WPG HOLDINGS LIMITED AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

SEPTEMBER 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 September 30, 2016 and 2015, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2016 and 2015, as well as the consolidated statements of changes in equity and of cash flows for the nine 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 $18,400,020 thousand and $22,756,194 thousand, constituting 10% and 12% of the consolidated total assets, and total liabilities of $5,353,456 thousand and $11,323,635 thousand, constituting 4% and 8% of the consolidated total liabilities as of September 30, 2016 and 2015, respectively, and total comprehensive income (including other comprehensive income of associates and joint ventures accounted for under equity method) of $138,014 thousand, $88,514 thousand, $321,468 thousand and $349,950 thousand, constituting 1,118%, 2%, 18% and 6% of the consolidated total comprehensive income for the three months and nine 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 nine months ended September 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

November 8, 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
SEPTEMBER 30, 2016, DECEMBER 31, 2015, AND SEPTEMBER 30, 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(THE CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2016 AND 2015
WERE REVIEWED BUT NOT AUDITED IN CONFORMITY WITH R.O.C. GAAS)

		September 30, 2016		December 31, 2015		September 30, 2015	
ASSETS	Notes	Amount	%	Amount	%	Amount	%
Current Assets							
Cash and cash equivalents	6(1)	$ 7,054,742	4	$ 9,446,642	5	$ 10,195,497	6
Financial assets at fair value through profit or loss - current	6(2)	22,838	-	62,266	-	54,318	-
Available-for-sale financial assets - current	6(3)	22,120	-	35,786	-	36,317	-
Notes receivable, net	6(4)	7,716,520	4	6,511,976	4	4,087,142	2
Accounts receivable, net	6(5) and 8	86,124,675	49	85,440,433	48	88,755,942	47
Accounts receivable - related parties, net	7	191,605	-	319,058	-	323,876	-
Other receivables		7,663,032	4	9,178,333	5	5,185,633	3
Other receivables - related parties	7	52,659	-	95,876	-	89,109	-
Current income tax assets		106,223	-	1,033	-	1,949	-
Inventories	6(7)	50,926,904	29	50,295,037	28	60,685,840	32
Prepayments		1,632,432	1	2,801,241	1	3,271,842	2
Other current assets	8	2,232,490	1	1,299,731	1	1,850,802	1
		163,746,240	92	165,487,412	92	174,538,267	93
Non-current Assets							
Available-for-sale financial assets - non-current	6(8) and 8	332,242	-	335,296	-	320,954	-
Financial assets carried at cost - non-current	6(9)	441,527	-	468,031	-	453,953	-
Investments in debt instrument without active market - non-current		-	-	5,000	-	5,000	-
Investments accounted for under the equity method	6(10)	1,099,270	1	555,054	1	592,250	-
Property, plant and equipment	6(11) and 8	4,566,486	3	4,656,320	3	4,639,437	3
Investment property, net	6(12) and 8	1,028,131	1	1,141,609	1	1,148,788	1
Intangible assets	6(13)	5,581,535	3	5,671,154	3	5,678,399	3
Deferred income tax assets		317,320	-	335,020	-	435,938	-
Other non-current assets	6(15) and 8	385,252	-	396,969	-	473,052	-
		13,751,763	8	13,564,453	8	13,747,771	7
TOTAL ASSETS		$177,498,003	100	$179,051,865	100	$188,286,038	100

(Continued)

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

		September 30, 2016		December 31, 2015		September 30, 2015	
LIABILITIES AND EQUITY	Notes	Amount	%	Amount	%	Amount	%
Current Liabilities							
Short-term borrowings	6(16)	$ 47,486,763	27	$ 54,575,352	30	$ 53,405,951	28
Short-term notes and bills payable	6(17)	4,043,045	2	3,708,197	2	4,616,080	2
Financial liabilities at fair value through profit or loss - current	6(2)	19,124	-	26,719	-	8,424	-
Notes payable		925,392	1	727,694	-	883,788	1
Accounts payable		51,772,550	29	44,513,040	25	55,126,956	29
Accounts payable - related parties	7	1,289	-	2,121	-	59	-
Other payables		5,748,331	3	5,055,168	3	6,052,386	3
Current income tax liabilities		781,934	-	889,808	1	1,046,057	1
Other current liabilities	6(18)(19)	11,699,452	7	2,087,756	1	5,317,244	3
		122,477,880	69	111,585,855	62	126,456,945	67
Non-current Liabilities							
Bonds payable	6(18)	-	-	5,875,383	3	5,855,471	3
Long-term borrowings	6(19)	6,523,968	4	12,126,659	7	7,572,223	4
Deferred income tax liabilities		396,777	-	442,058	-	468,392	-
Other non-current liabilities		682,552	-	704,152	1	518,885	1
		7,603,297	4	19,148,252	11	14,414,971	8
Total Liabilities		130,081,177	73	130,734,107	73	140,871,916	75
Equity Attributable to Owners of Parent							
Capital							
Common stock	1 and 6(21)	16,927,825	10	16,557,092	9	16,557,092	9
Capital reserve	6(22)						
Capital reserve		16,112,875	9	15,187,178	8	15,186,826	8
Retained earnings	6(23)						
Legal reserve		4,012,786	2	3,470,739	2	3,470,739	2
Undistributed earnings	6(31)	10,462,460	6	10,002,877	6	8,894,398	5
Other equity interest							
Other equity interest	6(24)	(599,125)	-	2,553,776	2	2,748,275	1
Treasury share							
Treasury share	6(21)	-	-	(1,242)	-	(1,252)	-
Total equity attributable to owners of parent		46,916,821	27	47,770,420	27	46,856,078	25
Non-controlling interests		500,005	-	547,338	-	558,044	-
Total equity		47,416,826	27	48,317,758	27	47,414,122	25
Significant contingent liabilities and unrecognised contract commitments	9						
Significant events after the balance sheet date	11						
TOTAL LIABILITIES AND EQUITY		$177,498,003	100	$179,051,865	100	$188,286,038	100

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated November 8, 2016.

