advanced	Pledged assets
Cathay United Bank	\$ 1,257,540	\$ 1,257,540	USD 47,500	\$ 1,257,540	1.54%~1.64%	Note 1
Mega International Commercial Bank	2,842,951	2,842,951	USD 173,900	2,276,560	1.45%~1.93%	Note 2
			\$ 600,000	10,142		
ANZ Bank	592,744	592,744	USD 110,000	592,744	1.78%~2.22%	None
CTBC Bank	2,336,966	2,336,966	USD 15,000	227,765	1.24%~1.57%	Note 3
			\$ 3,906,000	1,970,823		
E. SUN Commercial Bank	2,462,707	2,462,707	USD 193,000	1,880,946	1.24%~1.76%	Note 4
			\$ 20,000			
Taipei Fubon Commercial Bank	1,636,862	1,636,862	\$ 3,139,300	1,507,644	1.16%~1.44%	Note 5
Industrial Bank of Taiwan	344,882	344,882	\$ 527,505	339,329	1.20%	Note 6
Yuanta Commercial Bank	837,345	837,345	USD 25,000	131,144	1.35%~1.65%	Note 7
			\$ 2,310,000	318,622		
The Hong Kong and Shanghai Banking Corporation Limited	2,035,334	2,035,334	USD 144,700	2,004,907	1.12%	Note 8
Ta Chong Bank	329,753	329,753	USD 3,500	-	1.85%	Note 9
			\$ 914,215	32,706		
Standard Chartered Bank	423,969	423,969	USD 71,130	412,781	1.44%~1.48%	None
Taishin International Bank	4,077,972	4,077,972	\$ 9,000,000	1,572,777	1.42%~1.65%	Note 10
Bank SinoPac	167,020	167,020	USD 19,000	134,108	1.10%~1.74%	Note 11
			\$ 950,000	332		

June 30, 2016

Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities (In Thousands)	Amount advanced	Interest rate of amount advanced	Pledged assets
Far Eastern International Bank	\$ 82,054	82,054	USD 22,000	\$ 43,822	1.40%~1.62%	Note 12
			\$ 400,000			
Chang Hwa Bank	527,601	527,601	USD 46,300	379,309	1.40%~2.01%	Note 13
DBS Bank	990,877	990,877	USD 92,000	831,630	1.03%~1.73%	Note 14
Shin Kong Bank	13,800	13,800	USD 2,250	6,034	1.47%~1.51%	Note 15
			\$ 10,000			
Taiwan Cooperative Bank	-	-	USD 3,000	-	-	Note 16
Hang Seng Bank	494,226	494,226	USD 28,000	417,811	1.20%~1.46%	Note 17
KGI Bank	56,041	56,041	\$ 130,000	56,041	1.18%~1.19%	Note 18

Note 1: The Group has signed commercial papers amounting to USD 47,500 thousand that were pledged to others as collateral.

Note 2: The Group has signed commercial papers amounting to USD 173,900 thousand and \$650,000 that were pledged to others as collateral.

Note 3: The Group has signed commercial papers amounting to USD 15 million and \$450,600 that were pledged to others as collateral.

Note 4: The Group has signed commercial papers amounting to USD 196,500 thousand and \$20,000 that were pledged to others as collateral.

Note 5: The Group has signed commercial papers amounting to \$203,500 that were pledged to others as collateral.

Note 6: The Group has signed commercial papers amounting to \$527,505 that were pledged to others as collateral.

Note 7: The Group has signed commercial papers amounting to USD 25 million and \$2,310,000 that were pledged to others as collateral.

Note 8: The Group has signed commercial papers amounting to USD 130,230 thousand that were pledged to others as collateral.

Note 9: The Group has signed commercial papers amounting to USD 7,700 thousand and \$1,500,000 that were pledged to others as collateral.

Note 10: The Group has signed commercial papers amounting to \$9,000,000 that were pledged to others as collateral.

Note 11: The Group has signed commercial papers amounting to USD 19 million and \$600,000 that were pledged to others as collateral.

Note 12: The Group has signed commercial papers amounting to USD 22 million and \$400,000 that were pledged to others as collateral.

Note 13: The Group has signed commercial papers amounting to USD 46,300 thousand that were pledged to others as collateral.

Note 14: The Group has signed commercial papers amounting to USD 114 million that were

pledged to others as collateral.

Note 15: The Group has signed commercial papers amounting to USD 225 thousand and \$1,000 that were pledged to others as collateral.

Note 16: The Group has signed commercial papers amounting to USD 3 million that were pledged to others as collateral.

Note 17: The Group has provided demand deposits amounting to USD 1,470 thousand that were pledged to others as collateral.

Note 18: The Group has signed commercial papers amounting to \$23,000 that were pledged to others as collateral.

December 31, 2015						
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities (In Thousands)	Amount advanced	Interest rate of amount advanced	Pledged assets
Cathay United Bank	\$ 1,334,396	\$ 1,334,396	USD 47,500	\$ 1,334,396	1.32%~1.64%	Note 1
Mega International Commercial Bank	4,194,769	4,194,769	USD 173,900	3,853,236	1.10%~1.77%	Note 2
			\$ 650,000			
ANZ Bank	2,103,462	2,103,462	USD 160,000	2,103,462	1.53%~1.86%	None
CTBC Bank	2,696,735	2,696,735	USD 28,000	2,416,745	1.05%~1.74%	Note 3
			\$ 3,586,000			
E. SUN Commercial Bank	2,391,241	2,391,241	USD 195,500	1,737,610	1.15%~1.53%	Note 4
			\$ 20,000			
Taipei Fubon Commercial Bank	1,817,823	1,817,823	\$ 3,139,300	1,767,617	1.14%~1.30%	Note 5
Industrial Bank of Taiwan	91,577	91,577	\$ 244,432	69,613	1.20%	Note 6
Yuanta Commercial Bank	1,025,276	1,025,276	USD 25,000	906,315	1.15%~1.35%	Note 7
			\$ 2,342,000			
The Hong Kong and Shanghai Banking Corporation Limited	2,611,079	2,611,079	USD 168,800	2,595,747	1.02%	Note 8
Ta Chong Bank	388,851	388,851	USD 12,700	30,503	1.45%~1.80%	Note 9
			\$ 1,700,000			
Standard Chartered Bank	874,357	874,357	USD 71,130	233,922	1.26%~1.27%	None
Taishin International Bank	6,019,879	6,019,879	\$ 8,500,000	2,006,826	1.35%~1.79%	Note 10
Bank SinoPac	259,361	259,361	USD 17,500	110,579	1.05%~1.46%	Note 11
			\$ 950,000			
Far Eastern International Bank	192,864	192,864	USD 22,000	115,972	1.25%~1.56%	Note 12
			\$ 400,000			
Chang Hwa Bank	500,100	500,100	USD 44,300	251,047	1.35%~1.70%	Note 13
DBS Bank	429,998	429,998	USD 62,000	208,236	1.15%~1.47%	Note 14

December 31, 2015						
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities (In Thousands)	Amount advanced	Interest rate of amount advanced	Pledged assets
Shin Kong Bank	\$ 20,011	\$ 20,011	USD 4,500	\$ 15,148	1.36%~1.61%	Note 15
			\$ 10,000			
Taiwan Cooperative Bank	25,932	25,932	USD 3,000	23,339	1.12%~1.46%	Note 16
Hang Seng Bank	983,212	983,212	USD 28,000	375,286	1.23%~1.43%	Note 17
KGI Bank	46,539	46,539	\$ 65,000	44,212	1.17%	Note 18

Note 1: The Group has signed commercial papers amounting to USD 47,500 thousand that were pledged to others as collateral.

Note 2: The Group has signed commercial papers amounting to USD 173,900 thousand and \$650,000 that were pledged to others as collateral.

Note 3: The Group has signed commercial papers amounting to USD 26 million and \$388,600 that were pledged to others as collateral.

Note 4: The Group has signed commercial papers amounting to USD 196,500 thousand and \$20,000 that were pledged to others as collateral.

Note 5: The Group has signed commercial papers amounting to \$203,500 that were pledged to others as collateral.

Note 6: The Group has signed commercial papers amounting to \$244,432 that were pledged to others as collateral.

Note 7: The Group has signed commercial papers amounting to USD 25 million and \$2,342,000 that were pledged to others as collateral.

Note 8: The Group has signed commercial papers amounting to USD 167,220 thousand that were pledged to others as collateral.

Note 9: The Group has signed commercial papers amounting to USD 12,700 thousand and \$1,700,000 that were pledged to others as collateral.

Note 10: The Group has signed commercial papers amounting to \$8,500,000 that were pledged to others as collateral.

Note 11: The Group has signed commercial papers amounting to USD 17,500 thousand and \$600,000 that were pledged to others as collateral.

Note 12: The Group has signed commercial papers amounting to USD 22 million and \$400,000 that were pledged to others as collateral.

Note 13: The Group has signed commercial papers amounting to USD 44,300 thousand that were pledged to others as collateral.

Note 14: The Group has signed commercial papers amounting to USD 84 million that were pledged to others as collateral.

Note 15: The Group has signed commercial papers amounting to USD 4,500 thousand and \$10,000 that were pledged to others as collateral.

Note 16: The Group has signed commercial papers amounting to USD 3 million that were pledged to others as collateral.

Note 17: The Group has provided demand deposits amounting to USD 1,470 thousand that were pledged to others as collateral.

Note 18: The Group has signed commercial papers amounting to \$23,000 that were pledged to others as collateral.

June 30, 2015						
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities (In Thousands)	Amount advanced	Interest rate of amount advanced	Pledged assets
Cathay United Bank	\$ 816,224	\$ 816,224	USD 34,000	\$ 816,224	1.32%~1.49%	Note 1
Mega International Commercial Bank	3,333,543	3,333,543	USD 164,400	3,287,198	1.1%~1.53%	Note 2
			\$ 670,000			
ANZ Bank	1,542,611	1,542,611	USD 50,000	1,542,611	1.54%~1.62%	None
CTBC Bank	2,244,078	2,244,078	USD 28,000	2,143,920	1.06%~1.44%	Note 3
			\$ 3,148,000			
E. SUN Commercial Bank	1,780,920	1,780,920	USD 165,500	1,664,450	1.15%~1.36%	Note 4
			\$ 20,000			
Taipei Fubon Commercial Bank	1,681,058	1,681,058	USD 4,250	1,612,954	1.05%~1.42%	Note 5
			\$ 3,109,300			
Industrial Bank of Taiwan	75,894	75,894	\$ 244,432	58,540	1.15%	Note 6
Yuanta Commercial Bank	900,836	900,836	USD 25,000	793,286	1.15%~1.4%	Note 7
			\$ 2,572,000			
The Hong Kong and Shanghai Banking Corporation Limited	3,166,224	3,166,224	USD 175,560	3,012,036	0.92%~0.98%	Note 8
Ta Chong Bank	162,555	162,555	USD 5,400	61,021	1.6%~1.79%	Note 9
			\$ 1,700,000			
Standard Chartered Bank	878,559	878,559	USD 82,880	577,430	1.15%~1.39%	None
Taishin International Bank	6,096,035	6,096,035	\$ 8,500,000	4,699,173	1.45%~2.05%	Note 10
Bank SinoPac	72,923	72,923	\$ 950,000	2,840	1.38%	Note 11
Far Eastern International Bank	133,853	133,853	USD 22,000	104,556	1.22%~1.42%	Note 12
			\$ 600,000			
Chang Hwa Bank	198,756	198,756	USD 27,700	190,554	1.00%~1.5%	Note 13
			\$ 61,376			

June 30, 2015						
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities (In Thousands)	Amount advanced	Interest rate of amount advanced	Pledged assets
DBS Bank	\$ 357,759	\$ 357,759	USD 48,000	\$ 250,278	1.12%~1.25%	Note 14
Shin Kong Bank	9,960	9,960	USD 4,500	8,597	1.08%~1.26%	Note 15
			\$ 10,000			
Taiwan Cooperative Bank	44,641	44,641	USD 6,700	40,177	0.99%	Note 16
En Tie Bank	-	-	USD 2,600	-	-	Note 17
			\$ 20,000			
Hang Seng Bank	697,849	697,849	USD 28,000	268,068	1.16%~1.26%	Note 18

Note 1: The Group has signed commercial papers amounting to USD 34 million that were pledged to others as collateral.

Note 2: The Group has signed commercial papers amounting to USD 164,400 thousand and \$670,000 that were pledged to others as collateral.

Note 3: The Group has signed commercial papers amounting to USD 26,000 thousand and \$344,800 that were pledged to others as collateral.

Note 4: The Group has signed commercial papers amounting to USD 165,500 thousand and \$20,000 that were pledged to others as collateral.

Note 5: The Group has signed commercial papers amounting to USD 425 thousand and \$203,500 that were pledged to others as collateral.

Note 6: The Group has signed commercial papers amounting to \$244,432 that were pledged to others as collateral.

Note 7: The Group has signed commercial papers amounting to USD 25 million and \$2,572,000 that were pledged to others as collateral.

Note 8: The Group has signed commercial papers amounting to USD 120,780 thousand that were pledged to others as collateral.

Note 9: The Group has signed commercial papers amounting to USD 11,900 thousand and \$1,700,000 that were pledged to others as collateral.

Note 10: The Group has signed commercial papers amounting to \$8,500,000 that were pledged to others as collateral.

Note 11: The Group has signed commercial papers amounting to \$600,000 that were pledged to others as collateral.

Note 12: The Group has signed commercial papers amounting to USD 22 million and \$600,000 that were pledged to others as collateral.

Note 13: The Group has signed commercial papers amounting to USD 33,700 thousand and \$61,376 that were pledged to others as collateral.

Note 14: The Group has signed commercial papers amounting to USD 35 million that were pledged to others as collateral.

Note 15: The Group has signed commercial papers amounting to USD 4,500 thousand and

\$10,000 that were pledged to others as collateral.

Note 16: The Group has signed commercial papers amounting to USD 6,700 thousand that were pledged to others as collateral.

Note 17: The Group has signed commercial papers amounting to USD 2,600 thousand and \$20,000 that were pledged to others as collateral.

Note 18: The Group has provided demand deposits amounting to USD 1,470 thousand that were pledged to others as collateral.

The Group has recognised loss of \$107,846, \$72,068, \$176,805 and \$144,157 when transferring the derecognised accounts receivable for the three months ended June 30, 2016 and 2015 and six months ended June 30, 2016 and 2015, respectively.

(7) Inventories

	June 30, 2016		
	Cost	Allowance for valuation	Book value
Inventories	\$ 51,567,735	(\$ 1,044,901)	\$ 50,522,834
Inventories in transit	3,331,105	-	3,331,105
	<u>\$ 54,898,840</u>	<u>(\$ 1,044,901)</u>	<u>\$ 53,853,939</u>

	December 31, 2015		
	Cost	Allowance for valuation	Book value
Inventories	\$ 48,262,790	(\$ 818,525)	\$ 47,444,265
Inventories in transit	2,850,772	-	2,850,772
	<u>\$ 51,113,562</u>	<u>(\$ 818,525)</u>	<u>\$ 50,295,037</u>

	June 30, 2015		
	Cost	Allowance for valuation	Book value
Inventories	\$ 52,766,433	(\$ 609,747)	\$ 52,156,686
Inventories in transit	3,666,701	-	3,666,701
	<u>\$ 56,433,134</u>	<u>(\$ 609,747)</u>	<u>\$ 55,823,387</u>

The cost of inventories recognised as expense for the period:

	Three months ended June 30,	
	2016	2015
Cost of goods sold	\$ 128,058,589	\$ 119,088,241
Gain from recovery of price decline in inventory	(18,563)	(10,971)
Loss on physical inventory	81	625
Cost of goods sold	<u>\$ 128,040,107</u>	<u>\$ 119,077,895</u>

	Six months ended June 30,	
	2016	2015
Cost of goods sold	\$ 244,064,072	\$ 222,298,165
Loss on (gain from recovery of) price decline in inventory	335,504	(22,013)
Loss on physical inventory	1,669	1,517
Cost of goods sold	<u>\$ 244,401,245</u>	<u>\$ 222,277,669</u>

Gain arose from price recovery of inventories was caused by the reversal of net realisable value and sale of inventories with risk of decline in value for the three months ended June 30, 2016 and 2015, and six months ended June 30, 2015.

(8) Available-for-sale financial assets - non-current

Investee company	June 30, 2016	December 31, 2015	June 30, 2015
Nichidenbo Corporation	\$ 231,990	\$ 231,990	\$ 231,990
Promaster Technology Corp.	49,605	49,605	48,452
Apollo Electronics Group Ltd.	34,964	47,414	44,575
Murad Chia Jei Biotechnology Co., Ltd.	19,107	19,107	19,107
Hua-Jie (Taiwan) Corp.	10,500	10,500	10,500
Kingmax Technology Inc.	9,504	9,504	9,504
Others	<u>9,588</u>	<u>9,587</u>	<u>9,588</u>
	365,258	377,707	373,716
Add: valuation adjustment	(21,558)	(34,610)	636
Less: accumulated impairment	(<u>7,801</u>)	(<u>7,801</u>)	(<u>6,648</u>)
	<u>\$ 335,899</u>	<u>\$ 335,296</u>	<u>\$ 367,704</u>

- A. There is no investment in available-for-sale financial asset attributed to debt instruments.
- B. As of June 30, 2016, December 31, 2015 and June 30, 2015, the Group's available-for-sale financial assets serve as security for purchase guarantee. Please refer to Note 8.
- C. The amounts recognised in other comprehensive income for fair value change of current and non-current available-for-sale financial assets for the three months ended June 30, 2016 and 2015, and six months ended June 30, 2016 and 2015 are described in Note 6(3).

(9) Financial assets measured at cost - non-current

<u>Investee company</u>	<u>June 30, 2016</u>	<u>December 31, 2015</u>	<u>June 30, 2015</u>
Ability I Venture Capital Corporation	\$ 100,000	\$ 100,000	\$ 100,000
CDIB CME Fund Ltd.	100,000	100,000	100,000
Tyche Partners, LP.	63,364	63,364	-
Silicon Line GmbH	40,851	40,851	40,851
M Cube Inc.	30,365	30,365	30,365
Ability Asia Capital Corporation	25,000	25,000	25,000
Chlen Hwa Coating Technology Inc.	20,000	20,000	20,000
GEC Technology Hong Kong Company Limited	19,994	19,994	19,994
Better Energy Technology Inc.	18,000	18,000	18,000
Fantasy Story Inc.	15,047	15,047	15,047
Liefco Optical Inc.	15,000	15,000	15,000
Remotek Corporation	13,520	13,520	13,520
TekCare Corporation	12,600	12,600	12,600
FineMat Applied Materials Co., Ltd.	11,941	11,941	11,941
Centillion III Venture Capital Corp.	10,500	10,500	10,500
SmartDisplayer Technology Co., Ltd.	10,000	10,000	10,000
PTR-Tech Technology Co., Ltd.	10,000	10,000	10,000
Phostek Inc.	5,743	5,743	5,743
Hon Pang Venture Capital Corp.	2,634	2,634	2,634
H2UTECH Corp.	-	-	16,500
Others	<u>53,903</u>	<u>54,013</u>	<u>53,173</u>
	578,462	578,572	530,868
Less: Accumulated impairment	(<u>111,815</u>)	(<u>110,541</u>)	(<u>61,821</u>)
	<u>\$ 466,647</u>	<u>\$ 468,031</u>	<u>\$ 469,047</u>

- A. As of June 30, 2016, December 31, 2015 and June 30, 2015, no financial assets measured at cost held by the Group were pledged to others.
- B. Based on the Group's intention, its investment in stocks should be classified as 'available-for-sale financial assets'. However, as these stocks are not traded in active market, and sufficient industry information of companies similar to the investee or the investee's financial information cannot be obtained, the fair value of the investment in stocks cannot be measured reliably. Accordingly, the Group classified those stocks as 'financial assets measured at cost'.
- C. There was no impairment on financial assets measured as cost – non-current for the six months ended June 30, 2016 and 2015. Details are provided in Note 6(15).

(10) Investments accounted for under the equity method

A. Details of investments accounted for under the equity method:

<u>Investee company</u>	<u>June 30, 2016</u>	<u>December 31, 2015</u>	<u>June 30, 2015</u>
ChainPower Technology Corp.	\$ 193,382	\$ 201,873	\$ 205,042
Sunrise Technology Co., Ltd.	80,991	79,911	78,187
Eesource Corp.	70,951	73,387	64,279
Suzhou Xinning Bonded Warehouse Co., Ltd.	57,732	55,123	50,050
Adivic Technology Co., Ltd.	41,894	31,230	46,651
Yosun Japan Corp.	39,619	40,257	39,747
Suzhou Xinning Logistics Co., Ltd.	39,051	37,604	34,798
Gain Tune Logistics (Shanghai) Co., Ltd.	38,756	35,199	34,139
VITEC WPG Lintied	35,225	-	-
Shenzhen HQPG Electronic Information Co., Ltd.	-	-	54,359
Yosun Green Technology Corp.	-	-	17,453
Others	509	470	9,391
	<u>\$ 598,110</u>	<u>\$ 555,054</u>	<u>\$ 634,096</u>

B. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:

As of June 30, 2016, December 31, 2015 and June 30, 2015, the carrying amount of the Group's individually immaterial associates amounted to \$598,110, \$550,054 and \$634,096, respectively.

	<u>Three months ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
Profit for the period from continuing operations	\$ 41,267	\$ 29,285
Other comprehensive income (loss) - net of tax	87	(2,988)
Total comprehensive income	<u>\$ 41,354</u>	<u>\$ 26,297</u>
	<u>Six months ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
Profit for the period from continuing operations	\$ 61,536	\$ 57,338
Other comprehensive loss, net of tax	(6,686)	(7,997)
Total comprehensive income	<u>\$ 54,850</u>	<u>\$ 49,341</u>

C. The investment balance of the abovementioned investees accounted for using equity method as of and for the three months ended June 30, 2016 and 2015, and six months

ended June 30, 2016 and 2015 were assessed based on the investees' unreviewed financial statements of the same periods.