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

		Three months ended September 30,				Nine months ended September 30,			
		2016		2015		2016		2015	
Items	Notes	Amount	%	Amount	%	Amount	%	Amount	%
Operating revenues	6(25) and 7	$ 142,258,767	100	$ 140,469,149	100	$ 397,550,835	100	$ 372,935,787	100
Operating costs	6(7) and 7	(136,327,859)	(96)	(134,786,761)	(96)	(380,729,104)	(96)	(357,064,430)	(96)
Gross profit		5,930,908	4	5,682,388	4	16,821,731	4	15,871,357	4
Operating expenses	6(29)(30)								
Selling and marketing		(2,303,747)	(2)	(2,158,679)	(2)	(6,646,512)	(2)	(6,098,276)	(2)
General and administrative		(1,072,062)	-	(1,182,014)	-	(3,126,545)	-	(3,353,367)	-
Total operating expenses		(3,375,809)	(2)	(3,340,693)	(2)	(9,773,057)	(2)	(9,451,643)	(2)
Operating income		2,555,099	2	2,341,695	2	7,048,674	2	6,419,714	2
Non-operating income and expenses									
Other income	6(26)	88,568	-	45,290	-	274,162	-	137,857	-
Other gains or losses	6(27)	(1,036)	-	(82,078)	-	(2,808)	-	15,712	-
Financial costs	6(28)	(379,870)	-	(360,401)	(1)	(1,138,119)	-	(1,030,796)	-
Share of profit of associates and joint ventures accounted for under equity method		8,284	-	14,480	-	22,300	-	25,385	-
Total non-operating income and expenses		(284,054)	-	(382,709)	(1)	(844,465)	-	(851,842)	-
Income before income tax		2,271,045	2	1,958,986	1	6,204,209	2	5,567,872	2
Income tax expense	6(31)	(397,847)	(1)	(341,089)	-	(1,213,109)	(1)	(1,386,550)	(1)
Consolidated net income		$ 1,873,198	1	$ 1,617,897	1	$ 4,991,100	1	$ 4,181,322	1
Components that will not be reclassified to profit or loss									
Remeasurement arising on defined benefit plans	6(20)	$ -	-	$ -	-	$ -	-	$ -	-
Share of other comprehensive income of associates and joint ventures accounted for using equity method - Components that will not be reclassified to profit or loss		(36)	-	-	-	(36)	-	-	-
Income tax relating to components that will not be reclassified	6(31)	-	-	-	-	-	-	-	-

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

		Three months ended September 30,				Nine months ended September 30,			
		2016		2015		2016		2015	
Items	Notes	Amount	%	Amount	%	Amount	%	Amount	%
Components of other comprehensive income (loss) that will be reclassified to profit or loss									
Exchange differences on translation of foreign financial statements		($ 1,871,905)	(1)	$ 3,455,350	3	($ 3,205,915)	(1)	$ 1,951,429	1
Unrealised gain (loss) on available-for-sale financial assets	6(24)	(1,041)	-	(50,388)	-	11,129	-	(110,574)	-
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		(6,628)	-	8,666	-	(4,814)	-	3,148	-
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(31)	18,754	-	(37,968)	-	40,367	-	(19,997)	-
Total other comprehensive loss, net		($ 1,860,856)	(1)	$ 3,375,660	3	($ 3,159,269)	(1)	$ 1,824,006	1
Total comprehensive income		$ 12,342	-	$ 4,993,557	4	$ 1,831,831	-	$ 6,005,328	2
Consolidated net income attributable to:									
Owners of parent		$ 1,867,350	1	$ 1,617,130	1	$ 4,975,368	1	$ 4,175,335	1
Non-controlling interests		5,848	-	767	-	15,732	-	5,987	-
		$ 1,873,198	1	$ 1,617,897	1	$ 4,991,100	1	$ 4,181,322	1
Comprehensive income attributable to:									
Owners of parent		($ 6,153)	-	$ 4,949,086	4	$ 1,822,431	-	$ 5,939,849	2
Non-controlling interests		18,495	-	44,471	-	9,400	-	65,479	-
		$ 12,342	-	$ 4,993,557	4	$ 1,831,831	-	$ 6,005,328	2
Earnings per share (in dollars)									
Basic earnings per share	6(32)	$ 1.12		$ 0.98		$ 2.99		$ 2.52	
Diluted earnings per share	6(32)	$ 1.03		$ 0.90		$ 2.76		$ 2.34	

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated November 8, 2016.