- D. There was no impairment on investments accounted for using equity method for the three months ended June 30, 2016 and 2015, and six months ended June 30, 2016 and 2015.

(11) Property, plant and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Furniture and fixtures</u>	<u>Leasehold improvements</u>	<u>Others</u>	<u>Construction in progress and equipment to be tested</u>	<u>Total</u>
<u>At January 1, 2016</u>								
Cost	\$2,291,275	\$2,365,315	\$ 20,894	\$ 535,144	\$ 528,154	\$ 199,322	\$ 458	\$5,940,562
Accumulated depreciation	-	(414,810)	(14,282)	(393,552)	(301,006)	(148,246)	-	(1,271,896)
Accumulated impairment	(1,582)	(10,764)	-	-	-	-	-	(12,346)
	<u>\$2,289,693</u>	<u>\$1,939,741</u>	<u>\$ 6,612</u>	<u>\$ 141,592</u>	<u>\$ 227,148</u>	<u>\$ 51,076</u>	<u>\$ 458</u>	<u>\$4,656,320</u>
<u>Six months ended June 30, 2016</u>								
Opening net book amount	\$2,289,693	\$1,939,741	\$ 6,612	\$ 141,592	\$ 227,148	\$ 51,076	\$ 458	\$4,656,320
Additions	-	683	2,800	10,817	29,138	6,463	16,887	66,788
Disposals	-	(49)	(100)	(2,345)	(3,102)	(78)	(457)	(6,131)
Transfer	23,082	24,749	(484)	694	-	356	(566)	47,831
Decrease in consolidated entities	-	-	-	(13)	-	-	-	(13)
Depreciation charge	-	(36,862)	(1,350)	(30,662)	(27,115)	(12,285)	-	(108,274)
Effect due to changes in exchange rates	10,106	(28,546)	(168)	(1,338)	(2,713)	(587)	(223)	(23,469)
Closing net book amount	<u>\$2,322,881</u>	<u>\$1,899,716</u>	<u>\$ 7,310</u>	<u>\$ 118,745</u>	<u>\$ 223,356</u>	<u>\$ 44,945</u>	<u>\$ 16,099</u>	<u>\$4,633,052</u>
<u>At June 30, 2016</u>								
Cost	\$2,324,463	\$2,360,081	\$ 19,363	\$ 528,278	\$ 535,673	\$ 199,797	\$ 16,099	\$5,983,754
Accumulated depreciation	-	(449,601)	(12,053)	(409,533)	(312,317)	(154,852)	-	(1,338,356)
Accumulated impairment	(1,582)	(10,764)	-	-	-	-	-	(12,346)
	<u>\$2,322,881</u>	<u>\$1,899,716</u>	<u>\$ 7,310</u>	<u>\$ 118,745</u>	<u>\$ 223,356</u>	<u>\$ 44,945</u>	<u>\$ 16,099</u>	<u>\$4,633,052</u>

	Land	Buildings	Transportation equipment	Office equipment	Leasehold improvements	Others	Construction in progress and equipment to be tested	Total
<u>At January 1, 2015</u>								
Cost	\$2,291,223	\$2,337,038	\$ 15,076	\$ 449,008	\$ 469,588	\$ 169,399	\$ 4,727	\$5,736,059
Accumulated depreciation	-	(395,896)	(10,712)	(309,523)	(221,112)	(114,620)	-	(1,051,863)
Accumulated impairment	(1,582)	(10,764)	-	-	-	-	-	(12,346)
	<u>\$2,289,641</u>	<u>\$1,930,378</u>	<u>\$ 4,364</u>	<u>\$ 139,485</u>	<u>\$ 248,476</u>	<u>\$ 54,779</u>	<u>\$ 4,727</u>	<u>\$4,671,850</u>
<u>Six months ended June 30, 2015</u>								
Opening net book amount	\$2,289,641	\$1,930,378	\$ 4,364	\$ 139,485	\$ 248,476	\$ 54,779	\$ 4,727	\$4,671,850
Additions	-	1,186	2,213	18,248	10,662	15,938	7,043	55,290
Disposals	-	-	(150)	(1,023)	-	(9)	-	(1,182)
Transfer	-	-	-	2,227	4,654	-	(4,654)	2,227
Acquired from business combinations	-	-	1,274	12,940	6,387	319	-	20,920
Depreciation charge	-	(38,595)	(1,023)	(32,170)	(25,600)	(13,396)	-	(110,784)
Effect due to changes in exchange rates	(4,503)	(24,176)	(142)	(2,274)	(4,011)	(962)	(102)	(36,170)
Closing net book amount	<u>\$2,285,138</u>	<u>\$1,868,793</u>	<u>\$ 6,536</u>	<u>\$ 137,433</u>	<u>\$ 240,568</u>	<u>\$ 56,669</u>	<u>\$ 7,014</u>	<u>\$4,602,151</u>
<u>At June 30, 2015</u>								
Cost	\$2,286,720	\$2,301,650	\$ 19,121	\$ 519,745	\$ 510,917	\$ 191,425	\$ 7,014	\$5,836,592
Accumulated depreciation	-	(422,092)	(12,585)	(382,312)	(270,349)	(134,756)	-	(1,222,094)
Accumulated impairment	(1,582)	(10,765)	-	-	-	-	-	(12,347)
	<u>\$2,285,138</u>	<u>\$1,868,793</u>	<u>\$ 6,536</u>	<u>\$ 137,433</u>	<u>\$ 240,568</u>	<u>\$ 56,669</u>	<u>\$ 7,014</u>	<u>\$4,602,151</u>

Information on property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(12) Investment property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>At January 1, 2016</u>			
Cost	\$ 344,833	\$ 919,470	\$ 1,264,303
Accumulated depreciation	-	(122,694)	(122,694)
	<u>\$ 344,833</u>	<u>\$ 796,776</u>	<u>\$ 1,141,609</u>
<u>Six months ended June 30, 2016</u>			
Opening net book amount	\$ 344,833	\$ 796,776	\$ 1,141,609
Depreciation charge	-	(10,668)	(10,668)
Transfer (Note)	(23,082)	(24,749)	(47,831)
Effect due to changes in exchange rates	-	(29,177)	(29,177)
Closing net book amount	<u>\$ 321,751</u>	<u>\$ 732,182</u>	<u>\$ 1,053,933</u>
<u>At June 30, 2016</u>			
Cost	\$ 321,751	\$ 857,605	\$ 1,179,356
Accumulated depreciation	-	(125,423)	(125,423)
	<u>\$ 321,751</u>	<u>\$ 732,182</u>	<u>\$ 1,053,933</u>

Note: Investment property amounting to \$47,831 for the six months ended June 30, 2016 was transferred to property, plant and equipment. Please refer to Note 6(11).

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>At January 1, 2015</u>			
Cost	\$ 349,968	\$ 898,656	\$ 1,248,624
Accumulated depreciation	-	(99,999)	(99,999)
	<u>\$ 349,968</u>	<u>\$ 798,657</u>	<u>\$ 1,148,625</u>
<u>Six months ended June 30, 2015</u>			
Opening net book amount	\$ 349,968	\$ 798,657	\$ 1,148,625
Depreciation charge	-	(10,741)	(10,741)
Transfer (Note)	(5,135)	(5,364)	(10,499)
Effect due to changes in exchange rates	-	(17,704)	(17,704)
Closing net book amount	<u>\$ 344,833</u>	<u>\$ 764,848</u>	<u>\$ 1,109,681</u>
<u>At June 30, 2015</u>			
Cost	\$ 344,833	\$ 872,257	\$ 1,217,090
Accumulated depreciation	-	(107,409)	(107,409)
	<u>\$ 344,833</u>	<u>\$ 764,848</u>	<u>\$ 1,109,681</u>

Investment property amounting to \$10,499 for the six months ended June 30, 2015 was transferred to non-current assets held for sale. Please refer to Note 6(14).

A. Rental income from investment property and direct operating expenses arising from the investment property are shown below:

	Three months ended June 30,	
	2016	2015
Rental revenue from investment property	\$ 9,626	\$ 8,049
Direct operating expenses arising from the investment property that generated rental income in the period	\$ 2,678	\$ 3,036
Direct operating expenses arising from the investment property that did not generate rental income in the period	\$ 1,339	\$ 2,282

	Six months ended June 30,	
	2016	2015
Rental income from investment property	\$ 18,756	\$ 15,714
Direct operating expenses arising from the investment property that generated rental income in the period	\$ 6,372	\$ 4,727
Direct operating expenses arising from the investment property that did not generate rental income in the period	\$ 3,443	\$ 6,014

- B. The fair value of the investment property held by the Group as at June 30, 2016, December 31, 2015 and June 30, 2015 was \$1,566,529, \$1,647,280 and \$1,650,679, respectively. The fair value as of June 30, 2016, December 31, 2015 and June 30, 2015 was based on independent appraisers' valuation, which is made using comparative method and income approach. Comparison method is to compare the valuation target with similar property which is traded around the valuation period. Valuations were made using the income approach with key assumptions as follows:

	December 31, 2015	December 31, 2014
Discount rate	2%~2.5%	2%~2.5%
Growth rate	1%	1%
Gross margin	2.7%	2.7%

- C. There is no impairment loss on investment property.
- D. None of the investment property is pledged for guarantee.

(13) Intangible assets

	<u>Operating right</u>	<u>Software</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2016</u>					
Cost	\$ 356,692	\$ 197,776	\$ 5,691,164	\$ 70,730	\$6,316,362
Accumulated amortisation and impairment	(349,467)	(163,070)	(73,646)	(59,025)	(645,208)
	<u>\$ 7,225</u>	<u>\$ 34,706</u>	<u>\$ 5,617,518</u>	<u>\$ 11,705</u>	<u>\$5,671,154</u>
<u>Six months ended June 30, 2016</u>					
Opening net book amount	\$ 7,225	\$ 34,706	\$ 5,617,518	\$ 11,705	\$5,671,154
Additions-acquired separately	-	10,570	-	-	10,570
Amortisation charge	(4,436)	(11,588)	-	(3,756)	(19,780)
Impairment loss	-	-	(53,018)	-	(53,018)
Effect due to changes in exchange rates	2	(617)	(3,913)	(140)	(4,668)
Closing net book amount	<u>\$ 2,791</u>	<u>\$ 33,071</u>	<u>\$ 5,560,587</u>	<u>\$ 7,809</u>	<u>\$5,604,258</u>
<u>At June 30, 2016</u>					
Cost	\$ 352,500	\$ 209,495	\$ 5,685,224	\$ 69,620	\$6,316,839
Accumulated amortisation and impairment	(349,709)	(176,424)	(124,637)	(61,811)	(712,581)
	<u>\$ 2,791</u>	<u>\$ 33,071</u>	<u>\$ 5,560,587</u>	<u>\$ 7,809</u>	<u>\$5,604,258</u>
	<u>Operating right</u>	<u>Software</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2015</u>					
Cost	\$ 414,356	\$ 216,639	\$ 5,624,802	\$ 67,381	\$6,323,178
Accumulated amortisation and impairment	(287,321)	(162,001)	(71,010)	(46,289)	(566,621)
	<u>\$ 127,035</u>	<u>\$ 54,638</u>	<u>\$ 5,553,792</u>	<u>\$ 21,092</u>	<u>\$5,756,557</u>
<u>Six months ended June 30, 2015</u>					
Opening net book amount	\$ 127,035	\$ 54,638	\$ 5,553,792	\$ 21,092	\$5,756,557
Additions-acquired separately	-	5,030	-	-	5,030
Additions-acquired from business combinations	-	3,171	53,657	-	56,828
Reclassifications	-	289	-	-	289
Amortisation charge	(37,651)	(27,999)	-	(5,462)	(71,112)
Effect due to changes in exchange rates	(3,977)	(601)	(6,738)	838	(10,478)
Closing net book amount	<u>\$ 85,407</u>	<u>\$ 34,528</u>	<u>\$ 5,600,711</u>	<u>\$ 16,468</u>	<u>\$5,737,114</u>
<u>At June 30, 2015</u>					
Cost	\$ 413,479	\$ 183,682	\$ 5,675,172	\$ 66,766	\$6,339,099
Accumulated amortisation and impairment	(328,072)	(149,154)	(74,461)	(50,298)	(601,985)
	<u>\$ 85,407</u>	<u>\$ 34,528</u>	<u>\$ 5,600,711</u>	<u>\$ 16,468</u>	<u>\$5,737,114</u>

The details of amortisation charge are as follows:

	<u>Three months ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
Selling and marketing expenses	\$ 4,596	\$ 21,725
General and administrative expenses	4,693	7,512
	<u>\$ 9,289</u>	<u>\$ 29,237</u>

	Six months ended June 30,	
	2016	2015
Selling and marketing expenses	\$ 9,021	\$ 47,327
General and administrative expenses	10,951	24,459
	<u>\$ 19,972</u>	<u>\$ 71,786</u>

The amortisation charge above includes amortisation of deferred expenses accounted as 'Other non-current asset'.

- A. Goodwill is allocated as follows to the Group's cash-generating units identified according to operating segment:

	June 30, 2016	December 31, 2015	June 30, 2015
Yosun subgroup	\$ 4,711,516	\$ 4,714,529	\$ 4,703,765
Aeco subgroup	472,290	472,290	472,290
Others	376,781	430,699	424,657
	<u>\$ 5,560,587</u>	<u>\$ 5,617,518</u>	<u>\$ 5,600,712</u>

- B. Goodwill is allocated to the Group's cash-generating units identified according to operating segment. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period.

Except for goodwill arising from investing in World Peace Industrial Co., Ltd.'s indirect subsidiary - Long-Think International (Shanghai) Limited which incurred impairment loss of \$53,018 as the estimated recoverable amount was lower than the carrying amount, the remaining goodwill was not impaired as the recoverable amount calculated using the value-in-use exceeded the carrying amount. The key assumptions used for value-in-use calculations are gross margin, growth rate and discount rate.

Management determined budgeted gross margin based on past performance and its expectations of market development. The assumptions used for weighted average growth rates are past historical experience and expectations of industry; the assumption used for discount rates is weighted average capital cost of the Group. As of June 30, 2016, December 31, 2015 and June 30, 2015, the key valuations used for pre-tax discount rate were 5.59%, 5.05% and 5.52%, respectively.

- C. Impairment information about intangible assets is provided in Note 6(15).

(14) Non-current assets held for sale

The non-operating fixed assets related to the Group's indirect subsidiary, Everwiner Enterprise Co., Ltd., have been reclassified from investment property to held for sale at the lower of carrying value and fair value less costs of sale, following the approval of the Group's Board of Directors on June 25, 2015. The contract of the transaction was signed on July 7, 2015. The assets of the disposal group held for sale as of June 30, 2015 amounted to \$10,499.

(15) Impairment of financial assets and non-financial assets

The Group recognised impairment loss amounting to \$54,292, \$3,275, \$54,292 and \$3,275 for the three months ended June 30, 2016 and 2015, and six months ended June 30, 2016 and 2015, respectively. Details of such loss are as follows:

Three months ended June 30,				
2016		2015		
	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss - financial assets carried at cost - non-current	\$ 1,274	\$ -	\$ 3,275	\$ -
Impairment loss - goodwill	53,018	-	-	-
	<u>\$ 54,292</u>	<u>\$ -</u>	<u>\$ 3,275</u>	<u>\$ -</u>

Six months ended June 30,				
2016		2015		
	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss - financial assets carried at cost - non-current	\$ 1,274	\$ -	\$ 3,275	\$ -
Impairment loss - goodwill	53,018	-	-	-
	<u>\$ 54,292</u>	<u>\$ -</u>	<u>\$ 3,275</u>	<u>\$ -</u>

(16) Overdue receivables (Shown as “Other non-current assets”)

	June 30, 2016	December 31, 2015	June 30, 2015
Overdue receivables	\$ 637,283	\$ 648,790	\$ 329,570
Less: Allowance for doubtful accounts	(637,283)	(648,790)	(329,570)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Movement analysis of financial assets that were impaired is as follows:

	2016	2015
	Group provision	Group provision
At January 1	\$ 648,790	\$ 253,250
Effect of consolidated entities	-	10,060
Provision for impairment	3,999	8,013
Write-off of bad debts	(9,693)	(15,505)
Transferred from accounts receivable	2,833	76,272
Effect due to changes in exchange rates	(8,646)	(2,520)
At June 30	<u>\$ 637,283</u>	<u>\$ 329,570</u>

(17) Short-term borrowings

Type of borrowings	June 30, 2016	December 31, 2015	June 30, 2015
Loans for overseas purchases	\$ 22,603,837	\$ 30,297,718	\$ 26,686,091
Short-term loans	20,840,847	24,277,634	19,364,332
	<u>\$ 43,444,684</u>	<u>\$ 54,575,352</u>	<u>\$ 46,050,423</u>
Annual interest rates	<u>0.97%~4.29%</u>	<u>0.88%~4.85%</u>	<u>0.83%~4.36%</u>

For information on pledged assets, please refer to Note 8.

(18) Short-term notes and bills payable

	June 30, 2016	December 31, 2015	June 30, 2015
Commercial papers payable	\$ 3,700,000	\$ 3,710,000	\$ 3,310,000
Less: Unamortised discount	(1,470)	(1,803)	(1,689)
	<u>\$ 3,698,530</u>	<u>\$ 3,708,197</u>	<u>\$ 3,308,311</u>
Annual interest rates	<u>0.50%~1.24%</u>	<u>0.63%~1.33%</u>	<u>0.58%~1.26%</u>

The abovementioned short-term notes and bills payable are guaranteed by financial institutions.

(19) Bonds payable

	June 30, 2016	December 31, 2015	June 30, 2015
Bonds payable	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000
Less: discount on bonds payable	(84,590)	(124,617)	(164,372)
	<u>\$ 5,915,410</u>	<u>\$ 5,875,383</u>	<u>\$ 5,835,628</u>

A. Related information on the issuance of domestic convertible bonds by the Company is as follows:

- (a) The terms of the first domestic unsecured convertible bonds issued by the Company are as follows:

The Company issued \$6,000,000, 0% first domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature 3 years from the issue date (July 25, 2014 ~ July 25, 2017) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taiwan Over-The-Counter Securities Exchange on July 25, 2014.

- (b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after one month of the bonds issue to the maturity date, except the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
- (c) The conversion price (\$42.8 (in dollars) per share) of the bonds is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model in the terms of the bonds on each effective date regulated by the terms. As of June 30, 2016, the conversion price was \$37.7.
- (d) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taiwan Over-The-Counter Securities Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also

extinguished.

- B. Regarding the issuance of convertible bonds, the equity conversion options amounting to \$232,800 were separated from the liability component and were recognised in 'capital surplus-stock warrants' in accordance with IAS 32.
- C. As of June 30, 2016, none of the bondholders has requested for conversion to ordinary shares.
- D. The amortisation of discount on bonds payable was \$20,048, \$19,778 \$40,027 and \$39,488 for the three months ended June 30, 2016 and 2015, and six months ended June 30, 2016 and 2015, respectively.

(20) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period / repayment term</u>	<u>June 30, 2016</u>	<u>December 31, 2015</u>	<u>June 30, 2015</u>
Secured bank borrowings (Note 1 and Note 2)	2012.01.02~ 2027.01.02	\$ 573,603	\$ 589,852	\$ 589,834
Unsecured bank borrowings (Note 3~ Note 8)	2014.01.10~ 2018.11.09	10,338,875	12,858,075	10,131,960
		10,912,478	13,447,927	10,721,794
Less : current portion of long-term borrowings (shown as other current liabilities)		(949,705)	(1,321,268)	(3,901,146)
		<u>\$ 9,962,773</u>	<u>\$ 12,126,659</u>	<u>\$ 6,820,648</u>
Interest rate range		<u>1.25%~1.79%</u>	<u>1.22%~1.79%</u>	<u>1.22%~1.79%</u>

For information on pledged assets, please refer to Note 8.

- Note 1: (a) The Company had entered into a long-term agreement for fifteen years with a financial institution. The pledged assets are the land and building of Linkou warehouse. The principal should be repaid in equal monthly installments starting 2015.
- (b) In November 2014, the lending financial institution agreed to grant a grace period of one year, therefore the start of the repayment of the principal has been moved to January 2016, which will be in equal monthly installments.
- (c) The interest rate is the index interest rate plus 0.21% from the borrowing day to January 2, 2013, plus 0.25% from January 2, 2013, plus 0.25% from January 2, 2014, plus 0.35% from January 2, 2015, plus 0.42% from January 2, 2016 and plus 1.5% from January 2017.

Note 2: AIT Japan Inc., the Company's indirect subsidiary, had entered into a long-term loan agreement for a period of ten years with the Daiwa Bank, Limited on March 28, 2012, and the facility is JPY 250,000,000. The pledged assets are land, and furniture and fixtures, which amount to \$79,310 and \$85,108 thousand, respectively. The principal should be repaid in equal monthly installments (totaling 114 months) of JPY 2,193,000 from October 31, 2012 and the last monthly installment will be JPY

2,191,000.

Note 3: The Company's indirect subsidiary, Richpower Electronic Devices Co., Ltd. and its subsidiary, Richpower Electronic Devices Co., Limited, had entered into a long-term loan agreement with E. SUN Commercial Bank and other financial institutions on December 26, 2013. The terms and conditions of the contract were as follows:

- (a) Contract term: Within three years from the first drawdown (January 10, 2014)
- (b) Facility and drawdown: The facility is \$1,800,000 and the first drawdown of the loan must be within six months from the contract signing date and the amount of drawdown must be no less than \$30,000 or USD 1 million, and the amount must be in multiples of \$10,000 (not applied to USD drawbacks). If the amount of drawdown was in New Taiwan Dollars, the repayment period could be between 60 days and 180 days or other periods agreed by the bank; if the amount of drawdown was in US Dollars, the repayment could be between two months and six months or other periods agreed by the bank. If the amount drawn is less than 50% of the facility amount for the nine months after the first drawdown, the financial commitment fee is calculated at 0.15% per annum with the undrawn amount.
- (c) Repayment: For each drawdown, the principal and interest must be repaid in full at the end of each drawdown's term. For extension of the loan at maturity date, approval must be obtained from the bank. The repayment currency should be the same as the borrowed currency and it would be the responsibility of the borrower to acquire foreign exchange approvals and, if any, other required approvals for repayment in the foreign currency.
- (d) Loan covenant: Richpower Electronic Devices Co., Ltd. and Richpower Electronic Devices Co., Limited are required to maintain certain financial ratios based on the consolidated financial statements during the contract period as follows: liquidity ratio should not be less than 100%, debt ratio should not be higher than 200%, time interest earned ratio should not be less than 2.5 and net value (net intangible assets) should not be less than \$1,500,000.

Note 4: Silicon Application Corporation, the Company's subsidiary, had entered into a long-term loan agreement with Mega International Commercial Bank and other financial institutions. The terms and conditions of the contract were as follows:

- (a) Contract term: Within three years from the first drawdown
- (b) Facility and drawdown: The facility is \$2,400,000, could be multiple drawdowns or revolving, however the total amount at any time cannot exceed the facility amount.
- (c) Repayment: For each drawdown, the principal and the interest payable must be repaid in full at the end of that specific drawdown's term. At the end of the

contract term, the principal, interest payable and any related expense of each drawdown must be repaid in full.

- (d) Loan covenant: During the contract term, Silicon Application Corporation is required to maintain financial ratios as follows: the liquidity ratio should not be less than 100%, debt ratio should not be higher than 220%, time interest earned ratio should not be less than 3 and net value (net intangible assets) should be maintained at or above \$3,000,000. If Silicon Application Corporation could not meet any of the abovementioned covenants due to the adoption of IFRSs, then Silicon Application Corporation should, within six months of delivering the first IFRS financial statements to the bank, renegotiate the terms of the covenant with the syndicate of lending financial institutions, and obtain the agreement of the majority of the syndicate.

Note 5: The Company's subsidiary, World Peace Industrial Co., Ltd. (WPI), had entered into a long-term loan agreement with E. SUN Commercial Bank, KGI Commercial Bank, Mizuho Corporate Bank, First Commercial Bank and other financial institutions on September 22, 2014. The terms and conditions of the contract were as follows:

- (a) Contract term: Within three years from the first drawdown.
- (b) Facility and drawdown: This pertains to a revolving loan facility of World Peace Industrial Co. Ltd., the Company's subsidiary, wherein the principal amount can be renewed after the corresponding interest is paid, and payment of the existing loan can be repaid by the new loan. If the amounts equal, then the banks would not make a procedure of remittance and loan.
- (c) Repayment: For each drawdown, the principal and interest must be repaid in full at the end of each drawdown's term. For re-utilization of the revolving loan after maturity date, application should be submitted to the lead bank five days before the maturity date. Based on the credit term in the contract, all or part of the loan will be re-utilized. If the amount of drawdown is the same as the last time, the syndicate of banks would not make an additional procedure of remittance and loan, as if the borrower has actually received the loan, and uses the loan contract as proof of receipt. The amount of re-utilization of the revolving loan shall be repaid based on the contract.
- (d) Loan covenant: The subsidiary - World Peace Industrial Co., Ltd. (WPI) is required to maintain certain financial ratios based on semi-annual and annual consolidated financial statements during the contract period as follows: liquidity ratio should not be less than 100%, debt ratio should not be higher than 200%, time interest earned ratio should not be less than 2.5 and net value (net intangible assets) should not be less than \$7,500,000. If the covenants are not met, WPI's right to drawdown is immediately terminated, and the lead bank can

decide to take the following actions:

- a. Rescind part or all of the undrawn facility;
- b. Demand WPI to immediately repay all drawn principals, interest payable and other related payables as specified in the contract;
- c. Demand all rights of the promissory note as obtained from signing of the contract.

Note 6: The Company's subsidiary, Asian Information Technology Inc., and indirect subsidiary, Frontek Technology Corporation, had entered into long-term loan agreements for a period of two years with Yuanta Commercial Bank in May 2014 and December 2014 with facilities of \$400,000 and \$300,000, respectively. Payment terms are the following: monthly interest payments, principal is payable upon maturity, and loans can be drawdown or repaid at any time during the term of the contract. The subsidiary, Asian Information Technology Inc. has renewed the long-term loan agreement for two more years with Yuanta Commercial Bank in April 2015. Facilities and related regulations were in agreement with those referred above.

Note 7: The Company's subsidiary, Asian Information Technology Inc. (AIT), and indirect subsidiaries, Frontek Technology Corporation (Frontek) and Apache Communication Inc. (Apache), had entered into a long-term loan agreement with Taipei Fubon Commercial Bank, Mega International Commercial Bank, E. SUN Commercial Bank and other financial institutions on March 18, 2013. The terms and conditions of the contract were as follows:

- (a) Contract term: Within three years from the first drawdown
- (b) Facility and drawdown: The facility is \$1,200,000 and the first drawdown of the loan must be within three months from the contract signing date (AIT, Frontek and Apache's first drawdown dates were April 3, 2013, April 12, 2013 and May 17, 2013, respectively), and the amount of drawdown must be no less than \$25,000 or USD 1 million. If the amount of drawdown was in New Taiwan Dollars, the repayment period could be 60, 90 or 180 days; if the amount of drawdown was in US Dollars, the repayment period could be two months, three months or six months.
- (c) Repayment: According to the loan contract, for each drawdown, the maximum repayment term is 180 days and the principal of each drawdown must be repaid in full at the end of the term. If the amount of drawdown was in US Dollars, the repayment currency should be the same as the borrowed currency and it would be the responsibility of the borrower to obtain foreign exchange approvals and, if any, other required approvals for repayment in US Dollars. For re-utilization of the revolving loan after maturity date, application should be submitted to the lead bank five days before the maturity date. If the amount of drawdown is the

same as the last time, the syndicate of banks would not make an additional procedure of remittance and loan, as if the banks have actually remitted the loan and the companies have repaid the loan, and uses the loan contract as proof of receipt.

- (d) Loan covenant: Asian Information Technology Inc. is required to maintain certain financial ratios based on semi-annual and annual consolidated financial statements during the contract period as follows: liquidity ratio should not be less than 100%, debt ratio should not be higher than 200%, time interest earned ratio should not be less than 2.5 and net value (net intangible assets) should not be less than \$3,000,000.

Note 8: The Company's subsidiary, World Peace Industrial Co., Ltd. (WPI), had entered into a long-term loan agreement with Taipei Fubon Commercial Bank, E. SUN Commercial Bank, Mizuho Corporate Bank, Bank of Taiwan and other financial institutions on October 26, 2015. The terms and conditions of the contract were as follows:

- (a) Contract term: Within three years from the first drawdown
- (b) Facility and drawdown: The facility must be less than \$7,200,000. Each drawdown amount must be no less than \$100,000 or USD 3 million. The repayment period could be 60, 90 or 180 days, and six months at the most.
- (c) Repayment: For each drawdown, the principal and interest must be repaid in full at the end of each drawdown's term. For re-utilization of the revolving loan after maturity date, application should be submitted to the lead bank five days before the maturity date. Based on the credit term in the contract, all or part of the loan will be re-utilized. If the amount of drawdown is the same as the last time, the syndicate of banks would not make an additional procedure of remittance and loan, as if the borrower has actually received the loan, and uses the loan contract as proof of receipt.
- (d) Loan covenant: World Peace Industrial Co., Ltd. is required to maintain certain financial ratios based on semi-annual and annual consolidated financial statements during the contract period as follows: liquidity ratio should not be less than 100%, debt ratio should not be higher than 200%, time interest earned ratio should not be less than 2.5 and net value (net intangible assets) should not be less than \$10,000,000.

(21) Pensions

A. Defined benefit plans

- (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service

years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contribution for the deficit by next March.

Effective January 1, 2010, the Company and certain subsidiaries have funded defined benefit pension plans in accordance with the "Regulations on pensions of managers", covering all managers appointed by the Company. Under the defined benefit pension plan, one unit is accrued for each year of service, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the remuneration per unit ratified during the appointed period.

- (b) For the aforementioned pension plan, the Company and its domestic subsidiaries recognised pension costs of \$4,982, \$8,456 \$10,256 and \$13,612 for the three months ended June 30, 2016 and 2015, and six months ended June 30, 2016 and 2015, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2017 are \$16,358.

B. Defined contribution plans

- (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on not less than 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) Other overseas companies have defined contribution plans. Contributions for pensions and retirement allowance to independent fund administered by the government in accordance with the local pension regulations are based on certain percentage of

employees' monthly salaries and wages. Other than the monthly contributions, the companies have no further obligations.

- (c) The pension costs of the Group under the defined contribution pension plans for the three months ended June 30, 2016 and 2015, and six months ended June 30, 2016 and 2015 were \$86,587, \$82,190, \$176,525 and \$163,640, respectively.

(22) Share capital

- A. As of June 30, 2016, the Company's authorized capital was \$20,000,000 (including \$500,000 for stock options, convertible preferred stock and convertible bonds), and the paid-in capital was \$16,557,092 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding (in thousands of shares) for the six months ended June 30, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
A January 1	1,655,670	1,655,709
Treasury stocks received from acquisition of subsidiary	-	(39)
Disposal of company's share by subsidiaries	39	-
At June 30	<u><u>1,655,709</u></u>	<u><u>1,655,670</u></u>

B. Treasury stock

- (a) Reasons for share reacquisition and movements in the number of the Company's treasury shares are as follows:

<u>December 31, 2015</u>			
<u>Name of company holding the shares</u>	<u>Reason for reacquisition</u>	<u>Number of shares</u>	<u>Carrying amount</u>
Indirect subsidiary – Hat-Trick Co., Ltd.	Note	39,481	\$ 1,242

<u>June 30, 2015</u>			
<u>Name of company holding the shares</u>	<u>Reason for reacquisition</u>	<u>Number of shares</u>	<u>Carrying amount</u>
Indirect subsidiary - Hat-Trick Co., Ltd.	Note	39,481	\$ 1,526

Note: Hat-Trick Co., Ltd., which is the subsidiary of the acquiree, Genuine C&C, Inc., held the Company's shares.

- (b) Pursuant to the R.O.C. Securities and Exchange Law, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.

(23) Capital surplus

- A. Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized as mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.
- B. Details of capital surplus – stock warrants are provided in Note 6 (19).

(24) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall be used to set aside as legal reserve, and set aside as special reserve in accordance with Article 41 of Securities and Exchange Act. The remainder, if any, to be appropriated shall be proposed by the Board of Directors. If cash dividends are distributed, they shall account for at least 20% of the total dividends distributed.
- Employees of the Company's subsidiaries are entitled to receive the distribution of earnings. The terms shall be defined by the Board of Directors.
- B. Legal reserve can only be used to cover accumulated losses or issue new shares or cash to shareholders in proportion to their share ownership, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- D. The appropriations of earnings for 2015 and 2014 had been resolved at the stockholders' meeting on June 22, 2016 and June 24, 2015, respectively. Details are summarized below:

	Years ended December 31,			
	2015		2014	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve	\$ 542,047	\$ -	\$ 580,718	\$ -
Special reserve	-	-	(1,937,752)	-
Cash dividends	3,973,703	2.40	4,139,274	2.5
	<u>\$ 4,515,750</u>	<u>\$ 2.40</u>	<u>\$ 2,782,240</u>	<u>\$ 2.5</u>

The above appropriations of earnings for 2015 and 2014 as resolved by the shareholders are the same as resolved by the Board of Directors.

E. For the information relating to employees' compensation and directors' remuneration, please refer to Note 6(31).

(25) Other equity items

	2016		
	Available-for-sale investment	Currency translation	Total
At January 1	(\$ 20,974)	\$ 2,574,750	\$ 2,553,776
Revaluation - gross	12,170	-	12,170
Cumulative translation differences:			
- Group	- (1,315,031)	(1,315,031)	(1,315,031)
- Tax on Group	-	21,613	21,613
- Associates	-	1,814	1,814
At June 30	<u>(\$ 8,804)</u>	<u>\$ 1,283,146</u>	<u>\$ 1,274,342</u>

	2015		
	Available-for-sale investment	Currency translation	Total
At January 1	\$ 75,012	\$ 908,749	\$ 983,761
Revaluation - gross	(4,667)	-	(4,667)
Revaluation transfer - gross	(55,519)	-	(55,519)
Cumulative translation differences:			
- Group	- (1,519,709)	(1,519,709)	(1,519,709)
- Tax on Group	-	17,971	17,971
- Associates	-	(5,518)	(5,518)
At June 30	<u>\$ 14,826</u>	<u>(\$ 598,507)</u>	<u>(\$ 583,681)</u>

(26) Operating revenue

	Three months ended June 30,	
	2016	2015
Sales revenue	\$ 133,743,377	\$ 124,386,376
Service revenue	15,942	66,257
	<u>\$ 133,759,319</u>	<u>\$ 124,452,633</u>

	Six months ended June 30,	
	2016	2015
Sales revenue	\$ 255,263,183	\$ 232,398,639
Service revenue	28,885	67,999
	<u>\$ 255,292,068</u>	<u>\$ 232,466,638</u>

(27) Other income

	<u>Three months ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
Rental revenue	\$ 14,991	\$ 11,762
Dividend income	9,060	4,475
Interest income	10,259	9,217
Other income	78,176	269
	<u>\$ 112,486</u>	<u>\$ 25,723</u>

	<u>Six months ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
Rental revenue	\$ 26,390	\$ 24,246
Dividend income	18,625	31,495
Interest income	17,438	16,540
Other income	123,141	20,286
	<u>\$ 185,594</u>	<u>\$ 92,567</u>

(28) Other gains and losses

	<u>Three months ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
(Loss) gain on disposal of investments	(\$ 2,512)	\$ 47,462
Gain on financial assets at fair value through profit or loss	22,055	21,462
Loss on disposal of property, plant and equipment and investment property	(2,777)	(827)
Currency exchange (loss) gain	(77,542)	26,146
Impairment loss	(54,292)	(3,275)
Other losses	(13,476)	(12,039)
	<u>(\$ 128,544)</u>	<u>\$ 78,929</u>

	<u>Six months ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
(Loss) gain on disposal of investments	(\$ 2,414)	\$ 83,532
Gain on financial assets at fair value through profit or loss	8,385	27,071
Loss on disposal of property, plant and equipment and investment property	(3,071)	(842)
Currency exchange gain	75,975	12,884
Impairment loss	(54,292)	(3,275)
Other losses	(26,355)	(21,580)
	<u>(\$ 1,772)</u>	<u>\$ 97,790</u>

(29) Finance costs

	<u>Three months ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
Interest expense:		
Bank borrowings	\$ 285,894	\$ 267,055
Convertible bonds	20,048	19,778
Others	54,545	45,847
	<u>\$ 360,487</u>	<u>\$ 332,680</u>

	<u>Six months ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
Interest expense:		
Bank borrowings	\$ 616,940	\$ 542,829
Convertible bonds	40,027	39,488
Others	101,282	88,078
	<u>\$ 758,249</u>	<u>\$ 670,395</u>

(30) Additional information of expenses by nature

	<u>Three months ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
Employee benefit expense	<u>\$ 2,063,227</u>	<u>\$ 1,803,957</u>
Depreciation charges on property and equipment (including investment property)	<u>\$ 58,628</u>	<u>\$ 65,958</u>
Amortisation charges on intangible assets and other non-current assets	<u>\$ 9,289</u>	<u>\$ 29,237</u>

	<u>Six months ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
Employee benefit expense	<u>\$ 3,945,135</u>	<u>\$ 3,514,125</u>
Depreciation charges on property and equipment (including investment property)	<u>\$ 118,942</u>	<u>\$ 121,525</u>
Amortisation charges on intangible assets and other non-current assets	<u>\$ 19,972</u>	<u>\$ 71,786</u>

(31) Employee benefit expense

	<u>Three months ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
Wages and salaries	\$ 1,820,530	\$ 1,552,446
Labor and health insurance fees	86,594	96,300
Pension costs	91,569	90,646
Other personnel expenses	64,534	64,565
	<u>\$ 2,063,227</u>	<u>\$ 1,803,957</u>

	Six months ended June 30,	
	2016	2015
Wages and salaries	\$ 3,467,706	\$ 3,017,050
Labor and health insurance fees	170,691	176,239
Pension costs	186,781	177,252
Other personnel expenses	119,957	143,584
	<u>\$ 3,945,135</u>	<u>\$ 3,514,125</u>

A. According to the Articles of Incorporation of the Company, distribution of earnings is as follows:

- (a) No more than 3% as remuneration to directors and supervisors.
- (b) 0.01%~5% as employees' bonus.
- (c) The remaining is distributed as bonus to shareholders based on shareholding ratio. Total cash dividends shall not be less than 20% of total bonus distributed to shareholders, if any.

Qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive aforementioned stock or cash may be specified in the Articles of Incorporation.

B. For the three months ended June 30, 2016 and 2015, and six months ended June 30, 2016 and 2015, employees' compensation (bonus) was accrued at \$5,223, \$5,223, \$10,446 and \$10,446, respectively; while directors' and supervisors' remuneration was accrued at \$7,500, \$7,500, \$15,000 and \$15,000, respectively. The aforementioned amounts were recognised in salary expenses.

For the three months ended June 30, 2016 and six months ended June 30, 2016, the employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on the profit of current year distributable as of the end of reporting period and the percentage as prescribed by the Company's Articles of Incorporation.

The difference between employees' compensation of \$12,238 and directors' and supervisors' remuneration of \$30,000 as resolved by the Board of Directors and employees' compensation of \$20,892 and directors' and supervisors' remuneration of \$30,000 recognised in the 2015 financial statements by \$8,654 had been adjusted in the profit or loss of the first quarter in 2016. The employees' compensation will be distributed in the form of cash and has not yet been distributed as of August 9, 2016.

Employees' bonus and directors' and supervisors' remuneration for 2014 as resolved by the shareholders during their meeting were in agreement with those amounts recognised in the profit or loss for 2014.

C. Information about employees' compensation (bonus) and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors and shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(32) Income tax

A. Income tax expense

a) Components of income tax expense:

	<u>Three months ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
Current tax		
Current tax on profits for the period	\$ 357,476	\$ 399,718
Tax on undistributed surplus earnings	76,807	304,956
Adjustments in respect of prior years income tax	(2,424)	6,467
Total current tax	<u>431,859</u>	<u>711,141</u>
Deferred tax		
Origination and reversal of temporary differences	<u>41,255</u>	(<u>21,370</u>)
Income tax expense	<u>\$ 473,114</u>	<u>\$ 689,771</u>

	<u>Six months ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
Current tax		
Current tax on profits for the period	\$ 753,133	\$ 704,589
Tax on undistributed surplus earnings	76,807	304,956
Adjustments in respect of prior years income tax	(1,134)	6,004
Total current tax	<u>828,806</u>	<u>1,015,549</u>
Deferred tax		
Origination and reversal of temporary differences	(<u>13,544</u>)	<u>29,912</u>
Income tax expense	<u>\$ 815,262</u>	<u>\$ 1,045,461</u>

b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	<u>Three months ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
Currency translation differences	(\$ <u>12,600</u>)	(\$ <u>10,609</u>)

	<u>Six months ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
Currency translation differences	(\$ <u>21,613</u>)	(\$ <u>17,971</u>)

B. The Company's income tax returns through 2011 have been assessed and approved by the Tax Authority.

C. Unappropriated retained earnings:

	<u>June 30, 2016</u>	<u>December 31, 2015</u>	<u>June 30, 2015</u>
Earnings generated after 1998	<u>\$ 8,595,145</u>	<u>\$ 10,002,877</u>	<u>\$ 7,277,268</u>

D. As of June 30, 2016, December 31, 2015 and June 30, 2015, the balance of the imputation tax credit account was \$1,434,855, \$579,338 and \$1,015,247, respectively.

E. Creditable ratio of appropriated retained earnings:

	<u>2015 (Estimated)</u>	<u>2014 (Actual)</u>
Creditable ratio	<u>15.50%</u>	<u>12.32%</u>

(33) Earnings per share

<u>Three months ended June 30, 2016</u>			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ <u>1,552,966</u>	<u>1,655,701</u>	\$ <u>0.94</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,552,966	1,655,701	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	19,973	159,151	
Employees' compensation	<u>-</u>	<u>583</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ <u>1,572,939</u>	<u>1,815,435</u>	\$ <u>0.87</u>
<u>Three months ended June 30, 2015</u>			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ <u>1,160,984</u>	<u>1,655,676</u>	\$ <u>0.70</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,160,984	1,655,676	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	19,703	148,515	
Employees' bonus	<u>-</u>	<u>856</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ <u>1,180,687</u>	<u>1,805,047</u>	\$ <u>0.65</u>

Six months ended June 30, 2016			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 3,108,018</u>	<u>1,655,686</u>	<u>\$ 1.88</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 3,108,018	1,655,686	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	39,878	159,151	
Employees' compensation	<u>-</u>	<u>596</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 3,147,896</u>	<u>1,815,433</u>	<u>\$ 1.73</u>

Six months ended June 30, 2015			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 2,558,205</u>	<u>1,655,693</u>	<u>\$ 1.55</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,558,205	1,655,693	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	39,338	148,515	
Employees' compensation	<u>-</u>	<u>878</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 2,597,543</u>	<u>1,805,086</u>	<u>\$ 1.44</u>

(34) Business combinations

- A. On April 15, 2015, the Group acquired 44.21% of the share capital of Genuine C&C Inc. for \$510,041. The Company originally held 16.29% of share capital of Genuine C&C, Inc. through the Company's subsidiary, World Peace Industrial Co., Ltd. The Group holds 60.50% share capital of Genuine C&C, Inc. in total and obtained control of Genuine

C&C, Inc. Genuine C&C, Inc. is engaged in sales of computers and its peripherals. As a result of the acquisition, the Group is expected to utilise Genuine C&C, Inc.'s B2B (business-to-business) ecommerce platform and channels of information media related products in Mainland China, and to introduce the Company's investing experiences to enhance competitiveness of two companies.