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

		Attributable to owners of the Company										
				Retained Earnings			Other equity interest					
	Notes	Common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences of foreign financial statements	Unrealized gain or loss on available-for-sale financial assets	Treasury stocks	Total	Non-controlling interests	Total equity
2015												
Balance at January 1, 2015		$ 16,557,092	$ 15,185,802	$ 2,890,021	$ 1,937,752	$ 7,501,303	$ 908,749	$ 75,012	$ -	$ 45,055,731	$ 61,951	$ 45,117,682
Distribution of retamed earnings for 2014												
Legal reserve appropriated	6(23)	-	-	580,718	-	(580,718)	-	-	-	-	-	-
Special reserve reversed	6(23)	-	-	-	(1,937,752)	1,937,752	-	-	-	-	-	-
Cash dividends distributed to shareholders	6(23)	-	-	-	-	(4,139,274)	-	-	-	(4,139,274)	-	(4,139,274)
Changes in capital reserve		-	1,024	-	-	-	-	-	-	1,024	-	1,024
Treasury stocks received through acquisition of subsidiary	6(21)	-	-	-	-	-	-	-	(1,589)	(1,589)	-	(1,589)
Market fluctuation of treasurey stocks received through acquisition of subsidiary	6(21)	-	-	-	-	-	-	-	337	337	-	337
Total consolidated profit		-	-	-	-	4,175,335	-	-	-	4,175,335	5,987	4,181,322
Net other comprehensive income (loss)	6(24)	-	-	-	-	-	1,875,088	(110,574)	-	1,764,514	59,492	1,824,006
Effect of changes in consoliated entities		-	-	-	-	-	-	-	-	-	422,196	422,196
Effect of non-controlling interests		-	-	-	-	-	-	-	-	-	8,418	8,418
Balance at September 30, 2015		$ 16,557,092	$ 15,186,826	$ 3,470,739	$ -	$ 8,894,398	$ 2,783,837	($ 35,562)	($ 1,252)	$ 46,856,078	$ 558,044	$ 47,414,122
2016												
Balance at January 1, 2016		$ 16,557,092	$ 15,187,178	$ 3,470,739	$ -	$ 10,002,877	$ 2,574,750	($ 20,974)	($ 1,242)	$ 47,770,420	$ 547,338	$ 48,317,758
Distribution of retamed earnings for 2015												
Legal reserve appropriated	6(23)	-	-	542,047	-	(542,047)	-	-	-	-	-	-
Cash dividends distributed to shareholders	6(23)	-	-	-	-	(3,973,702)	-	-	-	(3,973,702)	-	(3,973,702)
Changes in capital reserve	6(22)	-	(144)	-	-	-	-	-	-	(144)	-	(144)
Total consolidated profit		-	-	-	-	4,975,368	-	-	-	4,975,368	15,732	4,991,100
Net other comprehensive income (loss)	6(24)	-	-	-	-	(36)	(3,164,030)	11,129	-	(3,152,937)	(6,332)	(3,159,269)
Exercised convertible bonds	6(21)	370,733	925,392	-	-	-	-	-	-	1,296,125	-	1,296,125
Disposal of company's share by subsidiaries recognized as treasury share transactions		-	449	-	-	-	-	-	1,242	1,691	-	1,691
Effect of changes in consolidated entities		-	-	-	-	-	-	-	-	-	(37,521)	(37,521)
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	(19,212)	(19,212)
Balance at September 30, 2016		$ 16,927,825	$ 16,112,875	$ 4,012,786	$ -	$ 10,462,460	($ 589,280)	($ 9,845)	$ -	$ 46,916,821	$ 500,005	$ 47,416,826

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

See review report of independent accountants dated November 8, 2016.

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

	Notes	2016	2015
Cash flows from operating activities			
Income before income tax		$ 6,204,209	$ 5,567,872
Adjustments to reconcile consolidated net income to net cash provided by operating activities:			
Income and expenses			
Depreciation	6(29)	175,256	174,552
Amortisation	6(29)	28,425	88,823
Bad debts expense		52,852	299,851
Interest expense	6(28)	923,222	837,261
Net gain on financial assets or liabilities at fair value through profit or loss	6(27)	21,917	(43,301)
Interest income	6(26)	(27,088)	(25,063)
Dividend income	6(26)	(40,952)	(46,654)
Share of profit of associates and joint ventures accounted for under equity method		(22,300)	(25,385)
Loss (gain) on disposal of property, plant and equipment and investment property	6(27)	4,252	(15,341)
Gain on disposal of investments	6(27)	(976)	(72,692)
Impairment loss	6(27)	62,103	3,275
Amortisation of bond discount	6(18)(28)	58,003	59,331
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		9,916	38,916
Notes receivable, net		(1,204,544)	(778,165)
Accounts receivable, net		(941,477)	(9,181,587)
Accounts receivable - related parties, net		127,453	(54,335)
Other receivables		1,409,607	(2,719,059)
Other receivables - related parties		43,217	80,310
Inventories		(689,011)	(12,501,681)
Prepayments		1,168,182	(1,084,128)
Other current assets		20,006	(21,611)
Changes in liabilities relating to operating activities			
Notes payable		197,698	444,876
Accounts payable		7,411,861	13,546,932
Accounts payable - related parties		(832)	(1,999)
Other payables		737,897	1,078,622
Other current liabilities		195,528	175,090
Cash inflow generated from (used in) operations		15,924,424	(4,175,290)
Interest paid		(956,888)	(924,295)
Income tax paid		(1,141,360)	(1,102,200)
Interest received		36,797	51,874
Dividends received		90,878	87,164
Net cash provided by (used in) operating activities		13,953,851	(6,062,747)

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

	Notes	2016	2015
Cash flows from investing activities			
Acquisition of financial assets carried at cost - non-current		$ -	($ 75,000)
Acquisition of available-for-sale financial assets - current		-	(32,700)
Proceeds from disposal of available-for-sale financial assets - current		14,780	57,471
Proceeds from disposal of available-for-sale financial assets - non-current		-	28,970
Proceeds from disposal of financial assets carried at cost - non-current		30,825	29,201
Proceeds from capital reduction of available-for-sale financial assets		9,182	-
Increase in other financial assets		(966,648)	(1,161,723)
Acquisition of investments accounted for under equity method		(610,051)	(3,000)
Proceeds from disposal of property, plant and equipment		7,572	30,345
Acquisition of property, plant and equipment and intangible assets	6(35)	(106,687)	(88,682)
Decrease in refundable deposits		62,130	14,588
Increase in prepayments for investments		(46,320)	-
Net cash flow from acquisition of subsidiaries	6(34)	-	(51,299)
Disposal of subsidiaries	6(35)	(34,111)	-
Proceeds from repayments of investments in debt instrument without active market		5,000	-
Decrease (increase) in other non-current assets		1,121	(28,471)
Net cash used in investing activities		(1,633,207)	(1,280,300)
Cash flows from financing activities			
Increase in short-term borrowings		728,924,180	628,932,874
Decrease in short-term borrowings		(735,954,075)	(620,959,182)
Increase in long-term borrowings (including current portion of long-term liabilities)		10,879,738	13,234,599
Decrease in long-term borrowings (including current portion of long-term liabilities)		(11,695,725)	(12,852,395)
(Decrease) increase in non-controlling interests		(19,212)	8,418
Increase in short-term notes and bills payable		18,769,734	21,977,687
Decrease in short-term notes and bills payable		(18,434,886)	(21,449,373)
(Decrease) increase in other non-current liabilities		(21,600)	13,469
Shareholders' cash dividends paid	6(23)	(3,973,702)	(4,139,274)
Net cash (used in) provided by financing activities		(11,525,548)	4,766,823
Effect of exchange rate changes on cash and cash equivalents		(3,186,996)	1,586,862
Net decrease in cash and cash equivalents		(2,391,900)	(989,362)
Cash and cash equivalents at beginning of period		9,446,642	11,184,859
Cash and cash equivalents at end of period		$ 7,054,742	$ 10,195,497

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated November 8, 2016.