- B. On July 20, 2015, the Group acquired 55% of the share capital of Peng Yu (Shanghai) Digital Technology Co., Ltd. (Peng Yu) for \$41,536 (approximately USD\$1,334 thousand).
- C. The following table summarises the consideration paid for Genuine C&C and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets at the acquisition date:

	<u>April 15, 2015</u>
Purchase consideration - cash	\$ 510,041
Fair value of equity interest in Genuine C&C Inc. held before the business combination	188,628
Fair value of the non-controlling interest	<u>486,396</u>
	<u>1,185,065</u>
Fair value of identifiable assets and assumed liabilities	
Cash	453,641
Notes and accounts receivable	898,620
Inventory	810,653
Other current assets	200,185
Property, plant and equipment	20,920
Intangible assets (excluding goodwill)	3,170
Goodwill	1,637
Deferred tax assets	23,681
Other non-current assets	34,592
Bank borrowings	(238,269)
Notes and accounts payable	(869,676)
Other current liabilities	(158,573)
Deferred tax liabilities	(2,088)
Other non-current liabilities	(<u>45,448</u>)
Total identifiable net assets	<u>1,133,045</u>
Goodwill	<u>\$ 52,020</u>

- D. The following table summarises the consideration paid for Peng Yu and the fair values of the assets acquired and liabilities assumed at the acquisition date:

	<u>July 20, 2015</u>
Purchase consideration	
Cash paid	\$ 41,536
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	<u>33,937</u>
	<u>\$ 75,473</u>
Fair value of the identifiable assets acquired and liabilities assumed	
Cash	\$ 46,637
Other receivables	29,112
Refundable deposits	19,489
Other payables	(<u>19,765</u>)
	<u>\$ 75,473</u>

- E. The Group recognised a gain of \$14,483 as a result of measuring at fair value its 16.29% equity interest in Genuine C&C Inc. held before the business combination.
- F. Had Genuine C&C and Peng Yu been consolidated from January 1, 2015, the operating revenue and profit before income tax included in the consolidated statement of comprehensive income since April 15, 2015 contributed by Genuine C&C Inc. and since July 20, 2015 contributed by Peng Yu (Shanghai) Digital Technology Co., Ltd. (Peng Yu) would be as follows:

	<u>Three months ended June 30, 2015</u>	<u>Six months ended June 30, 2015</u>
Operating revenue	\$ 124,825,663	\$ 235,813,319
Profit before tax	1,845,511	3,613,262

(35) Supplemental cash flow information

A. Partial payment of cash from investing activities

	<u>Six months ended June 30,</u>	<u>Six months ended June 30,</u>
	<u>2016</u>	<u>2015</u>
Acquisition of property, plant and equipment and intangible assets	\$ 77,358	\$ 60,320
Add: accounts payable at the beginning of period	3,019	10,892
Less: accounts payable at the end of period	(<u>16,497</u>)	(<u>1,639</u>)
Cash paid during the period for property, plant and equipment	<u>\$ 63,880</u>	<u>\$ 69,573</u>

B. Financing activities with no cash flow effects

	<u>Six months ended June 30,</u>	<u>Six months ended June 30,</u>
	<u>2016</u>	<u>2015</u>
Shareholders' cash dividends declared	<u>\$ 3,973,703</u>	<u>\$ 4,139,274</u>

C. Fair value information relating to acquisition of subsidiary:

	<u>June 30, 2015</u>
Cash and bank deposit	\$ 453,641
Other current assets	1,909,458
Property, plant and equipment	20,920
Intangible assets and other assets	63,080
Other current liabilities	(1,266,518)
Other non-current liabilities	(47,536)
	<u>\$ 1,133,045</u>

D. Information on the fair value of subsidiary disposed (Note):

	<u>January 1, 2016</u>
<u>Consideration received</u>	
Cash	<u>\$ -</u>
<u>Carrying amount of the assets and liabilities of the subsidiary</u>	
Cash	\$ 29,939
Other current assets	245,084
Property, plant and equipment	13
Other non-current assets	220
Short-term borrowings	(52,520)
Other current liabilities	(157,936)
Non-controlling interests	(32,400)
Total net assets	<u>\$ 32,400</u>

Note: As the Company sold certain shares in VITEC WPG Limited, the Company lost control over VITEC WPG Limited and accordingly, accounted for its investment in VITEC WPG Limited using equity method.

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Group's shares are widely held so the Company has no ultimate parent and ultimate controlling party.

(2) Significant transactions and balances with related parties

A. Sales of goods

	<u>Three months ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
Sales of goods		
Others	\$ 185,149	\$ 319,455
Associates	61,577	11,272
	<u>\$ 246,726</u>	<u>\$ 330,727</u>

	<u>Six months ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
Sales of goods		
Others	\$ 400,374	\$ 559,414
Associates	119,771	40,922
	<u>\$ 520,145</u>	<u>\$ 600,336</u>

The terms and sales prices with other related parties were negotiated in consideration of different factors including product, cost, market, competition and other conditions. The collection period was 90 days. Terms and sales prices with associates are in accordance with normal selling prices and terms of collection.

B. Purchases of goods

	<u>Three months ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
Purchases of goods		
Associates	\$ 308	\$ 9,447

	<u>Six months ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
Purchases of goods		
Associates	\$ 426	\$ 10,316

The purchase prices and terms of payment for associates including products, market, competition and other conditions are the same as those for general suppliers.

C. Receivables from related parties

	<u>June 30, 2016</u>	<u>December 31, 2015</u>	<u>June 30, 2015</u>
Accounts receivable			
Others	\$ 186,187	\$ 297,338	\$ 270,899
Associates	21,872	21,720	9,126
	<u>\$ 208,059</u>	<u>\$ 319,058</u>	<u>\$ 280,025</u>

The receivables from related parties arise mainly from sales of goods. The receivables are due 30 to 90 days after the date of sale. The receivables are unsecured in nature and bear no interest. There is no allowance for doubtful accounts held against receivables from related parties. The receivables from related parties belong to Group 2. The details of the group classification are described in Note 6. (5) A.

D. Other receivables

	<u>June 30, 2016</u>	<u>December 31, 2015</u>	<u>June 30, 2015</u>
Other receivables:			
Associates	\$ 56,460	\$ 95,876	\$ 99,636

The above pertain mainly to advance payments.

E. Payables to related parties

	<u>June 30, 2016</u>	<u>December 31, 2015</u>	<u>June 30, 2015</u>
Accounts payable			
Associates	<u>\$ 264</u>	<u>\$ 2,121</u>	<u>\$ -</u>

The payables to related parties arise mainly from purchases of goods. The payables are due 30 to 90 days after the date of purchase. The payables are unsecured in nature and bear no interest.

F. Endorsements and guarantees provided to related parties:

	<u>June 30, 2016</u>	<u>December 31, 2015</u>	<u>June 30, 2015</u>
Associates	<u>\$ 72,618</u>	<u>\$ -</u>	<u>\$ -</u>

G. Others

The Group's donations to other related parties were \$1,500, \$1,500, \$3,000 and \$3,000 for the three months ended June 30, 2016 and 2015, and six months ended June 30, 2016 and 2015, respectively.

(3) Key management compensation

	<u>Three months ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
Salaries and other short-term employee benefits	\$ 51,996	\$ 35,814
Post-employment benefits	<u>846</u>	<u>513</u>
	<u>\$ 52,842</u>	<u>\$ 36,327</u>
	<u>Six months ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
Salaries and other short-term employee benefits	\$ 96,160	\$ 79,806
Post-employment benefits	<u>1,488</u>	<u>1,294</u>
	<u>\$ 97,648</u>	<u>\$ 81,100</u>

8. PLEDGED ASSETS

<u>Pledged assets (Note 1)</u>	<u>June 30, 2016</u>	<u>December 31, 2015</u>	<u>June 30, 2015</u>	<u>Purpose of Collateral</u>
Other current assets				
-Bank deposits	\$ 1,502,725	\$ 853,493	\$ 352,426	Short-term loans, deposits for litigation and limited impounded account for disposal of accounts receivable
-Time deposits	245,865	258,808	94,526	Short-term loans, security for purchases and limited impounded account for disposal of accounts receivable, non-pledged time deposits that are not considered as cash equivalents and performance for provisional attachment
Available-for-sale financial assets-non-current (Note 2)	9,014	9,014	9,014	Security for purchases
Property, plant and equipment				
-Land	1,326,712	1,316,215	1,329,242	Long-term and short-term loans, import loans and security for purchases
-Buildings	641,130	639,221	670,461	"
Other non-current assets				
-Refundable deposits	21	21	883	Tariff security deposit
	<u>\$ 3,725,467</u>	<u>\$ 3,076,772</u>	<u>\$ 2,456,552</u>	

Note 1: The Company held 100% of shares of WPG Investment Co., Ltd., in which 8,999 thousand shares have been pledged for purchases as of June 30, 2016, December 31, 2015 and June 30, 2015.

Note 2: As of June 30, 2016, December 31, 2015 and June 30, 2015, the owned subsidiary - Silicon Application Corporation held 1,133 thousand shares of Kingmax Technology Inc., which have been pledged for purchases.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

In addition to Note 6(6), other commitments were as follows:

(1) Contingencies

None.

(2) Commitments

A. Capital commitments

Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

<u>June 30, 2016</u>	<u>December 31, 2015</u>	<u>June 30, 2015</u>
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Property, plant and equipment and intangible assets	\$ 10,871	\$ 18,891	\$ 4,938
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B. Operating lease commitments and building management fee agreements

The future aggregate minimum payments under operating leases and building management fee agreements are as follows:

	June 30, 2016	December 31, 2015	June 30, 2015
Not later than one year	\$ 454,010	\$ 475,455	\$ 343,888
Later than one year but not later than five years	998,147	1,075,573	984,440
Later than five years	73,749	136,197	184,113
	<u>\$ 1,525,906</u>	<u>\$ 1,687,225</u>	<u>\$ 1,512,441</u>

C. The Group's letters of credit issued but not negotiated are as follows:

	June 30, 2016	December 31, 2015	June 30, 2015
\$	1,011,206	\$ 852,378	\$ 797,207
USD	52,892,000	USD 51,477,000	USD 213,082,000

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

In order to jointly expand distribution business of electronic/electrical components in Mainland China and build an e-commerce transaction platform, WPG China Inc., the Company's indirect subsidiary, participated in the capital increase of CECI TECHNOLOGY CO.,LTD on July 26, 2016 and acquired 15% of share capital in CECI TECHNOLOGY CO.,LTD in the amount of RMB 150 million.

12. OTHERS

(1) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or manage operating capital effectively to reduce debt.

(2) Financial instruments

A. Fair value information of financial instruments

- a) Except those in the table below, the carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), other financial assets, refundable deposits, short-term loans, short-term notes and bills payable, notes payable, accounts payable (including related parties), other payables, long-term loans - current portion, bonds payable, long-term loans and

deposits received) are approximate to their fair value. Fair value information of financial instruments measured at fair value is provided in Note 12(3).

June 30, 2016				
	<u>Book value</u>	<u>Fair value</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial assets:				
Equity and investments in bonds without active markets:				
Financial assets measured at cost - non-current	\$ 466,647	\$ -	\$ -	\$ -

December 31, 2015				
	<u>Book value</u>	<u>Fair value</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial assets:				
Equity and investments in bonds without active markets:				
Financial assets measured at cost - non-current	\$ 468,031	\$ -	\$ -	\$ -
Investments in bonds without active markets - non-current	5,000	-	-	5,000
	<u>\$ 473,031</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>

June 30, 2015				
	<u>Book value</u>	<u>Fair value</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial assets:				
Equity and investments in bonds without active markets:				
Financial assets measured at cost - non-current	\$ 469,047	\$ -	\$ -	\$ -
Investments in bonds without active makets-non-current	5,000	-	-	5,000
	<u>\$ 474,047</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>

- b) The methods and assumptions of fair value measurement are as follows:
- Investments in debt instruments without active market: If recent transaction prices or market quotes are available, the fair value is based on such information. If there is no quoted market price available, the fair value is determined by using valuation techniques and calculated as the present value of the estimated cash flows.
 - Convertible debentures payable: Regarding the convertible bonds issued by the Group, the coupon rate is approximate to the current market rate. Therefore, the fair value is estimated using the present value of the expected cash flows and

approximate to the book value.

B. Financial risk management policies

- a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance. The Group uses derivative financial instruments to hedge certain risk exposures (see Note 6(2)).
- b) Risk management is carried out by each central treasury department (Group treasury) under policies approved by the Board of Directors. The Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

C. Significant financial risks and degrees of financial risks

a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. To manage the foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward foreign exchange contracts, transacted with treasury department. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.
- iii. The Group adopts the forward foreign contract to hedge recognised foreign currency assets and liabilities and reduce fair value risk arising from change in foreign exchange. In order to reduce foreign exchange risk, the Group monitored foreign exchange changes and established stop-loss points.
- iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain foreign subsidiaries' functional currency: local common currency). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

June 30, 2016			
	Foreign currency amount (In thousands)	Exchange rate	Book value
			(NTD)
Foreign currency: functional currency			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : TWD	\$ 718,638	32.28	\$ 23,194,048
USD : RMB	25,318	6.66	817,123
USD : HKD	35,992	7.76	1,161,646
USD : KRW	29,009	1,145.32	936,272
USD : JPY	21,954	102.69	708,551
USD : MYR	4,108	4.03	132,594
HKD : USD	122,803	0.13	510,736
<u>Non-monetary items</u>			
USD : TWD	349,774	32.28	11,288,942
RMB : USD	394,422	0.15	1,910,973
JPY : USD	945,872	0.01	297,287
INR : USD	629,659	0.01	300,758
KRW : TWD	13,170,181	0.03	371,136
HKD : USD	291,204	0.13	1,211,116
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : TWD	785,225	32.28	25,343,150
USD : RMB	156,017	6.66	5,035,439
USD : KRW	33,850	1,145.32	1,092,518
USD : JPY	21,563	102.69	695,940
USD : INR	9,776	67.57	315,531
USD : MYR	4,122	4.03	133,021
HKD : USD	73,161	0.13	304,275
SGD : USD	5,454	0.74	130,396
EUR : USD	3,314	35.88	118,897

December 31, 2015			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Foreign currency: functional currency			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : TWD	\$ 801,075	32.83	\$ 26,295,292
USD : RMB	16,589	6.57	544,544
USD : HKD	36,138	7.75	1,186,224
USD : KRW	12,131	1,167.94	398,210
USD : JPY	21,340	120.37	700,477
USD : MYR	8,274	4.30	271,588
RMB : USD	559,155	0.15	2,792,977
HKD : USD	146,515	0.13	620,492
<u>Non-monetary items</u>			
USD : TWD	339,296	32.83	11,137,405
RMB : USD	380,040	0.15	1,898,301
JPY : USD	880,289	0.01	240,055
INR : USD	632,449	0.02	312,888
KRW : TWD	12,039,892	0.03	338,381
HKD : USD	296,861	0.13	1,257,207
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : TWD	780,580	32.83	25,622,531
USD : RMB	86,387	6.57	2,835,647
USD : KRW	23,181	1,167.94	760,911
USD : JPY	20,870	120.37	685,052
USD : MYR	7,899	4.30	259,272
USD : INR	8,875	66.35	291,316
HKD : USD	68,822	0.13	291,461
RMB : USD	90,507	0.15	452,083
SGD : USD	6,498	0.71	151,081

June 30, 2015			
	Foreign Currency Amount (In Thousands)	Exchange rate	Book Value (NTD)
Foreign currency: functional currency			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : TWD	\$ 840,703	30.86	\$ 25,944,084
USD : HKD	35,583	7.75	1,098,102
USD : KRW	20,107	1,107.88	620,500
USD : JPY	46,403	122.27	1,432,012
USD : MYR	4,276	3.79	131,956
RMB : USD	634,152	0.16	3,153,638
HKD : USD	40,041	0.13	159,364
<u>Non-monetary items</u>			
USD : TWD	343,517	30.86	10,600,933
RMB : USD	292,927	0.16	1,456,727
JPY : USD	785,091	0.01	198,157
INR : USD	633,328	0.02	307,569
KRW : TWD	11,307,937	0.03	314,983
HKD : USD	300,767	0.13	1,197,054
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : TWD	888,254	30.86	27,411,504
USD : RMB	69,980	6.21	2,159,590
USD : KRW	25,867	1,107.88	798,242
USD : JPY	44,078	122.27	1,360,237
USD : MYR	5,291	3.79	163,268
USD : THB	2,316	33.86	71,461
USD : INR	7,622	63.55	235,204
HKD : USD	46,996	0.13	187,043
RMB : USD	178,997	0.16	890,150
SGD : USD	5,098	0.74	117,043

- v. The total exchange gain (loss), including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended June 30, 2016 and 2015, and six months ended June, 30,

2016 and 2015 amounted to (\$77,542), \$26,146, \$75,975 and \$12,884, respectively.

- vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Six months ended June 30, 2016				
Sensitivity Analysis				
	Degree of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Income	
Foreign currency: functional currency				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : TWD	1%	\$ 231,940	\$	-
USD : RMB	1%	8,171		-
USD : HKD	1%	11,616		-
USD : KRW	1%	9,363		-
USD : JPY	1%	7,086		-
USD : MYR	1%	1,326		-
HKD : USD	1%	5,107		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : TWD	1%	253,432		-
USD : RMB	1%	50,354		-
USD : KRW	1%	10,925		-
USD : JPY	1%	6,959		-
USD : INR	1%	3,155		-
USD : MYR	1%	1,330		-
HKD : USD	1%	3,043		-
SGD : USD	1%	1,304		-
EUR : TWD	1%	1,189		-

Six months ended June 30, 2015				
Sensitivity Analysis				
	Degree of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Income	
Foreign currency: functional currency				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : TWD	1%	\$ 259,441	\$	-
USD : HKD	1%	10,981		-
USD : KRW	1%	6,205		-
USD : JPY	1%	14,320		-
USD : MYR	1%	1,320		-
RMB : USD	1%	31,536		-
HKD : USD	1%	1,594		-
 <u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : TWD	1%	274,115		-
USD : RMB	1%	21,596		-
USD : KRW	1%	7,982		-
USD : JPY	1%	13,602		-
USD : MYR	1%	1,633		-
USD : THB	1%	715		-
USD : INR	1%	2,352		-
HKD : USD	1%	1,870		-
RMB : USD	1%	8,901		-
SGD : USD	1%	1,170		-

Price risk

- The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.
- The Group's investments in equity securities comprise domestic listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the six months ended June 30, 2016 and 2015 would have increased/decreased by

\$301 and \$487, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$3,582 and \$3,820 as a result of gains/losses on equity securities classified as available-for-sale, respectively.

Interest rate risk

- The Group's interest rate risk arises from short-term and long-term borrowings (including long-term liabilities due within a year), short-term notes and bills payable and bonds payable. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's borrowings were mainly in fixed rate instruments. During the six months ended June 30, 2016 and 2015, the Group's borrowings at variable rate were mainly denominated in the NTD and USD.
- At June 30, 2016 and 2015, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the six months ended June 30, 2016 and 2015 would have been \$60,605 and \$23,998 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The utilisation of credit limits is regularly monitored. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only rated parties with good ratings are accepted.
- ii. No credit limits were exceeded during the six months ended June 30, 2016 and 2015, and management does not expect any significant losses from non-performance by these counterparties.
- iii. The credit quality information of financial assets that are neither past due nor impaired is provided in Notes 6(5)A. and 7(2)C.
- iv. The ageing analysis of financial assets that were past due is provided in Note 6(5)B.
- v. The individual analysis of financial assets that had been impaired is provided in

Notes 6(5)C. and 6(15).

c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group. Each treasury department monitors rolling forecasts of the liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans and covenant compliance.
- ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

<u>June 30, 2016</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term loans	\$ 43,531,351	\$ -	\$ -	\$ -
Short-term notes and bills payable	3,700,000	-	-	-
Financial liabilities measured at fair value through profit or loss	2,602	-	-	-
Notes payable	781,356	-	-	-
Accounts payable	49,549,980	-	-	-
Accounts payable - related parties	264	-	-	-
Other payables	8,605,560	-	-	-
Bonds payable	-	6,000,000	-	-
Long-term loans (including current portion)	1,137,050	5,591,961	4,230,691	295,626

<u>December 31, 2015</u>					
	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>	
Short-term loans	\$ 54,667,489	\$ -	\$ -	\$ -	-
Short-term notes and bills payable	3,710,000	-	-	-	-
Financial liabilities measured at fair value through profit or loss	26,719	-	-	-	-
Notes payable	727,694	-	-	-	-
Accounts payable	44,513,040	-	-	-	-
Accounts payable - related parties	2,121	-	-	-	-
Other payables	5,055,168	-	-	-	-
Bonds payable	-	6,000,000	-	-	-
Long-term loans (including current portion)	1,533,143	7,768,167	4,287,932	324,499	

June 30, 2015

	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>	
Short-term loans	\$ 46,141,881	\$ -	\$ -	\$ -	-
Short-term notes and bills payable	3,310,000	-	-	-	-
Financial liabilities measured at fair value through profit or loss	2,358	-	-	-	-
Notes payable	684,920	-	-	-	-
Accounts payable	46,137,496	-	-	-	-
Other payables	8,678,098	-	-	-	-
Bonds payable	-	-	6,000,000	-	-
Long-term loans (including current portion)	4,693,522	439,332	5,528,343	355,928	

Derivative financial liabilities:

As of June 30, 2016, December 31, 2015 and June 30, 2015, derivative financial liabilities that the Group operated are all due within a year.

- iii. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. Details of the fair value of the Group's financial assets and financial liabilities not measured at fair value are provided in Note 12(2)A. Details of the fair value of the Group's investment property measured at cost are provided in Note 6(12).

B. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities. A market is regarded as active if it meets all the following conditions: the items traded in the market are homogeneous; willing buyers and sellers can normally be found at any time; and prices are available to the public. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). The fair value of the Group's investment in emerging stocks, publicly traded equity investment, forward exchange and swap contracts is included in Level 2.

Level 3: Inputs for the asset or liability that are not based on observable market data. The fair value of the Group's investment in equity investment without active market is included in Level 3.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at June 30, 2016, December 31, 2015 and June 30, 2015 is as follows:

<u>June 30, 2016</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 30,116	\$ -	\$ -	\$ 30,116
Forward exchange contracts	-	6,803	-	6,803
Available-for-sale financial assets				
Equity securities	285,013	66,488	6,684	358,185
	<u>\$ 315,129</u>	<u>\$ 73,291</u>	<u>\$ 6,684</u>	<u>\$ 395,104</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 2,602</u>	<u>\$ -</u>	<u>\$ 2,602</u>

<u>December 31, 2015</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 32,557	\$ -	\$ -	\$ 32,557
Forward exchange contracts	-	29,709	-	29,709
Available-for-sale financial assets				
Equity securities	<u>288,213</u>	<u>76,185</u>	<u>6,684</u>	<u>371,082</u>
	<u>\$ 320,770</u>	<u>\$ 105,894</u>	<u>\$ 6,684</u>	<u>\$ 433,348</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 26,719</u>	<u>\$ -</u>	<u>\$ 26,719</u>
 <u>June 30, 2015</u>	 <u>Level 1</u>	 <u>Level 2</u>	 <u>Level 3</u>	 <u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 48,655	\$ -	\$ -	\$ 48,655
Forward exchange contracts	-	6,237	-	6,237
Available-for-sale financial assets				
Equity securities	<u>297,050</u>	<u>78,235</u>	<u>6,684</u>	<u>381,969</u>
	<u>\$ 345,705</u>	<u>\$ 84,472</u>	<u>\$ 6,684</u>	<u>\$ 436,861</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 2,358</u>	<u>\$ -</u>	<u>\$ 2,358</u>

D. The methods and assumptions the Group used to measure fair value are as follows:

- (a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>
Market quoted price	Closing price

- (b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques widely accepted in financial management.
- (c) When assessing non-standard and low-complexity financial instruments, for example, foreign exchange swap contracts, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these

financial instruments are normally observable in the market.

- (d) Forward exchange contracts are usually valued based on the current forward exchange rate.
- (e) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- (f) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

E. For the six months ended June 30, 2016 and 2015, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the six months ended June 30, 2016 and 2015:

	2016	2015
At January 1	\$ 6,684	\$ 6,684
Losses recognised in profit or loss	-	-
At June 30	<u>\$ 6,684</u>	<u>\$ 6,684</u>

G. For the six months ended June 30, 2016 and 2015, there was no transfer into or out from Level 3.

H. Finance and accounting department is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions and frequently reviewed.

Finance and accounting department sets up valuation policies, valuation processes and rules for measuring fair value of financial instruments and ensure compliance with the related requirements in IFRS. The related valuation results are reported to management monthly. Management is responsible for managing and reviewing valuation processes.

I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

		<u>Fair value at June 30, 2016</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity:						
Equity investment without active market	\$	6,684	Net asset value method	Net asset value	-	The higher the net asset value, the higher the fair value

		<u>Fair value at December 31, 2015</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity:						
Equity investment without active market	\$	6,684	Net asset value method	Net asset value	-	The higher the net asset value, the higher the fair value

		<u>Fair value at June 30, 2015</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity:						
Equity investment without active market	\$	6,684	Net asset value method	Net asset value	-	The higher the net asset value, the higher the fair value

- J. The Group has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

		<u>June 30, 2016</u>				
		<u>Recognised in profit or loss</u>		<u>Recognised in other comprehensive income</u>		
	<u>Input</u>	<u>Change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>
Financial assets						
Equity instrument	Net asset value	± 1%	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67</u>	<u>\$ 67</u>

			December 31, 2015			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Net asset value	± 1%	\$ -	\$ -	\$ 67	\$ 67

			June 30, 2015			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Net asset value	± 1%	\$ -	\$ -	\$ 67	\$ 67

13. SUPPLEMENTARY DISCLOSURES

The transactions with subsidiaries disclosed below had been eliminated when preparing consolidated financial statements. The following disclosures are for reference only.

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Aggregate purchases or sales of the same securities reaching \$300 million or 20% of paid-in capital or more: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- I. Derivative financial instruments undertaken during the reporting periods: Please see Notes 6(2)C. and 12(3).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investee companies

Names, locations and other information of investee companies (including investees in Mainland China): Please refer to table 7.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area.

Any of the following significant transactions with investee companies in the Mainland Area, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses: Information on significant transactions of the Company and subsidiary and investee company in Mainland China as of and for the six months ended June 30, 2016 is provided in Note(1)J.

14. OPERATING SEGMENT INFORMATION

1) General information

The Group is mainly engaged in the import and export of electronic components. The products include CPU, analog IC, discrete IC, logic IC, DRAM, Flash, optical component, etc. The chief operating decision-maker evaluates performance based on the separate net income of sub-groups, which includes World Peace Industrial Co., Ltd. and its subsidiaries, Silicon Application Corp. and its subsidiaries, Asian Information Technology Inc. and its subsidiaries, Yosun Industrial Corp. and its subsidiaries and others.

2) Measurement of segment information

The Group's chief operating decision-maker uses the net income as basis for assessing the performance of the Group's operating segments.

3) Reconciliation for segment income (loss)

- A. The net income reported to the chief operating decision-maker is measured in a manner consistent with revenues, costs and expenses in the statement of comprehensive income. As the amounts in the statement provided to the chief operating decision-maker for managing segment are in agreement with the amounts in the statements of segment income, reconciliation is not needed.
- B. The segment information of the reportable segments provided to the chief operating decision-maker for the three months ended June 30, 2016 and 2015, and six months ended June 30, 2016 and 2015 is as follows:

Three months ended June 30, 2016:

	World Peace Industrial Co., Ltd. and its subsidiaries	Silicon Application Corp. and its subsidiaries	Asian Information Technology Inc. and its subsidiaries	Yosun Industrial Corp. and its subsidiaries	Genuine C&C Inc. and its subsidiaries	Others	Eliminations	Total
Revenue from external customers	\$ 62,190,946	\$ 13,558,511	\$ 22,443,800	\$ 22,641,512	\$ 2,655,076	\$ 10,269,474	\$ -	\$133,759,319
Revenue from internal customers	2,632,118	992,460	396,630	2,538,047	8,571	1,072,022	(7,639,848)	-
Total revenue	<u>\$ 64,823,064</u>	<u>\$ 14,550,971</u>	<u>\$ 22,840,430</u>	<u>\$ 25,179,559</u>	<u>\$ 2,663,647</u>	<u>\$ 11,341,496</u>	<u>(\$ 7,639,848)</u>	<u>\$133,759,319</u>
Segment profit (loss)	<u>\$ 1,489,675</u>	<u>\$ 286,307</u>	<u>\$ 608,774</u>	<u>\$ 535,501</u>	<u>\$ 50,616</u>	<u>(\$ 102,154)</u>	<u>\$ 490,430</u>	<u>\$ 3,359,149</u>
Net income	<u>\$ 870,262</u>	<u>\$ 162,798</u>	<u>\$ 357,443</u>	<u>\$ 276,865</u>	<u>\$ 6,176</u>	<u>(\$ 37,512)</u>	<u>(\$ 78,501)</u>	<u>\$ 1,557,531</u>

Three months ended June 30, 2015:

	World Peace Industrial Co., Ltd. and its subsidiaries	Silicon Application Corp. and its subsidiaries	Asian Information Technology Inc. and its subsidiaries	Yosun Industrial Corp. and its subsidiaries	Genuine C&C Inc. and its subsidiaries (Note)	Others	Eliminations	Total
Revenue from external customers	\$ 51,971,749	\$ 15,449,757	\$ 19,079,184	\$ 27,572,817	\$ 2,293,526	\$ 8,085,600	\$ -	\$124,452,633
Revenue from internal customers	<u>2,303,841</u>	<u>803,758</u>	<u>391,899</u>	<u>2,683,243</u>	<u>16</u>	<u>794,651</u>	<u>(6,977,408)</u>	<u>-</u>
Total revenue	<u>\$ 54,275,590</u>	<u>\$ 16,253,515</u>	<u>\$ 19,471,083</u>	<u>\$ 30,256,060</u>	<u>\$ 2,293,542</u>	<u>\$ 8,880,251</u>	<u>(\$ 6,977,408)</u>	<u>\$124,452,633</u>
Segment profit (loss)	<u>\$ 1,240,353</u>	<u>\$ 366,979</u>	<u>\$ 566,501</u>	<u>\$ 532,363</u>	<u>\$ 32,620</u>	<u>(\$ 279,053)</u>	<u>\$ 757,559</u>	<u>\$ 3,217,322</u>
Net income	<u>\$ 744,727</u>	<u>\$ 180,633</u>	<u>\$ 296,321</u>	<u>\$ 226,615</u>	<u>(\$ 1,777)</u>	<u>\$ 27,505</u>	<u>(\$ 309,644)</u>	<u>\$ 1,164,380</u>

Six months ended June 30, 2016:

	World Peace Industrial Co., Ltd. and its subsidiaries	Silicon Application Corp. and its subsidiaries	Asian Information Technology Inc. and its subsidiaries	Yosun Industrial Corp. and its subsidiaries	Genuine C&C Inc. and its subsidiaries	Others	Eliminations	Total
Revenue from external customers	\$ 117,221,048	\$ 25,937,553	\$ 41,969,532	\$ 44,475,446	\$ 5,492,468	\$ 20,196,021	\$ -	\$ 255,292,068
Revenue from internal customers	<u>5,242,767</u>	<u>1,892,322</u>	<u>1,257,744</u>	<u>5,009,293</u>	<u>18,349</u>	<u>2,125,357</u>	<u>(15,545,832)</u>	<u>-</u>
Total revenue	<u>\$ 122,463,815</u>	<u>\$ 27,829,875</u>	<u>\$ 43,227,276</u>	<u>\$ 49,484,739</u>	<u>\$ 5,510,817</u>	<u>\$ 22,321,378</u>	<u>(\$ 15,545,832)</u>	<u>\$ 255,292,068</u>
Segment profit (loss)	<u>\$ 2,783,599</u>	<u>\$ 520,278</u>	<u>\$ 1,148,935</u>	<u>\$ 981,755</u>	<u>\$ 96,603</u>	<u>(\$ 189,101)</u>	<u>\$ 1,205,989</u>	<u>\$ 6,548,058</u>
Net income	<u>\$ 1,610,644</u>	<u>\$ 230,471</u>	<u>\$ 694,925</u>	<u>\$ 551,331</u>	<u>\$ 12,358</u>	<u>\$ 86,749</u>	<u>(\$ 68,576)</u>	<u>\$ 3,117,902</u>

Six months ended June 30, 2015:

	World Peace Industrial Co., Ltd. and its subsidiaries	Silicon Application Corp. and its subsidiaries	Asian Information Technology Inc. and its subsidiaries	Yosun Industrial Corp. and its subsidiaries	Genuine C&C Inc. and its subsidiaries (Note)	Others	Eliminations	Total
Revenue from external customers	\$ 97,201,630	\$ 29,435,560	\$ 36,232,075	\$ 51,977,463	\$ 2,293,526	\$ 15,326,384	\$ -	\$232,466,638
Revenue from internal customers	4,406,236	1,577,897	688,955	4,476,098	16	1,364,407	(12,513,609)	-
Total revenue	<u>\$ 101,607,866</u>	<u>\$ 31,013,457</u>	<u>\$ 36,921,030</u>	<u>\$ 56,453,561</u>	<u>\$ 2,293,542</u>	<u>\$ 16,690,791</u>	<u>(\$ 12,513,609)</u>	<u>\$232,466,638</u>
Segment profit (loss)	<u>\$ 2,326,386</u>	<u>\$ 773,207</u>	<u>\$ 1,112,118</u>	<u>\$ 1,070,391</u>	<u>\$ 32,620</u>	<u>(\$ 430,052)</u>	<u>\$ 1,364,702</u>	<u>\$ 6,249,372</u>
Net income	<u>\$ 1,410,458</u>	<u>\$ 427,997</u>	<u>\$ 550,210</u>	<u>\$ 520,908</u>	<u>(\$ 1,777)</u>	<u>\$ 14,310</u>	<u>(\$ 358,681)</u>	<u>\$ 2,563,425</u>

Note: As the Company acquired Genuine C&C Inc. on April 15, 2015, the period of disclosure is from April 16 to June 30, 2015.

WPG Holdings Limited and Subsidiaries

Loans to others

Six months ended June 30, 2016

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six months ended June 30, 2016	Balance at June 30, 2016	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
												Item	Value				
1	Genuine C&C (South Asia) Pte. Ltd.	World Peace International (South Asia) Pte. Ltd.	Other receivables - related parties	Y	\$ 64,550	\$ 64,550	\$ 53,254	1.85	Short-term financing	-	Operation	-	None	-	\$ 117,287	\$ 117,287	Note 3
2	World Peace International (South Asia) Pte. Ltd.	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	1,291,000	1,291,000	645,500	1.85	Short-term financing	-	Operation	-	None	-	5,615,064	5,615,064	Note 3
2	World Peace International (South Asia) Pte. Ltd.	World Peace International Pte. Ltd.	Other receivables - related parties	Y	322,750	-	-	-	Short-term financing	-	Operation	-	None	-	5,615,064	5,615,064	Note 3
2	World Peace International (South Asia) Pte. Ltd.	WPG Americas Inc.	Other receivables - related parties	Y	935,975	935,975	710,050	3.01	Short-term financing	-	Operation	-	None	-	5,615,064	5,615,064	Note 3
2	World Peace International (South Asia) Pte. Ltd.	WPG China Inc.	Other receivables - related parties	Y	645,500	645,500	322,750	2.79	Short-term financing	-	Operation	-	None	-	5,615,064	5,615,064	Note 3
2	World Peace International (South Asia) Pte. Ltd.	WPG South Asia Pte. Ltd.	Other receivables - related parties	Y	161,375	-	-	-	Short-term financing	-	Operation	-	None	-	5,615,064	5,615,064	Note 3
3	World Peace International Pte. Ltd.	World Peace International (South Asia) Pte. Ltd.	Other receivables - related parties	Y	64,550	64,550	61,323	1.85	Short-term financing	-	Operation	-	None	-	2,352,464	2,352,464	Note 3
4	AIO Component Co., Limited	WPI International Trading (Shanghai) Ltd.	Other receivables - related parties	Y	48,450	48,450	48,450	2.80	Short-term financing	-	Operation	-	None	-	58,580	58,580	Note 7
5	AECO Technology Co., Ltd.	World Peace Industrial Co., Ltd.	Other receivables - related parties	Y	400,000	300,000	143,500	1.55	Short-term financing	-	Operation	-	None	-	440,274	440,274	Note 2
6	AECO Electronic Co., Ltd.	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	774,600	774,600	700,368	2.12	Short-term financing	-	Operation	-	None	-	795,530	795,530	Note 7

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six months ended June 30,	Balance at June 30, 2016	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					2016	30, 2016							Item	Value			
7	AECO Electronic (Ningbo) Co., Ltd.	WPI International Trading (Shanghai) Ltd.	Other receivables - related parties	Y	\$ 43,605	\$ 43,605	\$ -	-	Short-term financing	-	Operation	-	None	-	\$ 60,111	\$ 60,111	Note 7
8	WPI International Trading (Shanghai) Ltd.	Hubei Xinsheng Technology Investment Management Co., Ltd.	Other receivables - related parties	Y	48,450	-	-	-	Short-term financing	-	Operation	-	None	-	129,527	323,819	Note 7
9	WPI International (Hong Kong) Limited	WPG C&C Limited	Other receivables - related parties	Y	1,710,575	1,161,900	584,178	2.12	Short-term financing	-	Operation	-	None	-	14,154,123	14,154,123	Note 7
9	WPI International (Hong Kong) Limited	Long-Think International (Hong Kong) Limited	Other receivables - related parties	Y	290,475	290,475	74,233	2.12	Short-term financing	-	Operation	-	None	-	14,154,123	14,154,123	Note 7
9	WPI International (Hong Kong) Limited	WPG Gain Tune Ltd.	Other receivables - related parties	Y	1,129,625	1,129,625	-	-	Short-term financing	-	Operation	-	None	-	5,661,649	14,154,123	Note 7
10	World Peace Industrial Co., Ltd.	WPG China Inc.	Other receivables - related parties	Y	193,650	193,650	-	-	Short-term financing	-	Operation	-	None	-	3,998,691	7,997,381	Note 6
10	World Peace Industrial Co., Ltd.	Long-Think International Co., Ltd.	Other receivables - related parties	Y	129,100	129,100	25,013	1.90	Short-term financing	-	Operation	-	None	-	3,998,691	7,997,381	Note 2
11	Longview Technology Inc.	Long-Think International Co., Ltd.	Other receivables - related parties	Y	130,000	50,000	-	-	Short-term financing	-	Operation	-	None	-	210,658	210,658	Note 7
12	SILICON APPLICATION (B.V.I.) CORP.	Silicon Application Corp.	Other receivables - related parties	Y	1,258,725	1,258,725	1,258,725	1.00	Short-term financing	-	Operation	-	None	-	1,295,266	3,238,166	Note 7
12	SILICON APPLICATION (B.V.I.) CORP.	WPG Korea Co., Ltd.	Other receivables - related parties	Y	80,688	-	-	-	Short-term financing	-	Operation	-	None	-	3,238,166	3,238,166	Note 7
13	Silicon Application Company Limited	Silicon Application Corp.	Other receivables - related parties	Y	710,050	710,050	710,050	1.00	Short-term financing	-	Operation	-	None	-	723,696	1,809,239	Note 7
13	Silicon Application Company Limited	WPG China Inc.	Other receivables - related parties	Y	258,200	-	-	-	Short-term financing	-	Operation	-	None	-	1,809,239	1,809,239	Note 7

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six months ended June 30, 2016	Balance at June 30, 2016	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
13	Silicon Application Company Limited	WPG China (SZ) Inc.	Other receivables - related parties	Y	\$ 64,550	\$ -	\$ -	-	Short-term financing	-	Operation	-	None	-	\$ 1,809,239	\$ 1,809,239	Note 7
13	Silicon Application Company Limited	Dstar Electronic Company Limited	Other receivables - related parties	Y	22,593	22,593	22,593	1.00	Short-term financing	-	Operation	-	None	-	1,809,239	1,809,239	Note 7
13	Silicon Application Company Limited	WPG Gain Tune Ltd.	Other receivables - related parties	Y	516,400	-	-	-	Short-term financing	-	Operation	-	None	-	723,696	1,809,239	Note 7
13	Silicon Application Company Limited	WPG Electronics (HK) Limited	Other receivables - related parties	Y	64,550	64,550	64,550	2.12	Short-term financing	-	Operation	-	None	-	1,809,239	1,809,239	Note 7
13	Silicon Application Company Limited	WPG Korea Co., Ltd.	Other receivables - related parties	Y	322,750	322,750	322,750	2.30	Short-term financing	-	Operation	-	None	-	1,809,239	1,809,239	Note 7
13	Silicon Application Company Limited	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	484,125	484,125	484,125	1.20	Short-term financing	-	Operation	-	None	-	1,809,239	1,809,239	Note 7
14	Yosun Shanghai Corp. Ltd.	WPG China (SZ) Inc.	Other receivables - related parties	Y	324,615	324,615	324,615	2.80	Short-term financing	-	Operation	-	None	-	380,219	380,219	Note 7
15	Yosun Industrial Corp.	WPG China Inc.	Other receivables - related parties	Y	193,650	-	-	-	Short-term financing	-	Operation	-	None	-	2,355,597	4,711,194	Note 6
16	Yosun Industrial Corp.	Yosun Singapore Pte. Ltd.	Other receivables - related parties	Y	322,750	-	-	-	Short-term financing	-	Operation	-	None	-	2,355,597	4,711,194	Note 6
17	Giatek Corp., Ltd.	Yosun Hong Kong Corp. Ltd.	Other receivables - related parties	Y	1,129,625	1,129,625	1,129,625	1.20	Short-term financing	-	Operation	-	None	-	1,168,191	1,168,191	Note 4
18	Yosun South China Corp. Ltd.	WPG China (SZ) Inc.	Other receivables - related parties	Y	184,110	184,110	184,110	2.80	Short-term financing	-	Operation	-	None	-	213,163	213,163	Note 7
19	Sertek Limited	Yosun Hong Kong Corp. Ltd.	Other receivables - related parties	Y	445,395	445,395	432,485	1.20	Short-term financing	-	Operation	-	None	-	446,992	446,992	Note 7
20	Sertek Incorporated	Yosun Hong Kong Corp. Ltd.	Other receivables - related parties	Y	484,125	-	-	-	Short-term financing	-	Operation	-	None	-	574,060	574,060	Note 2

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six months ended June 30, 2016	Balance at June 30, 2016	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
21	Frontek Technology Corporation	Apache Communication Inc.	Other receivables - related parties	Y	\$ 484,125	\$ 484,125	\$ 484,125	1.46	Short-term financing	-	Operation	-	None	-	\$ 660,047	\$ 1,056,076	Note 5
22	Asian Information Technology Inc.	Apache Communication Inc.	Other receivables - related parties	Y	322,750	-	-	-	Short-term financing	-	Operation	-	None	-	1,355,655	2,169,048	Note 5
23	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	Other receivables - related parties	Y	150,000	150,000	150,000	1.37	Short-term financing	-	Operation	-	None	-	192,876	192,876	Note 2
24	Richpower Electronic Devices Co., Limited	WPG Korea Co., Ltd.	Other receivables - related parties	Y	161,375	161,375	96,825	2.50	Short-term financing	-	Operation	-	None	-	1,654,029	1,654,029	Note 7
25	Richpower Electronic Devices Pte Ltd.	Yosun Singapore Pte. Ltd.	Other receivables - related parties	Y	225,925	225,925	209,788	1.85	Short-term financing	-	Operation	-	None	-	442,551	442,551	Note 9
25	WPG South Asia Pte. Ltd.	WPG Korea Co., Ltd.	Other receivables - related parties	Y	580,950	290,475	161,375	2.54	Short-term financing	-	Operation	-	None	-	1,322,648	1,322,648	Note 3
25	WPG South Asia Pte. Ltd.	Yosun Singapore Pte. Ltd.	Other receivables - related parties	Y	419,575	258,200	209,788	1.85	Short-term financing	-	Operation	-	None	-	1,322,648	1,322,648	Note 3
26	WPG South Asia Pte. Ltd.	World Peace International (South Asia) Pte. Ltd.	Other receivables - related parties	Y	322,750	225,925	129,100	1.85	Short-term financing	-	Operation	-	None	-	1,322,648	1,322,648	Note 3
27	Apache Korea Corp.	WPG Korea Co., Ltd.	Other receivables - related parties	Y	67,632	67,632	67,632	2.50	Short-term financing	-	Operation	-	None	-	76,466	76,466	Note 1
27	WPG China Inc.	WPI International Trading (Shanghai) Ltd.	Other receivables - related parties	Y	48,450	48,450	48,450	4.55	Short-term financing	-	Operation	-	None	-	2,136,489	2,136,489	Note 7
28	WPG China Inc.	WPG China (SZ) Inc.	Other receivables - related parties	Y	161,375	161,375	161,375	2.80	Short-term financing	-	Operation	-	None	-	2,136,489	2,136,489	Note 7
29	Genuine C&C Inc.	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Other receivables - related parties	Y	96,900	96,900	96,900	2.80	Short-term financing	-	Operation	-	None	-	102,235	408,939	Note 10

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six months ended June 30, 2016	Balance at June 30, 2016	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
								Item				Value					
30	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Hubei Xinsheng Technology Investment Management Co., Ltd.	Other receivables - related parties	Y	\$ 24,225	\$ 24,225	\$ 24,225	2.80	Short-term financing	-	Operation	-	None	-	\$ 37,654	\$ 37,654	Note 2
31	Mec Technology Co., Limited	Richpower Electronic Divices Co., Ltd.	Other receivables - related parties	Y	145,238	-	-	-	Short-term financing	-	Operation	-	None	-	148,533	148,533	Note 2
32	WPG Investment Co., Ltd.	WPG Holdings Limited	Other receivables - related parties	Y	150,000	150,000	110,000	1.18	Short-term financing	-	Operation	-	None	-	200,641	200,641	Note 2

Note 1: Accumulated financing activities and the individual limit to any company or person should not be in excess of 100% of creditors' net assets.