WPG HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 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 September 30, 2016, the Company had issued capital of $16,927,825 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 reported to and issuance by the Board of Directors on November 8, 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 are as follows:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
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 are as follows:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Classification and measurement of share-based payment transactions (amendment to IFRS 2)	January 1, 2018
Applying IFRS 9 'Financial instruments' with IFRS 4'Insurance contracts' (amendments to IFRS 4)	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 "Regulations Governing the Preparation of Financial Statements by Securities Issuers" and International Accounting Standards 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
			September 30, 2016	December 31, 2015	September 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

Name of investment company	Name of subsidiaries	Main activities	Ownership (%) September 30, 2016	Ownership (%) December 31, 2015	Ownership (%) September 30, 2015	Note
WPG Holdings Limited	WPG Electronic Ltd.	Agent and sales of electronic / electrical components	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	
WPG Holdings Limited	Yosun Industrial Corp.	〃	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

Name of investment company	Name of subsidiaries	Main activities	Ownership (%) September 30, 2016	December 31, 2015	September 30, 2015	Note
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
World Peace International Pte. Ltd.	WPG Americas Inc.	〃	4.31	4.31	4.32	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	

Name of investment company	Name of subsidiaries	Main activities	Ownership (%) September 30, 2016	December 31, 2015	September 30, 2015	Note
WPI Investment Holding (BVI) Company Ltd.	WPG Gain Tune Ltd.	Agent and sales of electronic / electrical components	-	-	-	Note 3
WPI Investment Holding (BVI) Company Ltd.	WPI International Trading (Shenzhen) Ltd.	〃	-	-	-	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
WPI International (Hong Kong) Limited	WPG C&C Limited	〃	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	Note 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

Name of investment company	Name of subsidiaries	Main activities	Ownership (%) September 30, 2016	December 31, 2015	September 30, 2015	Note
Long-Think International (Hong Kong) Limited	Long-Think International (Shanghai) Limited	Agent and sales of electronic / electrical components	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
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

Name of investment company	Name of subsidiaries	Main activities	Ownership (%) September 30, 2016	December 31, 2015	September 30, 2015	Note
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	60.00	Notes 3, 7 and 8
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 (%) September 30, 2016	December 31, 2015	September 30, 2015	Note
WPG South Asia Pte. Ltd.	WPG India Electronics Pvt. Ltd.	Agent and sales of electronic / electrical components	99.99	99.99	100.00	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.	Agent and sales of electronic / electrical components	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	〃	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	

Name of investment company	Name of subsidiaries	Main activities	Ownership (%) September 30, 2016	December 31, 2015	September 30, 2015	Note
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
Mec Technology Co., Ltd.	Richpower Electronic Devices Pte., Ltd.	〃	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	Notes 8 and 21
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.	Taibaoo Creation Co., Ltd.	Retail of groceries	-	25.00	25.00	Notes 7, 8, 12 and 19
Genuine C&C,	Hat-Trick Co., Ltd.	General investment	100.00	100.00	100.00	Notes 2,

Name of investment company	Name of subsidiaries	Main activities	Ownership (%) September 30, 2016	December 31, 2015	September 30, 2015	Note
Inc.		and retail of groceries				7 and 8
Genuine C&C, Inc.	Taibaoo Creation Co., Ltd.	Retail of groceries	100.00	50.00	50.00	Notes 2, 7, 8, 12 and 19
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	Holding company	75.29	75.29	60.08	Notes 2 and 10
Genuine C&C Holding Inc. (Seychelles)	Dalian Kaiyuan Chuangcheng Digital Co., Ltd	Develop and trading of computer software and electronic products	-	-	49.00	Notes 2, 8 and 18
Genuine C&C Holding Inc. (Seychelles)	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Sales of electronic /electrical products	55.00	55.00	55.00	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	Notes 2 and 20

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 September 30, 2016, December 31, 2015 and September 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 September 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 September 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: As of December 31, 2015 and September 30, 2015, Genuine C&C, Inc. holds 50% of Taibaoo Creation Co., Ltd. Along with 25% of shares held by WPG Investment Co., Ltd., the Group holds 75% of shares of Taibaoo 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.

Note 18: Held more than half of the Board of Directors of that company on September 30, 2015. It was disposed in December 2015.

Note 19: Genuine C&C, Inc. purchased 25% of shares from WPG Investment Co., Ltd. and shareholders in August 2016. As a result, Genuine C&C, Inc. has held 100% share of ownership since the purchases.

Note 20: Genuine Trading (Hong Kong) Company Limited has disposed all share of that invested company on August 1, 2016.

Note 21: It was liquidated in September 2016.