Note 2: Accumulated financing activities to any company or person should not be in excess of 40% of creditor's net assets. Limit on loans to a single company is as follows:

(1) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.

(2) For short-term financing, financing activities to a single company should not be in excess of 40% of creditor's net assets.

Note 3: (1) For those borrowers which are not 100% held investee company, the individual limit amount and the accumulated financing activities to those borrowers should not be in excess of 40% of the creditor's net assets.

(2) For those borrowers which are 100% held investee company, the individual limit amount and the accumulated financing activities to those borrowers should not be in excess of 200% of the creditor's net assets.

(3) The total limit of (1) and (2) should not exceed 200% of the creditor's net assets.

Note 4: Accumulated financing activities to any company or person should not be in excess of 100% of creditor's net assets. Limit on loans to a single company is as follows:

(1) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.

(2) For short-term financing, the financing activities to an overseas company which is 100% directly or indirectly held by ultimate parent company should not be in excess of 100% of creditor's net assets. For borrower not fulfilling said criteria, the limit should not exceed 10% of the creditor's net assets.

Note 5: Accumulated financing activities to any company or person should not be in excess of 40% of creditor's net assets. Limit on loans to a single company is as follows:

(1) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.

(2) For short-term financing, financing activities to a single company should not be in excess of 25% of creditor's assets.

(3) The financing activities to an overseas company which is 100% directly or indirectly held by the creditor should not be restricted by (1) and (2).

Note 6: Accumulated financing activities to any company or person should not be in excess of 40% of creditor's net assets. Limit on loans to a single company is as follows:

(1) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.

(2) For short-term financing, financing activities to a single company should not be in excess of 20% of creditor's assets.

Note 7: Accumulated financing activities to any company or person should not be in excess of 100% of creditor's net assets. Limit on loans to a single company is as follows:

(1) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.

(2) For short-term financing, the financing activities to an overseas company which is 100% directly or indirectly held by ultimate parent company should not be in excess of 100% of creditor's net assets. For borrower not fulfilling said criteria, the limit should not exceed 40% of the creditor's net assets.

Note 8: Accumulated financing activities to any company or person should not be in excess of 200% of creditor's net assets. Limit on loans to a single company is as follows:

(1) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.

(2) For short-term financing, the financing activities to an overseas company which is 100% directly or indirectly held by ultimate parent company should not be in excess of 100% of creditor's net assets. For borrower not fulfilling said criteria, the limit should not exceed 40% of the creditor's net assets.

Note 9: Accumulated financing activities to any company or person should not be in excess of 200% of creditor's net assets. Limit on loans to a single company is as follows:

(1) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.

(2) For short-term financing, the financing activities to an overseas company which is 100% directly or indirectly held by ultimate parent company should not be in excess of 200% of creditor's net assets. For borrower not fulfilling said criteria, the limit should not exceed 40% of the creditor's net assets.

Note 10: Accumulated financing activities to any company or person should not be in excess of 40% of creditor's net assets. Limit on loans to a single company is as follows:

(1) For business transaction to the creditor, the individual limit should not exceed 20% of the Company's net assets and the amount of business transactions; the amount of business transactions means the higher between sales and purchases.

(2) For short-term financing, financing activities to a single company should not be in excess of 10% of creditor's net assets. Limit on total loans to a single party is 20% of creditor's net assets.

WPG Holdings Limited and Subsidiaries
Provision of endorsements and guarantees to others
Six months ended June 30, 2016

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of June 30, 2016	Outstanding endorsement/ guarantee amount at June 30, 2016	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/ guarantor											
0	WPG Holdings Limited	World Peace Industrial Co., Ltd.	Note 1	\$ 22,813,600	\$ 179,335	\$ 90,278	\$ 90,278	\$ 90,278	0.20	\$ 22,813,600	Y	N	N	Notes 4 and 5
1	World Peace International Pte. Ltd.	WPG Americas Inc.	Note 3	6,132,535	193,650	193,650	496	-	6.24	6,132,535	N	N	N	Note 7
1	World Peace International Pte. Ltd.	WPG C&C Computers And Peripheral (India) Private Ltd.	Note 1	6,132,535	248,518	248,518	-	-	8.01	6,132,535	N	N	N	Note 7
1	World Peace International Pte. Ltd.	World Peace International (South Asia) Pte. Ltd.	Note 1	6,132,535	2,662,688	2,662,688	1,864,847	-	85.82	6,132,535	N	N	N	Note 7
2	World Peace Industrial Co., Ltd.	World Peace International (South Asia) Pte. Ltd.	Note 1	9,996,726	710,050	710,050	710,050	-	3.55	15,994,762	N	N	N	Note 6
2	World Peace Industrial Co., Ltd.	WPG China Inc.	Note 3	9,996,726	198,814	-	-	-	-	15,994,762	N	N	Y	Note 6
2	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	Note 1	9,996,726	3,819,839	2,554,889	869,306	-	12.77	15,994,762	N	N	N	Note 6
2	World Peace Industrial Co., Ltd.	Vitec WPG Limited	Note 3	9,996,726	72,618	72,618	72,618	-	0.36	15,994,762	N	N	N	Note 6
2	World Peace Industrial Co., Ltd.	WPI International Trading (Shanghai) Ltd.	Note 1	9,996,726	1,290,981	1,290,981	853,270	-	6.45	15,994,762	N	N	Y	Note 6
2	World Peace Industrial Co., Ltd.	Long-Think International (Hong Kong) Limited	Note 1	9,996,726	355,025	-	-	-	-	15,994,762	N	N	N	Note 6
3	Silicon Application Corp.	SAC Components (South Asia) Pte. Ltd.	Note 1	4,790,628	64,550	-	-	-	-	5,988,285	N	N	N	Note 9

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of June 30, 2016	Outstanding endorsement/ guarantee amount at June 30, 2016	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/ guarantor											
4	Yosun Industrial Corp.	Yosun Singapore Pte. Ltd.	Note 1	\$ 11,777,986	\$ 1,543,963	\$ 1,403,963	\$ 499,939	\$ -	11.92	\$ 23,555,972	N	N	N	Note 10
4	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	Note 1	11,777,986	1,742,850	1,742,850	569,752	-	14.80	23,555,972	N	N	N	Note 10
4	Yosun Industrial Corp.	Sertek Incorporated	Note 1	11,777,986	1,613,750	1,613,750	1,062,942	-	13.70	23,555,972	N	N	N	Note 10
4	Yosun Industrial Corp.	RichPower Electronic Devices Co., Limited	Note 1	11,777,986	700,000	700,000	-	-	5.94	23,555,972	N	N	N	Note 10
5	Genuine C&C Inc.	Hubei Xinsheng Technology Investment Management Co., Ltd.	Note 1	408,939	274,152	149,151	-	-	15.00	511,174	N	N	Y	Note 11
5	Genuine C&C Inc.	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Note 1	408,939	193,650	-	-	-	-	511,174	N	N	Y	Note 11
6	Asian Information Technology Inc.	Frontek Technology Corporation	Note 1	2,169,048	1,503,030	1,503,030	386,267	-	27.72	2,711,309	N	N	N	Note 8
6	Asian Information Technology Inc.	WPG China Inc.	Note 3	2,169,048	16,138	16,138	3,134	-	0.30	2,711,309	N	N	Y	Note 8
6	Asian Information Technology Inc.	AIT Japan Inc.	Note 1	2,169,048	645,500	645,500	270,863	-	11.90	2,711,309	N	N	N	Note 8
7	Frontek Technology Corporation	Asian Information Technology Inc.	Note 2	1,056,076	320,000	320,000	167,308	-	12.12	1,320,094	N	N	N	Note 8
8	WPG South Asia Pte. Ltd.	WPG India Electronics Private Limited	Note 1	1,322,648	16,138	16,138	-	-	2.44	1,322,648	N	N	N	Note 12

Note 1: The company and its subsidiary hold more than 50% of the investee company.

Note 2: The parent company directly owns more than 50% of the company.

Note 3: An affiliate.

Note 4: The guarantee amount should not exceed 50% of guarantor's net assets; the limit to a single company should not exceed 50% of the Company's stockholder's equity. For business transaction with the Company, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases. The limit on the Company and its subsidiaries' total loan to other companies is 60% of the Company's net assets. The guarantee amount to a subsidiary which is 90%~100% directly or indirectly held by the Company should not exceed 10% of the Company's net assets, which is based on the latest audited or reviewed financial statements.

Note 5: There are 8,999 thousand shares of WPG Investment Co., Ltd. which have been pledged for purchases for World Peace Industrial Co., Ltd. The book value of those pledged investments is \$90,278.

Note 6: The cumulative guarantee amount to others should not be in excess of 80% of guarantor's net assets. The guarantee amount to a single company should not be in excess of 50% of guarantor's net assets. For business transaction with the guarantor, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases. The net asset value is based on the latest audited or reviewed financial statements.

Note 7: The cumulative guarantee amount and the guarantee amount to a single company both should not be in excess of 200% of guarantor's net assets.

Note 8: The cumulative guarantee amount to others should not be in excess of 50% of guarantor's net assets. The guarantee amount to a single company should not be in excess of 40% of guarantor's net assets. However, guarantee amount to a single overseas

affiliate should not be in excess of 40% of guarantor's net assets.

Note 9: The cumulative guarantee amount to others should not be in excess of 100% of guarantor's net assets. The guarantee amount to a single company should not be in excess of 80% of guarantor's net assets. For business transaction with the guarantor, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases. The net asset value is based on the latest audited or reviewed financial statements.

Note 10: The cumulative guarantee amount to others should not be in excess of 200% of guarantor and its subsidiaries' total net assets. The guarantee amount to a single company should not be in excess of 100% of guarantor and its subsidiaries' total net assets. For business transaction with the Company, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases. The Company's guarantee amount to a subsidiary which is 90%~100% directly or indirectly held by the ultimate parent company should not exceed 10% of the ultimate parent company's net assets. The net asset value is based on the latest audited or reviewed financial statements.

Note 11: The cumulative guarantee amount to others should not be in excess of 50% of guarantor's net assets. The guarantee amount to a single company should not be in excess of 30% of guarantor's net assets. However, guarantee amount to a single overseas affiliate should not be in excess of 40% of guarantor's net assets.

Note 12: The cumulative guarantee amount to others should not be in excess of 200% of the Company's net assets. The guarantee amount to a single company should not be in excess of 200% of Company's net assets. For business transaction with the Company, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases. The guarantee amount to a subsidiary which is 90%~100% directly or indirectly held by the Company should not exceed 10% of the Company's net assets.

WPG Holdings Limited and Subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

Six months ended June 30, 2016

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

				As of June 30, 2016				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares (in thousands)	Book value	Ownership (%)	Fair value (Note 1)	Footnote
WPG Holdings Limited	Ability I Venture Capital Corporation, etc. - Equity securities	None	Financial assets at cost - non-current	-	\$ 243,164	-	\$ 243,164	
Silicon Application Corp.	Genesis Photonics Inc., etc. - Equity securities	None	Available-for-sale financial assets - non-current, etc.	-	15,763	-	15,763	Note 2
World Peace Industrial Co., Ltd.	Prohubs International Corp., etc. - Equity securities	None	Financial assets at cost - non-current, etc.	-	44,228	-	44,228	
AECO Technology Co., Ltd.	Hua-Jie (Taiwan) Corp. - Equity securities	None	Available-for-sale financial assets - non-current	668	6,684	3.32	6,684	
Yosun Industrial Corp.	Fortend Taiwan Scientific Corp., etc. - Equity securities	None	Financial assets at cost - non-current, etc.	-	3,511	-	3,511	
Yosun Industrial Corp.	Nichidenbo Corporation	None	Available-for-sale financial assets - non-current	9,647	233,460	5.78	233,460	
Genuine C&C Inc.	TekCare Corporation, etc. - Equity securities	None	Financial assets at cost - non-current	-	21,400	-	21,400	
Hat-Trick Co., Ltd.	Mega Diamond Money Market		Financial assets measured at fair value through profit or loss - current	-	20,707	-	20,707	
Richpower Electronic Devices Co., Ltd.	Promaster Technology Co., Ltd., etc. - Equity securities	None	Available-for-sale financial assets - non-current, etc.	-	21,280	-	21,280	
Mec Technology Co., Limited	Promaster Technology Co., Ltd. - Equity securities	None	Available-for-sale financial assets - non-current	1,368	7,499	4.00	7,499	
WPG Investment Co., Ltd.	CDIB CME Fund Ltd., etc. - Equity securities	None	Financial assets at cost - non-current, etc.	-	151,376	-	151,376	
WPG Investment Co., Ltd.	Murad Chia Jei Biotechnology Co., Ltd, etc. - Equity securities	None	Available-for-sale financial assets - non-current, etc.	-	44,455	-	44,455	
SILICON APPLICATION (B.V.I.) CORP.	Apollo Electronics Group Ltd.	None	Available-for-sale financial assets - non-current, etc.	6,825	34,964	15.17	34,964	
SILICON APPLICATION (B.V.I.) CORP.	MCUBE, Inc., etc. - Equity securities	None	Financial assets at cost - non-current	-	6,455	-	6,455	
Win-Win Systems Ltd.	Silicon Electronics Company(s) Pte. Ltd. - Equity securities	None	Financial assets at cost - non-current	180	-	-	-	

Note 1: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 2: There are 1,133 thousand shares of Kingmax Technology Inc. which have been pledged for purchases as of June 30, 2016.

WPG Holdings Limited and Subsidiaries

Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more

Six months ended June 30, 2016

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term		Balance	Percentage of total notes/accounts receivable (payable)	
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Same parent company	Sales	(\$ 157,357) (	45.96)	Note 7	Note 7	Note 7	\$	26,975	46.38	
World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	"	"	(10,144,050) (	21.30)	Note 3	Note 3	Note 3		3,724,378	19.05	
"	WPG Electronics (HK) Limited	"	"	(1,002,462) (	2.11)	"	"	"		738,262	3.78	
"	AECO Technology Co., Ltd.	"	"	(150,252) (	0.32)	"	"	"		31,183	0.16	
Longview Technology Inc.	WPI International (Hong Kong) Limited	"	"	(424,834) (	38.82)	"	"	"		82,132	21.36	
WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	"	"	(2,070,354) (	3.07)	"	"	"		569,527	2.31	
"	WPG China (SZ) Inc.	"	"	(1,185,921) (	1.76)	"	"	"		787,345	3.19	
"	World Peace International (South Asia) Pte Ltd.	"	"	(1,002,005) (	1.48)	"	"	"		154,723	0.63	
"	WPG SCM Limited	"	"	(434,601) (	0.64)	"	"	"		60,110	0.24	
"	WPG China Inc.	"	"	(188,496) (	0.28)	"	"	"		96,838	0.39	
"	WPG Korea Co., Ltd.	"	"	(152,606) (	0.23)	"	"	"		47,907	0.19	
"	WPI International Trading (Shanghai) Ltd.	"	"	(178,566) (	0.26)	"	"	"		139,822	0.57	
WPG C&C Limited	WPI International Trading (Shanghai) Ltd.	"	"	(834,184) (	22.72)	"	"	"		401,462	44.13	
"	WPI International (Hong Kong) Limited	"	"	(308,882) (	8.41)	"	"	"		53,466	5.88	
Genuine C&C (IndoChina) Pte Ltd.	P.T. WPG Electrindo Jaya Ltd.	Investment under equity method	"	(400,375) (	65.63)	"	"	"		186,187	97.04	
World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	Same parent company	"	(1,937,659) (	14.91)	"	"	"		1,091,501	28.87	

							Differences in transaction terms compared to third party transactions				
Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction						Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
World Peace International (South Asia) Pte Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	Same parent company	Sales	(\$ 728,430)	(5.61)	Note 3	Note 3	Note 3	\$ 222,519	5.89	
"	Genuine C&C (IndoChina) Pte Ltd.	"	"	(399,841)	(3.08)	"	"	"	126,321	3.34	
World Peace International (South Asia) Pte Ltd.	WPG C&C (Malaysia) Sdn Bhd	"	"	(331,191)	(2.55)	"	"	"	133,538	3.53	
Long-Think International (Hong Kong) Limited	WPI International (Hong Kong) Limited	"	"	(184,407)	(27.89)	"	"	"	29,426	13.75	
Silicon Application Corp.	WPG SCM Limited	"	"	(108,230)	(0.44)	30 days after monthly billings	Note 4	Note 4	28,304	0.35	
"	WPG Electronics (HK) Limited	"	"	(1,009,960)	(4.10)	90 days after monthly billings	"	"	620,927	7.69	
"	WPG China (SZ) Inc.	"	"	(502,637)	(2.04)	120 days after monthly billings	"	"	355,821	4.41	
Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	"	"	(2,230,156)	(12.69)	Credit 75 days	Note 5	Note 5	273,312	4.06	
"	WPG China Inc.	"	"	(207,149)	(1.18)	Note 6	Note 6	Note 6	115,730	1.72	
"	WPG China (SZ) Inc.	"	"	(177,066)	(1.01)	"	"	"	120,312	1.79	
Yosun Hong Kong Corp. Ltd.	WPG China Inc.	"	"	(2,352,526)	(14.06)	"	"	"	1,727,957	27.59	
"	WPG China (SZ) Inc.	"	"	(1,107,070)	(6.62)	"	"	"	822,320	13.13	
"	RichPower Electronic Devices Co., Limited	"	"	(455,507)	(2.72)	Credit 75 days	Note 5	Note 5	45,577	0.73	
"	Yosun Industrial Corp.	"	"	(324,410)	(1.94)	"	"	"	17,933	0.29	
"	WPG SCM Limited	"	"	(163,181)	(0.98)	Credit 60 days	"	"	50,811	0.81	
Yosun Singapore Pte Ltd.	Yosun Hong Kong Corp. Ltd.	"	"	(219,849)	(9.47)	Credit 75 days	"	"	72,500	7.03	
Sertek Incorporated	Yosun Hong Kong Corp. Ltd.	"	"	(255,512)	(3.43)	"	"	"	22,728	2.35	
Asian Information Technology Inc.	AIT Japan Inc.	"	"	(1,122,192)	(6.50)	Note 2	Note 2	Note 2	424,242	7.20	
"	Silicon Application Corp.	"	"	(191,046)	(1.11)	"	"	"	-	-	
"	Apache Communication Inc.	"	"	(120,326)	(0.70)	"	"	"	5,344	0.09	
"	Frontek Technology Corporation	"	"	(192,550)	(1.11)	"	"	"	22,242	0.38	

Table 4, Page 12

							Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term					
Apache Communication Inc.	Asian Information Technology Inc.	Same parent company	Sales	(\$ 275,215)	(1.75)	Note 2	Note 2	Note 2	\$ 23,525	0.54	
"	WPI International (Hong Kong) Limited	"	"	(279,250)	(1.77)	"	"	"	53,421	1.23	
Frontek Technology Corporation	Asian Information Technology Inc.	"	"	(106,479)	(1.00)	"	"	"	34,200	0.96	
"	WPG Electronics (HK) Limited	"	"	(185,437)	(1.74)	"	"	"	139,213	3.91	
AIT Japan Inc.	Asian Information Technology Inc.	"	"	(967,057)	(45.73)	"	"	"	243,602	34.60	
Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	"	"	(749,155)	(35.29)	90 days after monthly billings	Note 4	Note 4	297,769	36.80	
"	WPG China (SZ) Inc.	"	"	(101,496)	(4.78)	120 days after monthly billings	Note 4	Note 4	76,184	9.42	
Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	"	"	(284,135)	(17.28)	90 days after monthly billings	"	"	101,124	13.06	
RichPower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	"	"	(506,161)	(14.83)	Note 6	Note 6	Note 6	336,229	19.21	
"	RichPower Electronic Devices Co., Limited	"	"	(134,196)	(3.93)	"	"	"	9,759	0.56	
Mec Technology Co., Limited	WPG Electronics (HK) Limited	"	"	(235,724)	(15.71)	"	"	"	177,298	32.48	
"	RichPower Electronic Devices Co., Ltd.	"	"	(287,223)	(19.15)	"	"	"	205,632	37.67	
RichPower Electronic Devices Co., Limited	Yosun Hong Kong Corp. Ltd.	"	"	(108,359)	(2.35)	"	"	"	11,097	0.73	
WPG Americas Inc.	World Peace Industrial Co., Ltd.	"	"	(166,658)	(8.14)	30 days after monthly billings	Note 4	Note 4	110	0.02	
WPG Americas Inc.	WPI International (Hong Kong) Limited	"	"	(106,853)	(5.22)	"	Note 4	Note 4	20,110	2.82	
WPG South Asia Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	"	"	(226,672)	(80.01)	60 days after monthly billings	Note 2	Note 2	-	-	
WPG China Inc.	WPG China (SZ) Inc.	"	"	(301,287)	(6.96)	90 days after monthly billings	Note 5	Note 5	171,534	8.74	
Peng Yu (Shanghai) Digital Technology Co., Ltd.	WPG Electronics (HK) Limited	"	"	(443,564)	(57.79)	Note 7	Note 7	Note 7	144,276	51.57	
WPG Electronics (HK) Limited	WPI International (Hong Kong) Limited	"	"	(127,920)	(3.11)	"	"	"	-	-	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
WPG China (SZ) Inc.	WPG China Inc.	Same parent company	Sales	(\$ 148,024)	(2.54)	60 days after monthly billings	Note 5	Note 5	\$ 156,285	4.71	

Note 1: As the related party transactions of consolidated subsidiaries exceeding \$100 million are voluminous, the related information disclosed here is from the sales aspect.