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 September 30, 2016, December 31, 2015, and September 30, 2015, the non-controlling interest amounted to $500,005, $547,338 and $558,044, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest				
		September 30, 2016		December 31, 2015		
		Amount	Ownership	Amount	Ownership	Note
Genuine C&C, Inc. and its subsidiaries	Taiwan	$ 407,692	39.5%	$ 413,924	39.5%	

Name of subsidiary	Principal place of business	Non-controlling interest September 30, 2015		
		Amount	Ownership	Note
Genuine C&C, Inc. and its subsidiaries	Taiwan	$ 411,731	39.5%	

Summarised financial information of the subsidiaries:

(a) Balance sheets

	Genuine C&C, Inc. and its subsidiaries		
	September 30, 2016	December 31, 2015	September 30, 2015
Current assets	$ 2,520,811	$ 2,667,863	$ 2,546,253
Non-current assets	114,012	136,738	139,498
Current liabilities	(1,504,104)	(1,633,525)	(1,508,551)
Non-current liabilities	(48,092)	(51,115)	(47,481)
Total net assets	1,082,627	1,119,961	1,129,719
Less: non-controlling interest	(50,500)	(72,059)	(87,368)
Equity attributable to owners of the parent company	$ 1,032,127	$ 1,047,902	$ 1,042,351

(b) Statements of comprehensive income

	Genuine C&C, Inc. and its subsidiaries Three months ended September 30,	
	2016	2015
Revenue	$ 2,484,889	$ 2,669,274
Profit before tax	12,141	387
Income tax expense	(4,221)	(2,225)
Profit (loss) for the period	7,920	(1,838)
Other comprehensive income (loss), net of tax	(1,620)	8,867
Total comprehensive income	$ 6,300	$ 7,029
Total comprehensive loss attributable to non-controlling interest	($ 3,480)	($ 1,996)
Dividends paid to non-controlling interests	$ -	$ -

	Genuine C&C, Inc. and its subsidiaries Nine months ended September 30,	
	2016	2015
Revenue	$ 7,995,706	$ 8,309,497
Profit before tax	26,561	9,243
Income tax expense	(6,284)	(7,336)
Profit for the period	20,277	1,907
Other comprehensive income (loss), net of tax	(5,711)	5,652
Total comprehensive income	$ 14,566	$ 7,559
Total comprehensive loss attributable to non-controlling interest	($ 9,443)	($ 10,667)
Dividends paid to non-controlling interests	$ 15,715	$ 15,715

(c) Statements of cash flows

	Genuine C&C, Inc. and its subsidiaries Nine months ended September 30,	
	2016	2015
Net cash used in operating activities	($ 70,192)	($ 82,363)
Net cash used in investing activities	(4,379)	(2,398)
Net cash (used in) provided by financing activities	(105,309)	80,370
Effect of exchange rates on cash and cash equivalents	(9,092)	8,179
(Decrease) increase in cash and cash equivalents	(188,972)	3,788
Cash and cash equivalents, beginning of period	421,071	306,575
Cash and cash equivalents, end of period	$ 232,099	$ 310,363

(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) 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.

(14) 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 and structures	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

(15) Leases

If substantially all the significiant 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.

(16) 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.

(17) 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.

(18) 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.

(19) 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.

(20) 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.

(21) 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.

(22) 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.

(23) 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.

(24) 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.

(25) 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.

(26) 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.

(27) 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.

(28) 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.

(29) 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.

(30) 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 acquire 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.

(31) 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 $805,734 in its financial statements for the nine months ended September 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

A. 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.

B. Assess adequacy of allowance for doubtful receivables

In the process of assessing uncollectible accounts, the Group must use judgements and assumptions to determine the collectability of accounts receivable. The collectability is affected by various factors: customers' financial conditions, the Company's internal credit ratings, historical experience, current economic conditions and etc. When sales are not expected to be collected, the Group recognize a specific allowance for doubtful receivables after the assessment. The assumptions and estimates of allowance for uncollectible accounts are based on concerning future events as that on the balance sheet date. Assumptions and estimates may differ from the actual results which may result a material adjustment.

C. Recognize of purchase discounts

The Group purchases inventories from suppliers. The calculations of purchase discounts differ from types of purchase contracts. Due to the various types of purchase discounts, complicated calculations and historical transactions are judged based on vast purchase and sales transactions collected from data system, and then the Group assesses purchase

discount based on mutual agreed terms and historical transaction records. Assumptions and estimates may differ from the actual results which may result a material adjustment.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	September 30, 2016	December 31, 2015	September 30, 2015
Cash on hand and petty cash	$ 2,983	$ 4,270	$ 12,977
Checking accounts	1,548,202	2,591,021	2,080,074
Demand deposits	5,086,243	6,377,180	7,535,797
Time deposits	417,314	474,171	566,649
	$ 7,054,742	$ 9,446,642	$ 10,195,497

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	September 30, 2016	December 31, 2015	September 30, 2015
Current items:			
Financial assets held for trading			
Listed stocks	$ -	$ 11,938	$ 12,993
Derivatives	2,115	29,709	22,259
Domestic open-end fund	20,266	20,266	20,266
	22,381	61,913	55,518
Valuation adjustment of financial assets held for trading	457	353	(1,200)
	$ 22,838	$ 62,266	$ 54,318
Current items:			
Financial liabilities held for trading			
Derivatives	$ 19,124	$ 26,719	$ 8,424

A. The Group recognised net (loss) gain of ($30,302), $16,230, ($21,917) and $43,301 on financial assets and liabilities held for trading for the three months ended September 30, 2016 and 2015 and nine months ended September 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	September 30, 2016 Contract amount (notional principal) (Note)		Contract period	December 31, 2015 Contract amount (notional principal) (Note)		Contract period
Forward foreign exchange contracts						
- Sell	USD	1,500	2016.09.05~ 2016.10.28	USD	14,000	2015.11.26~ 2016.02.05
	EUR	750	2016.08.01~ 2016.12.16	EUR	600	2015.12.04~ 2016.02.16
- Sell-SWAP	USD	9,000	2016.09.14~ 2016.11.03	USD	15,340	2015.04.24~ 2016.06.21
- Buy	USD	28,960	2016.04.20~ 2017.06.21	USD	17,820	2015.11.20~ 2016.02.26
	EUR	2,100	2016.09.06~ 2016.10.13	EUR	1,100	2015.12.17~ 2016.01.14