Note 2: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition. The collection period is 30~120 days from the end of the month of sales.

Note 3: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition. The collection period is 30~90 days from the end of the month of sales.

Note 4: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition.

Note 5: Similar to third parties.

Note 6: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition. The collection period is 60~120 days from the end of the month of sales.

Note 7: The income arose from the provision of administrative resources and management services, and the sales price and terms were determined by the parties.

WPG Holdings Limited and Subsidiaries
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more
Six months ended June 30, 2016

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2016 (Note 1)	Turnover rate (Note 2)	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts
					Amount	Action taken		
Silicon Application Corp.	WPG Electronics (HK) Limited	Same parent company	\$ 620,927	3.22	\$ -	-	\$ 137,400	\$ -
"	WPG China (SZ) Inc.	"	355,821	2.91	-	-	96,007	-
"	Pernas Electronics Co., Ltd.	"	221,253	0.00	-	-	-	-
Silicon Application (BVI) Corp.	Silicon Application Corp.	"	1,258,865	0.00	-	-	-	-
Silicon Application Corp.	Silicon Application Corp.	"	726,229	0.00	-	-	-	-
"	WPG Korea Co., Ltd.	"	323,816	0.00	-	-	-	-
"	WPI International (Hong Kong) Limited	"	484,835	0.00	-	-	-	-
World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	"	3,724,378	5.52	-	-	554,224	-
"	WPG Electronics (HK) Limited	"	738,262	3.85	-	-	351,599	-
WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	"	569,527	8.53	-	-	565,229	-
"	World Peace International (South Asia) Pte Ltd.	"	154,723	8.25	-	-	152,795	-
"	WPG Electronics (HK) Limited	"	196,341	0.16	-	-	-	-
"	WPG China (SZ) Inc.	"	787,345	2.89	-	-	184,359	-
"	WPI International Trading (Shanghai) Ltd.	"	139,822	3.81	-	-	134,510	-
Genuine C&C (IndoChina) Pte Ltd.	P.T. WPG Electrindo Jaya	"	186,187	3.31	-	-	6,343	-
World Peace International (South Asia) Pte Ltd.	Genuine C&C (IndoChina) Pte Ltd.	"	126,321	4.89	-	-	106,104	-
"	WPG SCM Limited	"	1,091,501	2.82	-	-	984,388	-
"	WPG C&C (Malaysia) Sdn Bhd	"	133,538	3.36	-	-	6,455	-
World Peace International (South Asia) Pte Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	"	222,519	6.25	-	-	119,917	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2016 (Note 1)	Turnover rate (Note 2)	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts
					Amount	Action taken		
WPG C&C Limited	WPI International Trading (Shanghai) Ltd.	Same parent company	\$ 401,462	4.88	\$ -	-	\$ 316,837	\$ -
AECO Technology Co., Ltd.	World Peace Industrial Co., Ltd.	"	143,549	0.00	-	-	44,759	-
"	WPI International (Hong Kong) Limited	"	707,744	0.00	-	-	-	-
WPI International (Hong Kong) Limited	WPG C&C Limited	"	585,530	0.00	-	-	206	-
World Peace International (South Asia) Pte Ltd.	WPG China Inc.	"	331,380	0.00	-	-	331,380	-
"	WPG Americas Inc.	"	719,503	0.00	-	-	87,305	-
"	WPG SCM Limited	"	132,307	0.00	-	-	-	-
"	WPI International (Hong Kong) Limited	"	646,495	0.00	-	-	646,495	-
"	WPG South Asia Pte. Ltd.	"	145,664	0.00	-	-	145,664	-
Yosun Industrial Corp.	WPG China Inc.	"	115,730	5.56	-	-	2,859	-
"	WPG China (SZ) Inc.	"	120,312	3.25	-	-	32,864	-
"	Yosun Hong Kong Corp. Ltd.	"	273,312	21.26	-	-	273,312	-
"	Sertek Incorporated	"	197,369	0.00	-	-	2,054	-
"	Richpower Electronic Devices Co., Ltd.	"	358,650	0.00	-	-	1,240	-
Yosun Hong Kong Corp. Ltd.	WPG China Inc.	"	1,727,957	2.46	-	-	251,927	-
"	WPG China (SZ) Inc.	"	822,320	2.80	-	-	321,004	-
Yosun South China Corp. Ltd.	WPG China (SZ) Inc.	"	184,540	0.00	-	-	430	-
Yosun Shanghai Corp. Ltd.	WPG China (SZ) Inc.	"	325,362	0.00	-	-	73,422	-
Sertek Incorporated	Yosun Industrial Corp.	"	275,420	3.68	-	-	12,466	-
Sertek Limited	Yosun Hong Kong Corp. Ltd.	"	433,166	0.00	-	-	-	-
Asian Information Technology Inc.	AIT Japan Inc.	"	424,242	4.83	-	-	-	-
"	Frontek Technology Corporation	"	372,368	0.00	-	-	6,681	-
AIT Japan Inc.	Asian Information Technology Inc.	"	243,602	9.78	-	-	222,477	-
Frontek Technology Corporation	WPG Electronics (HK) Limited	"	139,213	2.30	-	-	21,583	-
"	Apache Communication Inc.	"	486,767	0.00	-	-	-	-
Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	"	297,769	3.90	-	-	174,755	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2016 (Note 1)	Turnover rate (Note 2)	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts
					Amount	Action taken		
Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	Same parent company	\$ 150,293	0.00	\$ -	-	\$ -	\$ -
Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	"	101,124	4.32	-	-	95,687	-
"	Everwiner Enterprise Co., Ltd.	"	132,337	0.00	-	-	-	-
Richpower Electronic Devices Pte., Ltd.	Yosun Singapore Pte Ltd.	"	210,111	0.00	-	-	210,111	-
Richpower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	"	336,229	2.70	-	-	94,377	-
Mec Technology Co., Limited	WPG Electronics (HK) Limited	"	177,298	2.37	-	-	28,577	-
"	Richpower Electronic Devices Co., Ltd.	"	205,632	8.18	-	-	89,623	-
WPG China Inc.	WPG China (SZ) Inc.	"	171,534	3.56	-	-	21,275	-
"	WPG China (SZ) Inc.	"	164,812	0.00	-	-	164,812	-
WPG China (SZ) Inc.	WPG China Inc.	"	156,285	3.00	-	-	99,326	-
WPG South Asia Pte. Ltd.	WPG Korea Co., Ltd.	"	161,888	0.00	-	-	182	-
"	World Peace International (South Asia) Pte Ltd.	"	169,944	0.00	-	-	42,810	-
"	Yosun Singapore Pte Ltd.	"	219,025	0.00	-	-	9,648	-
Peng Yu (Shanghai) Digital Technology Co., Ltd.	WPG Electronics (HK) Limited	"	144,276	9.36	-	-	75,557	-
Giatek Corp. Ltd.	Yosun Hong Kong Corp. Ltd.	"	1,138,306	0.00	-	-	-	-
WPG Holdings Limited	World Peace Industrial Co., Ltd.	"	2,767,387	0.00	-	-	-	-
"	Silicon Application Corp.	"	820,357	0.00	-	-	-	-
"	Asian Information Technology Inc.	"	1,119,654	0.00	-	-	-	-
"	Yosun Industrial Corp.	"	687,389	0.00	-	-	-	-
WPG Investment Co., Ltd.	WPG Holdings Limited	Parent company	110,128	0.00	-	-	-	-

Note 1: Balance as at June 30, 2016 includes other receivables that exceed \$100,000.

Note 2: Turnover rate of 0.00 was caused by the receivables amount recorded as other receivables, and thus the turnover rate is not applicable.

Note 3: The subsequent collections are amounts collected as of July 28, 2016.

WPG Holdings Limited and Subsidiaries
Significant inter-company transactions during the reporting periods
Six months ended June 30, 2016

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	WPG Holdings Limited	World Peace Industrial Co., Ltd.	1	Sales	\$ 157,357	Note 11	0.06
1	World Peace Industrial Co., Ltd.	AECO Technology Co., Ltd.	3	"	150,252	Note 5	0.06
1	"	WPI International (Hong Kong) Limited	3	"	10,144,050	"	3.97
1	"	WPG Electronics (HK) Limited	3	"	1,002,462	"	0.39
2	Longview Technology Inc.	WPI International (Hong Kong) Limited	3	"	424,834	"	0.17
3	WPI International (Hong Kong) Limited	WPG China Inc.	3	"	188,496	"	0.07
3	"	World Peace Industrial Co., Ltd.	3	"	2,070,354	"	0.81
3	"	WPG Korea Co., Ltd.	3	"	152,606	"	0.06
3	"	World Peace International (South Asia) Pte Ltd.	3	"	1,002,005	"	0.39
3	"	WPG SCM Limited	3	"	434,601	"	0.17
3	"	WPI International Trading (Shanghai) Ltd.	3	"	178,566	"	0.07
3	"	WPG China (SZ) Inc.	3	"	1,185,921	"	0.46
4	Silicon Application Corp.	WPG SCM Limited	3	"	108,230	Notes 9 and 11	0.04
4	"	WPG Electronics (HK) Limited	3	"	1,009,960	Notes 9 and 13	0.40
4	"	WPG China (SZ) Inc.	3	"	502,637	Notes 6 and 9	0.20
5	Yosun Industrial Corp.	WPG China Inc.	3	"	207,149	Notes 7 and 8	0.08
5	"	WPG China (SZ) Inc.	3	"	177,066	"	0.07
5	"	Yosun Hong Kong Corp. Ltd.	3	"	2,230,156	Notes 7 and 16	0.87
6	Yosun Hong Kong Corp. Ltd.	WPG China Inc.	3	"	2,352,526	Notes 7 and 8	0.92
6	"	Yosun Industrial Corp.	3	"	324,410	Notes 7 and 16	0.13
6	"	WPG SCM Limited	3	"	163,181	Notes 7 and 10	0.06
6	"	WPG China (SZ) Inc.	3	"	1,107,070	Notes 7 and 8	0.43
6	"	Rich Power Electronic Devices Co., Limited	3	"	455,507	Notes 7 and 16	0.18

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
7	Sertek Incorporated	Yosun Hong Kong Corp. Ltd.	3	Sales	\$ 255,512	Notes 7 and 16	0.10
8	Asian Information Technology Inc.	Silicon Application Corp.	3	"	191,046	Note 4	0.07
8	"	Apache Communication Inc.	3	"	120,326	"	0.05
8	"	Frontek Technology Corporation	3	"	192,550	"	0.08
8	"	AIT Japan Inc.	3	"	1,122,192	"	0.44
9	AIT Japan Inc.	Asian Information Technology Inc.	3	"	967,057	"	0.38
10	Apache Communication Inc.	Asian Information Technology Inc.	3	"	275,215	"	0.11
10	"	WPI International (Hong Kong) Limited	3	"	279,250	"	0.11
11	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	"	749,155	Notes 9 and 19	0.29
11	"	WPG China (SZ) Inc.	3	"	101,496	"	0.04
12	Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	3	"	284,135	"	0.11
13	Richpower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	3	"	506,161	Note 8	0.20
13	"	Rich Power Electronic Devices Co., Limited	3	"	134,196	"	0.05
14	Rich Power Electronic Devices Co., Limited	Yosun Hong Kong Corp. Ltd.	3	"	108,359	"	0.04
15	Mec Technology Co., Limited	WPG Electronics (HK) Limited	3	"	235,724	"	0.09
15	"	Richpower Electronic Devices Co., Ltd.	3	"	287,223	"	0.11
16	WPG Americas Inc.	World Peace Industrial Co., Ltd.	3	"	166,658	Note 20	0.07
16	"	WPI International (Hong Kong) Limited	3	"	106,853	"	0.04
17	WPG South Asia Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	3	"	226,672	Notes 9 and 10	0.09
18	WPG China Inc.	WPG China (SZ) Inc.	3	"	301,287	Notes 9 and 13	0.12
19	WPG C&C Limited	WPI International (Hong Kong) Limited	3	"	308,882	Note 5	0.12
19	"	WPI International Trading (Shanghai) Ltd.	3	"	834,184	"	0.33
20	World Peace International (South Asia) Pte Ltd.	Genuine C&C (IndoChina) Pte Ltd.	3	"	399,841	"	0.16
20	"	WPG SCM Limited	3	"	1,937,659	"	0.76
20	"	WPG C&C (Malaysia) Sdn Bhd	3	"	331,191	"	0.13
20	"	WPG C&C Computers And Peripheral (India) Private Limited	3	"	728,430	"	0.29

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
21	Peng Yu (Shanghai) Digital Technology Co., Ltd.	WPG Electronics (HK) Limited	3	Sales	\$ 443,564	Note 20	0.17
22	Long-Think International (Hong Kong) Limited	WPI International (Hong Kong) Limited	3	"	184,407	Note 5	0.07
23	Frontek Technology Corporation	Asian Information Technology Inc.	3	"	106,479	Note 4	0.04
23	"	WPG Electronics (HK) Limited	3	"	185,437	"	0.07
24	Yosun Singapore Pte Ltd.	Yosun Hong Kong Corp. Ltd.	3	"	219,849	Notes 7 and 16	0.09
25	WPG Electronics (HK) Limited	WPI International (Hong Kong) Limited	3	"	127,920	Note 11	0.05
26	WPG China (SZ) Inc.	WPG China Inc.	3	"	148,024	Notes 9 and 10	0.06
1	Silicon Application Corp.	WPG Electronics (HK) Limited	3	Accounts receivable	620,927	Note 5	0.36
1	"	WPG China (SZ) Inc.	3	"	355,821	Notes 6 and 9	0.21
2	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	3	"	3,724,378	Note 5	2.17
2	"	WPG Electronics (HK) Limited	3	"	738,262	"	0.43
3	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	"	569,527	"	0.33
3	"	World Peace International (South Asia) Pte Ltd.	3	"	154,723	"	0.09
3	"	WPG Electronics (HK) Limited	3	"	196,341	"	0.11
3	"	WPG China (SZ) Inc.	3	"	787,345	"	0.46
3	"	WPI International Trading (Shanghai) Ltd.	3	"	139,822	"	0.08
4	World Peace International (South Asia) Pte Ltd.	Genuine C&C (IndoChina) Pte Ltd.	3	Accounts receivable	126,321	Note 5	0.07
4	"	WPG SCM Limited	3	"	1,091,501	"	0.64
4	"	WPG C&C (Malaysia) Sdn Bhd	3	"	133,538	"	0.08
4	"	WPG C&C Computers And Peripheral (India) Private Limited	3	"	222,519	"	0.13
5	Yosun Industrial Corp.	WPG China Inc.	3	"	115,730	Note 8	0.07
5	"	WPG China (SZ) Inc.	3	"	120,312	"	0.07
5	"	Yosun Hong Kong Corp. Ltd.	3	"	273,312	Notes 7 and 16	0.16
6	Yosun Hong Kong Corp. Ltd.	WPG China Inc.	3	"	1,727,957	Note 8	1.01
6	"	WPG China (SZ) Inc.	3	"	822,320	"	0.48
7	Asian Information Technology Inc.	AIT Japan Inc.	3	"	424,242	Note 4	0.25

Table 6, Page 20

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
8	AIT Japan Inc.	Asian Information Technology Inc.	3	Accounts receivable	\$ 243,602	Note 4	0.14
9	Frontek Technology Corporation	WPG Electronics (HK) Limited	3	"	139,213	"	0.08
10	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	"	297,769	Notes 9 and 19	0.17
11	Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	3	"	101,124	"	0.06
12	Richpower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	3	"	336,229	Note 8	0.20
13	WPG China Inc.	WPG China (SZ) Inc.	3	"	171,534	Notes 9 and 13	0.10
14	WPG China (SZ) Inc.	WPG China Inc.	3	"	156,285	Notes 9 and 10	0.09
15	Peng Yu (Shanghai) Digital Technology Co., Ltd.	WPG Electronics (HK) Limited	3	"	144,276	Note 20	0.08
16	Mec Technology Co., Limited	WPG Electronics (HK) Limited	3	"	177,298	Note 8	0.10
16	"	Richpower Electronic Devices Co., Ltd.	3	"	205,632	"	0.12
17	WPG C&C Limited	WPI International Trading (Shanghai) Ltd.	3	"	401,462	Note 5	0.23
18	Sertek Incorporated	Yosun Industrial Corp.	3	"	275,420	Notes 7 and 16	0.16
0	WPG Holdings Limited	World Peace Industrial Co., Ltd.	1	Other receivables	2,767,387	Note 14	1.61
0	"	Silicon Application Corp.	1	"	820,357	"	0.48
0	"	Asian Information Technology Inc.	1	"	1,119,654	"	0.65
0	"	Yosun Industrial Corp.	1	"	687,389	"	0.40
1	Silicon Application Company Limited	Silicon Application Corp.	3	"	726,229	Note 17	0.42
1	"	WPG Korea Co., Ltd.	3	"	323,816	"	0.19
1	"	WPI International (Hong Kong) Limited	3	"	484,835	"	0.28
2	Silicon Application Corp.	Pernas Electronics Co., Ltd.	3	"	221,253	Note 14	0.13
3	AECO Technology Co., Ltd.	World Peace Industrial Co., Ltd.	3	"	143,549	Note 17	0.08
4	AECO Electronic Co., Ltd.	WPI International (Hong Kong) Limited	3	"	707,744	"	0.41
5	WPI International (Hong Kong) Limited	WPG C&C Limited	3	"	585,530	"	0.34
6	World Peace International (South Asia) Pte Ltd.	WPG China Inc.	3	"	331,380	"	0.19
6	"	WPG Americas Inc.	3	"	719,503	"	0.42
6	"	WPG SCM Limited	3	"	132,307	Note 18	0.08
6	"	WPI International (Hong Kong) Limited	3	"	646,495	Note 17	0.38

Table 6, Page 21

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
6	World Peace International (South Asia) Pte Ltd.	WPG South Asia Pte. Ltd.	3	Other receivables	\$ 145,664	Note 17	0.08
7	Yosun Industrial Corp.	Sertek Incorporated	3	"	197,369	Note 14	0.11
7	"	Richpower Electronic Devices Co., Ltd.	3	"	358,650	"	0.21
8	WPG Investment Co., Ltd.	WPG Holdings Limited	2	"	110,128	Note 17	0.06
9	Yosun South China Corp. Ltd.	WPG China (SZ) Inc.	3	"	184,540	"	0.11
10	Yosun Shanghai Corp. Ltd.	WPG China (SZ) Inc.	3	"	325,362	"	0.19
11	Sertek Limited	Yosun Hong Kong Corp. Ltd.	3	"	433,166	"	0.25
12	Giatek Corp. Ltd.	Yosun Hong Kong Corp. Ltd.	3	"	1,138,306	"	0.66
13	Frontek Technology Corporation	Apache Communication Inc.	3	"	486,767	Note 17	0.28
14	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	"	150,293	"	0.09
15	Richpower Electronic Devices Pte., Ltd.	Yosun Singapore Pte Ltd.	3	"	210,111	"	0.12
16	Asian Information Technology Inc.	Frontek Technology Corporation	3	"	372,368	Note 14	0.22
17	WPG China Inc.	WPG China (SZ) Inc.	3	"	164,812	Note 17	0.10
18	WPG South Asia Pte. Ltd.	WPG Korea Co., Ltd.	3	"	161,888	"	0.09
18	"	World Peace International (South Asia) Pte Ltd.	3	"	169,944	"	0.10
18	"	Yosun Singapore Pte Ltd.	3	"	219,025	"	0.13
19	SILICON APPLICATION (B.V.I.) CORP.	Silicon Application Corp.	3	"	1,258,865	"	0.73
20	Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	3	"	132,337	Note 14	0.08

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition. The collection period is 30~120 days from the end of the month of sales.