Derivative instruments	September 30, 2015 Contract amount (notional principal) (Note)		Contract period
Forward foreign exchange contracts			
- Sell	USD	6,000	2015.09.15~ 2015.11.27
	EUR	520	2015.08.13~ 2015.11.16
- Sell-SWAP	USD	14,280	2015.03.23~ 2016.06.21
	KRW	1,191,600	2015.09.23~ 2015.10.30
- Buy	USD	20,829	2015.05.19~ 2015.11.27
	EUR	2,000	2015.09.09~ 2015.10.14

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

Items	September 30, 2016	December 31, 2015	September 30, 2015
Listed stocks	$ 22,547	$ 36,952	$ 37,664
Valuation adjustment of available-for-sale financial assets	(427)	(1,166)	(1,347)
	$ 22,120	$ 35,786	$ 36,317

A. The Group recognised ($666), ($50,388), $11,504 and ($55,055) in other comprehensive (loss) income for fair value change of current and non-current available-for-sale financial assets and reclassified $375, $0, $375 and $55,519 from equity to profit or loss for the

three-months ended September 30, 2016 and 2015 and nine months ended September 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

	September 30, 2016	December 31, 2015	September 30, 2015
Notes receivable	$ 7,716,520	$ 6,511,976	$ 4,087,142

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

	September 30, 2016	December 31, 2015	September 30, 2015
Accounts receivable	$ 86,793,848	$ 86,259,250	$ 89,240,732
Less: Allowance for doubtful accounts	(669,173)	(818,817)	(484,790)
	$ 86,124,675	$ 85,440,433	$ 88,755,942

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

	September 30, 2016	December 31, 2015	September 30, 2015
Group 1	$ 48,332,010	$ 30,958,362	$ 36,258,019
Group 2	32,627,860	49,343,178	48,144,549
	$ 80,959,870	$ 80,301,540	$ 84,402,568

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:

	September 30, 2016	December 31, 2015	September 30, 2015
0 to 30 days	$ 3,516,291	$ 2,991,898	$ 3,552,659
31 to 60 days	301,798	2,119,226	238,616
61 to 90 days	905,704	317,224	440,024
91 to 120 days	474,143	141,769	168,930
121 to 150 days	39,763	102,371	125,836
151 to 180 days	37,655	6,014	67,711
Over 181 days	558,624	279,208	244,388
	$ 5,833,978	$ 5,957,710	$ 3,838,164

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

	2016
	Group provision
At January 1	$ 818,817
Provision for impairment (Note)	57,578
Write-offs during the period	(10,104)
Effects of foreign exchange	(31,081)
Others (Note)	(166,037)
At September 30	$ 669,173

Note: Others included the amounts reclassified to overdue receivables and reversal and decrease of recovery of write-offs of provision for impairment of accounts receivable in prior year amounted ($171,475) and $5,438 respectively.

	2015
	Group provision
At January 1	$ 554,967
Provision for impairment	294,014
Write-offs during the period	(24,879)
Effects of foreign exchange	29,267
Others (Note)	(368,579)
At September 30	$ 484,790

Note: Others including the effect of consolidated entities and the amounts reclassified to overdue receivables that amounted to $20,830 and ($389,409), 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 September 30, 2016, December 31, 2015 and September 30, 2015, outstanding accounts receivable were as follows:

September 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	$ 1,416,527	$ 1,416,527	USD	47,500		$ 1,416,527	1.54%~1.83%	Note 1
Mega International Commercial Bank	2,970,695	2,970,695	USD	166,900		2,238,183	1.27%~2.03%	Note 2
			$	480,000				
ANZ Bank	-	-	USD	60,000		-	-	None
CTBC Bank	2,274,968	2,274,968	USD	15,000		2,152,360	1.29%~1.57%	Note 3
			$	3,582,000				
E. SUN Commercial Bank	2,676,910	2,676,910	USD	206,500		2,244,864	1.30%~2.15%	Note 4
			$	20,000				
Taipei Fubon Commercial Bank	1,562,116	1,562,116	$	3,099,300		1,012,794	1.12%~1.48%	Note 5
Industrial Bank of Taiwan	367,209	367,209	$	527,505		367,209	1.22%~1.32%	Note 6
Yuanta Commercial Bank	399,674	399,674	USD	25,000		108,893	1.52%~1.75%	Note 7
			$	1,400,000				

September 30, 2016							
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities (In Thousands)		Amount advanced	Interest rate of amount advanced	Pledged assets
The Hong Kong and Shanghai Banking Corporation Limited	1,860,471	1,860,471	USD	146,700	1,842,466	1.11%~1.12%	Note 8
Ta Chong Bank	465,084	465,084	USD	3,500	25,524	1.85%	Note 9
			$	914,215			
Standard Chartered Bank	39,185	39,185	USD	60,120	-	-	None
Taishin International Bank	4,788,259	4,788,259	$	9,000,000	960,907	1.19%~1.65%	Note 10
Bank SinoPac	478,442	478,442	USD	23,500	422,252	1.12%~1.98%	Note 11
			$	3,050			
Far Eastern International Bank	$ 222,263	222,263	USD	22,000	$ 123,513	1.54%~1.76%	Note 12
			$	400,000			
Chang Hwa Bank	480,643	480,643	USD	44,300	294,190	1.40%~2.18%	Note 13
DBS Bank	1,091,366	1,091,366	USD	92,000	1,027,404	1.00%~2.05%	Note 14
Shin Kong Bank	10,686	$ 10,686	USD	2,250	5,577	1.71%	Note 15
			$	10,000			
Taiwan Cooperative Bank	42,555	42,555	USD	3,000	40,428	1.41%~1.64%	Note 16
Hang Seng Bank	1,292,042	1,292,042	USD	88,000	1,151,710	1.50%~1.81%	Note 17
KGI Bank	359,506	359,506	$	850,000	359,506	1.25%~1.55%	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 166,900 thousand and $530,000 that were pledged to others as collateral.

Note 3: The Group has signed commercial papers amounting to USD 15 million and $447,600 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 135,630 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 22 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 44,300 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 140 thousand that were pledged to others as collateral.

Note 18: The Group has signed commercial papers amounting to $760,000 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			

December 31, 2015							
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities (In Thousands)		Amount advanced	Interest rate of amount advanced	Pledged assets
Far Eastern	192,864	192,864	USD	22,000	$ 115,972	1.25%~1.56%	Note 12
International Bank			$	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
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.

September 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	$ 1,488,697	$ 1,488,697	USD	47,500	$ 1,488,697	1.32%~1.49%	Note 1
Mega International Commercial Bank	4,601,671	4,601,671	USD	148,900	4,208,391	1.10%~1.53%	Note 2
			$	870,000			
ANZ Bank	2,678,779	2,678,779	USD	100,000	2,678,779	1.54%~1.75%	None
CTBC Bank	2,772,267	2,772,267	USD	28,000	2,514,683	1.06%~1.44%	Note 3
			$	3,148,000			
E. SUN Commercial Bank	2,208,043	2,208,043	USD	150,500	1,849,487	1.15%~1.36%	Note 4
			$	20,000			
Taipei Fubon Commercial Bank	1,731,709	1,731,709	$	3,109,300	1,688,571	1.05%~1.42%	Note 5
Industrial Bank of Taiwan	82,400	82,400	$	244,432	-	-	Note 6
Yuanta Commercial Bank	505,288	505,288	USD	25,000	339,697	1.15%~1.37%	Note 7
			$	2,572,000			
The Hong Kong and Shanghai Banking Corporation Limited	2,908,631	2,908,631	USD	182,800	2,672,016	0.98%	Note 8
Ta Chong Bank	290,080	290,080	USD	12,700	138,811	1.45%~1.63%	Note 9
			$	1,700,000			
Standard Chartered Bank	882,680	882,680	USD	71,130	530,170	1.15%~1.79%	None
Taishin International Bank	5,576,889	5,576,889	$	8,500,000	4,043,111	1.35%~2.05%	Note 10
Bank SinoPac	85,660	85,660	$	950,000	3,301	1.36%~1.43%	Note 11
Far Eastern International Bank	241,172	241,172	USD	22,000	120,724	1.22%~1.42%	Note 12
			$	400,000			
Chang Hwa Bank	167,888	167,888	USD	28,400	151,618	1.00%~1.5%	Note 13
			$	1,600			
DBS Bank	433,456	433,456	USD	48,000	354,641	1.16%~1.29%	Note 14

September 30, 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	$ 12,359	$ 12,359	USD	4,500	$ 11,006	1.26%~1.36%	Note 15
			$	10,000			
Taiwan Cooperative Bank	32,231	32,231	USD	6,700	29,008	1.07%~1.31%	Note 16
En Tie Bank	4,621	4,621	USD	2,600	4,159	1.44%~1.51%	Note 17
			$	20,000			
Hang Seng Bank	745,274	745,274	USD	28,000	374,491	1.20%~1.25%	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 148,900 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 150,500 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 $2,572,000 that were pledged to others as collateral.

Note 8: The Group has signed commercial papers amounting to USD 164,520 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 $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 42,700 thousand and $1,600 that were pledged to others as collateral.

Note 14: The Group has signed commercial papers amounting to USD 70 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 $110,620, $81,863, $287,425 and $226,020 when transferring the derecognised accounts receivable for the three months ended September 30, 2016 and 2015 and nine months ended September 30, 2016 and 2015, respectively.

(7) Inventories

	September 30, 2016		
	Cost	Allowance for valuation	Book value
Inventories	$ 49,109,110	($ 1,105,966)	$ 48,003,144
Inventories in transit	2,923,760	-	2,923,760
	$ 52,032,870	($ 1,105,966)	$ 50,926,904

	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
	$ 51,113,562	($ 818,525)	$ 50,295,037

	September 30, 2015		
	Cost	Allowance for valuation	Book value
Inventories	$ 58,211,776	($ 817,441)	$ 57,394,335
Inventories in transit	3,291,505	-	3,291,505
	$ 61,503,281	($ 817,441)	$ 60,685,840

The cost of inventories recognised as expense for the period:

	Three months ended September 30,	
	2016	2015
Cost of goods sold	$ 136,164,456	$ 134,605,265
Loss on price decline in inventory	161,308	180,881
Loss on physical inventory	2,095	615
Cost of goods sold	$ 136,327,859	$ 134,786,761

	Nine months ended September 30,	
	2016	2015
Cost of goods sold	$ 380,228,528	$ 356,903,430
Loss on price decline in inventory	496,812	158,868
Loss on physical inventory	3,764	2,132
Cost of goods sold	$ 380,729,104	$ 357,064,430

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

Investee company	September 30, 2016	December 31, 2015	September 30, 2015
Nichidenbo Corporation	$ 231,990	$ 231,990	$ 231,990
Promaster Technology Corp.	49,605	49,605	49,605
Apollo Electronics Group Ltd.	33,973	47,414	47,478
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	9,587	9,587	9,588
	364,266	377,707	377,772
Add: valuation adjustment	(24,223)	(34,610)	(49,017)
Less: accumulated impairment	(7,801)	(7,801)	(7,801)
	$ 332,242	$ 335,296	$ 320,954

A. There is no investment in available-for-sale financial asset attributed to debt instruments.

B. As of September 30, 2016, December 31, 2015 and September 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 September 30, 2016 and 2015, and nine months ended September 30, 2016 and 2015 are described in Note 6(3).

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

Investee company	September 30, 2016	December 31, 2015	September 30, 2015
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
Bettery 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
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
Systemweb Technologies	12,600		
Co., Ltd.		12,600	12,600
Remotek Corporation	-	13,520	13,520
TekCare Corporation	-	12,600	12,600
Others	55,928	49,790	50,355
	558,590	578,572	515,773
Less: Accumulated impairment	(117,063)	(110,541)	(61,820)
	$ 441,527	$ 468,031	$ 453,953

A. As of September 30, 2016, December 31, 2015 and September 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. The group evaluated the investment value of some of the above financial assets that had impaired. Details are provided in Note 6(14).