Note 5: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition. The collection period is 30~90 days from the end of the month of sales.

Note 6: The collection period is 120 days from the end of the month of sales.

Note 7: The terms and sales prices are similar to third parties.

Note 8: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition. The collection period is 60~120 days from the end of the month of sales.

Note 9: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition.

Note 10: The collection period is 60 days from the end of the month of sales.

Note 11: The collection period is 30 days from the end of the month of sales.

Note 12: The collection period is 75~120 days after sale.

Note 13: The collection period is 90~120 days from the end of the month of sales.

Note 14: Mainly dividends receivable.

Note 15: The collection period is 90 days from the end of the month of sales or 15 days after sale.

Note 16: The collection period is 75 days after sale.

Note 17: Mainly accrued financing charges.

Note 18: The amount pertains mainly to receivables from related parties for collections of sales on behalf of the Company.

Note 19: The collection period is 90 days from the end of the month of sales.

Note 20: The terms and sales perices were negotiated in consideration of different factors including product, cost, market and competition. The collection period is 30 days from the end of the month of sales.

WPG Holdings Limited and Subsidiaries

Information on investees

Six months ended June 30, 2016

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2016			Net profit (loss) of the investee for the six months ended June 30, 2016	Investment income (loss) recognised by the Company for the six months ended June 30, 2016 (Note 1)	Footnote
				Balance as at June 30, 2016	Balance as at December 31, 2015	Number of shares	Ownership (%)	Book value			
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Taiwan	Sales of electronic /electrical components	\$ 13,484,384	\$ 13,484,384	981,100,000	100.00	\$ 19,995,517	\$ 1,609,855	\$ 1,609,855	Note 4
WPG Holdings Limited	Asian Information Technology Inc.	Taiwan	Sales of electronic /electrical components	4,063,464	4,063,464	346,812,367	100.00	5,422,619	694,925	694,925	Note 4
WPG Holdings Limited	Silicon Application Corp.	Taiwan	Sales of computer software, hardware and electronic components	4,717,962	4,717,962	406,570,000	100.00	5,988,285	230,471	230,471	Note 4
WPG Holdings Limited	WPG Electronics Limited	Taiwan	Sales of electronic /electrical components	14,735	14,735	3,920,000	100.00	45,404	3,582	3,582	Note 4
WPG Holdings Limited	WPG Korea Co., Ltd.	South Korea	Sales of electronic /electrical components	169,071	169,071	1,087,794	100.00	371,136	32,125	32,125	Note 4
WPG Holdings Limited	WPG International (CI) Limited	Cayman Islands	Holding company	3,783,583	3,783,583	124,442,727	100.00	3,584,399	50,860	50,860	Note 4
WPG Holdings Limited	Yosun Industrial Corp.	Taiwan	Sales of electronic /electrical components	16,131,691	16,131,691	649,650,000	100.00	16,602,192	551,331	549,574	Note 4
WPG Holdings Limited	WPG Investment Co., Ltd.	Taiwan	Investment company	502,997	502,997	50,000,000	100.00	501,602	7,645	6,672	Note 4
WPG Holdings Limited	WPG Core Investment Co., Ltd.	Taiwan	Investment company	45,000	45,000	4,500,000	100.00	2,228 (	6,491) (	6,491)	Note 4
WPG Holdings Limited	Genuine C&C Inc.	Taiwan	Computer and and its peripheral equipment	510,041	510,041	35,175,221	44.21	491,488	16,511	6,046	Note 4
Silicon Application Corp.	SILICON APPLICATION (B.V.I.) CORP.	British Virgin Islands	International investment	706,402	706,402	22,000,000	100.00	3,238,166	19,799		Notes 2 and 5
Silicon Application Corp.	Win-Win Systems Ltd.	British Virgin Islands	International investment	24,015	24,015	765,000	100.00	26,229	13		Notes 2 and 5
Silicon Application Corp.	SAC Components (South Asia) Pte. Ltd.	Singapore	Sales of computer software, hardware and electronic components	104,510	104,510	3,500,000	100.00	115,599	1,308		Notes 2 and 5
Silicon Application Corp.	Win-Win Electronic Corp.	Taiwan	Sales of computer software, hardware and electronic components	10,000	10,000	1,000,000	100.00	9,448 (	1)		Notes 2 and 5

				Initial investment amount		Shares held as at June 30, 2016					
Investor	Investee	Location	Main business activities	Balance as at June 30, 2016	Balance as at December 31, 2015	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the six months ended	Investment income (loss) recognised by the Company for the six months ended	Footnote
									June 30, 2016	June 30, 2016 (Note 1)	
Silicon Application Corp.	Pernas Electronics Co., Ltd.	Taiwan	Sales of computer software, hardware and electronic components	\$ 959,504	\$ 959,504	73,500,000	100.00	\$ 968,106	\$ 62,333		Notes 2 and 5
World Peace Industrial Co., Ltd.	World Peace International (BVI) Ltd.	British Virgin Islands	Holding company	1,132,162	1,132,162	34,196,393	100.00	3,186,483	147,328		Notes 2 and 5
World Peace Industrial Co., Ltd.	WPI Investment Holding (BVI) Company Ltd.	British Virgin Islands	Holding company	2,774,146	2,774,146	83,179,435	100.00	14,214,339	1,069,637		Notes 2 and 5
World Peace Industrial Co., Ltd.	Longview Technology Inc.	Taiwan	Sales of electronic /electrical components	364,290	364,290	33,900,000	100.00	528,547 (	163)		Notes 2 and 5
World Peace Industrial Co., Ltd.	ChainPower Technology Corp.	Taiwan	Sales of electronic /electrical components	116,650	116,650	14,820,382	39.00	193,382	15,697		Notes 2 and 3
World Peace Industrial Co., Ltd.	AECO Technology Co., Ltd.	Taiwan	Sales of electronic /electrical components	1,468,555	1,468,555	94,600,000	100.00	1,705,330	7,062		Notes 2 and 5
World Peace Industrial Co., Ltd.	Genuine C&C Inc.	Taiwan	Copmuter and its peripheral equipment	149,130	149,130	12,964,098	16.29	166,569	16,511		Notes 2 and 5
Longview Technology Inc.	Longview Technology GC Limited	British Virgin Islands	Holding company	335,328	335,328	11,300,000	100.00	354,499 (	35,111)		Notes 2 and 5
Longview Technology Inc.	Long-Think International Co., Ltd.	Taiwan	Sales of electronic /electrical components	37,302	37,302	4,000,000	100.00	48,148	4,136		Notes 2 and 5
AECO Technology Co., Ltd.	TECO Enterprise Holding (B.V.I.) Co., Ltd.	British Virgin Islands	Investment company	436,280	436,280	12,610,000	100.00	793,489	6,444		Notes 2 and 5
Yosun Industrial Corp.	Suntop Investments Ltd.	Cayman Islands	Investment company	1,812,188	1,812,188	50,700,000	100.00	4,817,033	238,412		Notes 2 and 5
Yosun Industrial Corp.	Sertek Incorporated	Taiwan	Sales of office machinery and electronic components	1,616,722	1,616,722	94,828,100	100.00	1,730,569	173,938		Notes 2 and 5
Yosun Industrial Corp.	Pan-World Control Technologies, Inc.	Taiwan	Wholesale of machinery	19,920	19,920	1,660,000	24.24	205	-		Notes 2 and 3
Yosun Industrial Corp.	Eesource Corp.	Taiwan	Sales of electronic components	11,520	11,520	1,080,000	20.00	35,475	36,242		Notes 2 and 3
Yosun Industrial Corp.	Yosun Japan Corp.	Japan	Sales of electronic components	44,172	44,172	15,015	50.00	39,619 (	3,963)		Notes 2 and 3
Yosun Industrial Corp.	Richpower Electronic Devices Co., Ltd.	Taiwan	Sales of electronic components	2,092,631	2,092,631	85,000,000	100.00	2,100,286	122,728		Notes 2 and 5
Sertek Incorporated	Sertek Limited	Hong Kong	Import and export business for electronic components	83,494	83,494	19,500,000	100.00	446,992	463		Notes 2 and 5

				Initial investment amount		Shares held as at June 30, 2016					
Investor	Investee	Location	Main business activities	Balance as at June 30, 2016	Balance as at December 31, 2015	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the six months ended	Investment income (loss) recognised by the Company for the six months ended	Footnote
									June 30, 2016	June 30, 2016 (Note 1)	
Genuine C&C Inc.	Hat-Trick Co., Ltd.	Taiwan	Investment and retail business of other grocery	\$ 79,999	\$ 79,999	8,000,000	100.00	\$ 35,562	(\$ 3,164)		Notes 2 and 5
Genuine C&C Inc.	GENUINE C&C HOLDING INC. (Seychelles)	Seychelles	Holding company	163,400	163,400	5,500,000	100.00	98,202	(9,975)		Notes 2 and 5
Genuine C&C Inc.	Taibao Creation Co., Ltd.	Taiwan	Retail business of other grocery	20,000	20,000	2,000,000	50.00	7,008	(1,216)		Notes 2 and 5
Genuine C&C Inc.	Sunrise Technology Co., Ltd.	Taiwan	Manufacturing of computer and its peripheral equipment	12,636	12,636	1,682,151	5.47	16,657	22,203		Notes 2 and 3
Asian Information Technology Inc.	Frontek Technology Corporation	Taiwan	Import and export business for electrical components	1,515,256	1,515,256	214,563,352	100.00	2,640,189	229,646		Notes 2 and 5
Asian Information Technology Inc.	Apache Communication Inc.	Taiwan	Import and export business for electrical components	680,313	680,313	157,000,000	100.00	1,994,037	222,194		Notes 2 and 5
Asian Information Technology Inc.	Henshen Electric Trading Co., Ltd.	Taiwan	Import and export business for electrical components	124,521	124,521	10,000,000	100.00	112,799	4,060		Notes 2 and 5
Asian Information Technology Inc.	Adivic Technology Co., Ltd.	Taiwan	Import and export business for electrical components	157,200	127,800	13,720,000	49.00	41,894	(38,658)		Notes 2 and 3
Asian Information Technology Inc.	Fame Hall International Co., Ltd.	British Virgin Islands	International investment	155,558	155,558	4,703,107	100.00	333,669	19,451		Notes 2 and 5
Frontek Technology Corporation	Frontek International Limited	British Virgin Islands	International investment	101,862	101,862	2,970,000	100.00	126,002	1,390		Notes 2 and 5
Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	Taiwan	Import and export business for electrical components	343,959	343,959	28,000,000	100.00	674,452	35,651		Notes 2 and 5
Pernas Electronics Co., Ltd.	Pernas Enterprise (Samoa) Limited	Samoa	International investment	33,287	33,287	1,000,000	100.00	3,976	(70)		Notes 2 and 5
Richpower Electronic Devices Co., Ltd.	RichPower Electronic Devices Co., Limited	Hong Kong	Sales of electronic components	284,898	284,898	63,000,000	100.00	1,654,029	80,731		Notes 2 and 5
Richpower Electronic Devices Co., Ltd.	Mec Technology Co., Ltd.	Taiwan	Sales of electronic components	401,247	401,247	24,300,000	100.00	419,163	36,871		Notes 2 and 5
Mec Technology Co., Ltd.	Mec Technology Co., Limited	Hong Kong	Sales of electronic components	1,092	1,092	25,000	100.00	7,338	(3,404)		Notes 2 and 5

				Initial investment amount		Shares held as at June 30, 2016					
Investor	Investee	Location	Main business activities	Balance as at June 30, 2016	Balance as at December 31, 2015	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the six months ended June 30, 2016	Investment income (loss) recognised by the Company for the six months ended June 30, 2016 (Note 1)	Footnote
Mec Technology Co., Ltd.	Richpower Electronic Devices Pte. Ltd.	Singapore	Sales of electronic components	\$ 1,988	\$ 1,988	10,000	100.00	\$ 221,275	\$ 1,930		Notes 2 and 5
WPG Investment Co., Ltd.	Eesource Corp.	Taiwan	Sales of office machinery and electronic components	11,520	11,520	1,080,000	20.00	35,475	36,242		Notes 2 and 3
WPG Investment Co., Ltd.	Pan-World Control Technologies, Inc.	Taiwan	Wholesale of machinery	17,800	17,800	1,565,218	22.86	-	-		Notes 2 and 3
WPG Investment Co., Ltd.	Taibao Creation Co., Ltd.	Taiwan	Retail business of other grocery	10,000	10,000	1,000,000	25.00	3,504	(1,216)		Notes 2 and 5
WPG Investment Co., Ltd.	Sunrise Technology Co., Ltd.	Taiwan	Manufacturing of computer and its peripheral equipment	50,000	50,000	3,279,800	10.67	64,334	22,203		Notes 2 and 3
WPG Korea Co., Ltd.	Apache Communication Inc.	British Virgin Islands	International investment	68,883	69,182	2,795,000	100.00	88,910	677		Notes 2, 5 and 6

Note 1: Investment income (loss) recognised by the company including realised (unrealised) gain or loss from upstream intercompany transactions and amortisation of investment discount (premium).

Note 2: Investment income (loss) recognised by each subsidiary.

Note 3: An investee company accounted for under the equity method by subsidiary.

Note 4: A subsidiary.

Note 5: An indirect subsidiary.

Note 6: Original investment exchange rate KRW1:NTD 0.028180 on June 30, 2016, and KRW 1 : NTD 0.028105 on December 31, 2015.

WPG Holdings Limited and Subsidiaries
Information on investments in Mainland China
Six months ended June 30, 2016

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note1)	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the six months ended June 30, 2016			Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2016	Net income of investee for the six months ended June 30, 2016	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2016 (Note 15)	Book value of investments in Mainland China as of June 30, 2016	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2016	Footnote
				Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2016	Remitted to Mainland China	Remitted back to Taiwan							
WPG China Inc.	Sales of electronic /electrical components	\$ 1,880,987	1	\$ 1,882,857	\$ -	-	\$ 1,882,857	\$ 11,118	100.00	\$ 11,118	\$ 2,137,679	-	
WPG China (SZ) Inc.	Sales of computer software and electronic components	153,883	1	112,750	-	-	112,750	48,102	100.00	48,102	517,310	-	Note 9
Suzhou Xinning Bonded Warehouse Co., Ltd.	Warehousing services	32,275	1	30,284	-	-	30,284	8,507	49.00	4,168	69,399	-	
Gain Tune Logistics (Shanghai) Co., Ltd.	Warehousing services / extra work	40,892	1	15,994	-	-	15,994	11,025	40.00	4,410	38,756	-	
Suzhou Xinning Logistics Co., Ltd.	Warehousing services / extra work	68,295	1	19,841	-	-	19,841	7,247	29.40	2,130	39,051	-	
Shenzhen HQPG Electronic Information Co., Ltd.	Sales, import and export trade of electronic related products	157,274	1	77,064	-	-	77,064	-	-	-	-	-	Note 13
Silicon Application (Shanghai) Ltd.	Sales of computer software and electronic components	-	1	7,070	-	-	7,070	-	-	-	-	-	Note 3
Silicon Application (Wuhon) Ltd.	Sales of computer software and electronic components	-	1	6,858	-	-	6,858	-	-	-	-	-	Note 5

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2016	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the six months ended June 30, 2016		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2016	Net income of investee for the six months ended June 30, 2016	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2016 (Note 15)	Book value of investments in Mainland China as of June 30, 2016	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2016	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
WPI International Trading (Shenzhen) Ltd.	Sales of electronic /electrical components	\$ -	1	\$ 103,280	\$ -	-	\$ 103,280	\$ -	-	\$ -	\$ -	-	Note 12
WPI International Trading (Shanghai) Ltd.	Sales of electronic /electrical components	224,930	1	20,979	-	-	20,979	(4,786)	100.00	(4,786)	323,818	-	
AIO (Shanghai) Components Company Limited	Sales of electronic /electrical components	8,021	1	-	-	-	-	464	100.00	464	58,580	-	Note 8
Long-Think International (Shanghai) Limited	Sales of electronic /electrical components	16,043	1	143,490	-	-	143,490	2,089	100.00	(53,550)	110,394	-	Note 7
AECO Electronic (Ningbo) Co., Ltd.	International trade of electronic components and products	145,860	1	126,518	-	-	126,518	98	100.00	98	60,111	-	
Sertek (Shanghai) Limited	Sales of electronic components	80,688	1	-	-	-	-	(62)	100.00	(62)	84,746	-	
Yosun Shanghai Corp. Ltd.	Sales of electronic components and warehousing services	248,521	1	248,521	-	-	248,521	6,275	100.00	6,275	380,219	-	
Yosun South China Corp. Ltd.	Sales of electronic components	138,783	1	-	-	-	-	3,024	100.00	3,024	213,163	-	
Dalian Kaiyuan Innovations Digital Co., Ltd.	Development, import, export and sales of software and electronic products	48,450	1	25,028	-	-	25,028	-	-	-	-	-	Note 14
Peng Yu (Shanghai) Digital Technology Co., Ltd.	Sales of electronic products	75,098	1	43,055	-	-	43,055	13,630	55.00	4,535	31,323	-	
Hubei Xinsheng Technology Management Co., Ltd.	Sales of electronic products and peripherals	149,850	1	76,006	-	-	76,006	(23,742)	83.33	(13,901)	22,896	-	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note1)	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the six months ended June 30, 2016			Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2016	Net income of investee for the six months ended June 30, 2016	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2016 (Note 15)	Book value of investments in Mainland China as of June 30, 2016	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2016	Footnote
				Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2016	Remitted to Mainland China	Remitted back to Taiwan							
World Components Agent (Shanghai) Inc.	Sales of electronic components	\$ 6,592	1	\$ 6,455	\$ -	-	\$ 6,455	(\$ 70)	100.00	(\$ 70)	\$ 3,954	-	
Arise Component Corp.	Sales of electronic components	-	1	25,820	-	-	25,820	-	-	-	-	-	Note 6
Software World Limited	Sales of electronic /electrical components	-	1	5,971	-	-	5,971	-	-	-	-	-	Note 4
Mec Technology (Shanghai) Co., Ltd.	Sales of electronic /electrical components	-	1	16,138	-	-	16,138	-	-	-	-	-	Note 2
Qegoo Technology Co., Ltd.	Business e-commerce platform	59,709	1	5,175	-	-	5,175	-	15.00	-	5,175	-	

Note 1: Through investing in an existing company in the third area, which then invested in the investee in Mainland China, is '1'.

Note 2: It was liquidated in March, 2011.

Note 3: It was liquidated in the fourth quarter of 2009.

Note 4: It was liquidated in December, 2008.

Note 5: It was liquidated in November, 2007.

Note 6: It was liquidated in December, 2011.

Note 7: Long View Technology Inc. held investments in Mainland China 100% ownership of Long-Think International Trading (Shanghai) Limited through third district transfer investment of British Virgin Islands-Long Think International (HK) Limited as of August 31, 2012. The investment had been permitted by Investment Commission.

Note 8: WPI International (Hong Kong) Limited acquired AIO Components Company Limited as of July 1, 2010, and AIO (Shanghai) Company Limited became the Company's indirect subsidiary. The investment of USD 469 thousand in AIO (Shanghai) Company Limited had been permitted by Investment Commission.

Note 9: WPG International (Hong Kong) Limited invested in WPG (Shenzhen) Inc. in the amount of HKD 10 million, which is part of the distribution of earnings from WPG China Inc. The investment had been permitted by Investment Commission, and was excluded from the ceiling of investment amount in Mainland China.

Note 10: For paid-in capital, amount remitted from Taiwan to Mainland China/ amount remitted back to Taiwan for the six months ended June 30, 2016, accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2016, book value of investments in Mainland China as of June 30, 2016, accumulated amount of investment income remitted back to Taiwan as of June 30, 2016, etc., the exchange rates used were USD 1: NTD 32.275, HKD 1: NTD 4.159 and RMB 1: NTD 4.845.

Note 11: The ending balance of investment was calculated based on combined ownership percentage held by the Company.

Note 12: It was liquidated in September 2015.

Note 13: Shenzhen HQPG Electronic Information Co., Ltd. was disposed in August 2015.

Note 14: On December 25, 2016 Genuine C&C Holding Inc. (Seychelles) has sold Dalian Kaiyuan Innovation Digital Co., Ltd. and the transaction amounted to RMB\$2,150 thousand. However, the amount was not collected as of August 9, 2016.

Note 15: Except for WPG China Inc., WPG China (SZ) Inc. and Hubei Xinsheng Technology Management Co., Ltd., the investment income/loss for the six months ended June 30, 2016 that was recognised by the Company was based on the financial statements reviewed by international accounting firm which has cooperative relationship with accounting firm in R.O.C. The remaining investment income/loss was measured based on unreviewed financial statements of investee during the same period.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2016	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
WPG Holdings Limited	\$ 2,138,790	\$ 2,251,257	\$ 27,679,825
World Peace Industrial Co., Ltd.	267,748	626,526	12,026,129
Richpower Electronic Devices Co., Ltd.	22,108	16,138	1,260,171
Silicon Application Corp.	13,929	20,250	3,592,971
Pernas Electronics Co., Ltd.	32,275	32,275	572,963
Yosun Industrial Corp.	248,521	476,508	7,066,792
Sertek Incorporated	-	80,688	861,089
AECO Technology Co., Ltd.	126,518	126,518	660,411
WPG Investment Co., Ltd.	5,175	15,763	301,023
Genuine C&C Inc.	144,089	144,012	653,066

(1) Exchange rates as of June 30, 2016 were USD 1: NTD 32.275, HKD 1 : NTD 4.159 and RMB 1 : NTD 4.845.

(2) The ceiling of investment amount of the company is calculated based on the investor's net assets.

(3) Richpower Electronic Devices Co., Ltd. had cancelled USD 185 thousand of the investment amount from Investment Commission. Since the investee had liquidated but the investment was not remitted back, the investment amount was included in the accumulated amount remitted out of Taiwan to Mainland China.