(10) Investments accounted for under the equity method

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

Investee company	September 30, 2016	December 31, 2015	September 30, 2015
CECI Technology Co. Ltd	$ 573,070	$ -	$ -
ChainPower Technology Corp.	145,046	201,873	216,033
Sunrise Technology Co., Ltd.	79,259	79,911	82,584
Eesource Corp.	75,029	73,387	70,673
Suzhou Xinning Bonded Warehouse Co., Ltd.	50,763	55,123	54,327
Adivic Technology Co., Ltd.	38,126	31,230	40,207
Yosun Japan Corp.	34,032	40,257	45,558
Suzhou Xinning Logistics Co., Ltd.	32,947	37,604	39,802
Gain Tune Logistics (Shanghai) Co., Ltd.	33,833	35,199	33,922
VITEC WPG Limtied	36,660	-	-
Others	505	470	9,144
	$ 1,099,270	$ 555,054	$ 592,250

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 September 30, 2016, December 31, 2015 and September 30, 2015, the carrying amount of the Group's individually immaterial associates amounted to $1,099,270, $550,054 and $592,250, respectively.

	Three months ended September 30,	
	2016	2015
Profit for the period from continuing operations	$ 112,875	$ 43,648
Other comprehensive income (loss) - net of tax	(10,309)	20,406
Total comprehensive income	$ 102,566	$ 64,054

	Nine months ended September 30,	
	2016	2015
Profit for the period from continuing operations	$ 174,411	$ 100,986
Other comprehensive loss, net of tax	(16,995)	12,409
Total comprehensive income	$ 157,416	$ 113,395

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

months ended September 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 September 30, 2016 and 2015, and nine months ended September 30, 2016 and 2015.

(11) Property, plant and equipment

	Land	Buildings	Transportation equipment	Furniture and fixtures	Leasehold improvements	Others	Construction in progress and equipment to be tested	Total
At January 1, 2016								
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)
	$2,289,693	$1,939,741	$ 6,612	$ 141,592	$ 227,148	$ 51,076	$ 458	$4,656,320
Nine months ended September 30, 2016								
Opening net book amount	$2,289,693	$1,939,741	$ 6,612	$ 141,592	$ 227,148	$ 51,076	$ 458	$4,656,320
Additions	-	2,581	4,816	18,828	35,733	9,543	22,293	93,794
Disposals	-	(48)	(467)	(3,377)	(5,764)	(207)	(243)	(10,106)
Transfer (Note)	23,082	24,533	(484)	1,240	1,869	353	(3,007)	47,586
Decrease in consolidated entities	-	-	-	(2,093)	-	-	-	(2,093)
Depreciation charge	-	(50,862)	(1,962)	(44,918)	(39,779)	(21,990)	-	(159,511)
Effect due to changes in exchange rates	9,409	(60,319)	(375)	(4,094)	(7,081)	3,592	(636)	(59,504)
Closing net book amount	$2,322,184	$1,855,626	$ 8,140	$ 107,178	$ 212,126	$ 42,367	$ 18,865	$4,566,486
At September 30, 2016								
Cost	$2,323,766	$2,330,714	$ 19,501	$ 518,958	$ 512,928	$ 199,734	$ 18,865	$5,924,466
Accumulated depreciation	-	(464,324)	(11,361)	(411,780)	(300,802)	(157,367)	-	(1,345,634)
Accumulated impairment	(1,582)	(10,764)	-	-	-	-	-	(12,346)
	$2,322,184	$1,855,626	$ 8,140	$ 107,178	$ 212,126	$ 42,367	$ 18,865	$4,566,486

Note: Inventories and investment properties amounted $81 and $47,505, were transferred to property, plant and equipment.

	Land	Buildings	Transportation equipment	Office equipment	Leasehold improvements	Others	Construction in progress and equipment to be tested	Total
At January 1, 2015								
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)
	$2,289,641	$1,930,378	$ 4,364	$ 139,485	$ 248,476	$ 54,779	$ 4,727	$4,671,850
Nine months ended September 30, 2015								
Opening net book amount	$2,289,641	$1,930,378	$ 4,364	$ 139,485	$ 248,476	$ 54,779	$ 4,727	$4,671,850
Additions	-	5,024	2,218	28,024	16,774	20,079	1,774	73,893
Disposals	(191)	(571)	(151)	(2,413)	(306)	(204)	-	(3,836)
Transfer	-	(146)	-	1,969	6,127	-	(6,127)	1,823
Acquired from business combinations	-	-	1,274	12,940	6,387	319	-	20,920
Depreciation charge	-	(46,001)	(1,660)	(50,407)	(39,839)	(20,406)	-	(158,313)
Effect due to changes in exchange rates	1,412	27,057	119	1,029	3,233	270	(20)	33,100
Closing net book amount	$2,290,862	$1,915,741	$ 6,164	$ 130,627	$ 240,852	$ 54,837	$ 354	$4,639,437
At September 30, 2015								
Cost	$2,292,444	$2,371,152	$ 19,938	$ 512,894	$ 529,827	$ 199,612	$ 354	$5,926,221
Accumulated depreciation	-	(444,646)	(13,774)	(382,267)	(288,975)	(144,775)	-	(1,274,437)
Accumulated impairment	(1,582)	(10,765)	-	-	-	-	-	(12,347)
	$2,290,862	$1,915,741	$ 6,164	$ 130,627	$ 240,852	$ 54,837	$ 354	$4,639,437

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

(12) Investment property

	Land	Buildings	Total
At January 1, 2016			
Cost	$ 344,833	$ 919,470	$ 1,264,303
Accumulated depreciation	-	(122,694)	(122,694)
	$ 344,833	$ 796,776	$ 1,141,609
Nine months ended September 30, 2016			
Opening net book amount	$ 344,833	$ 796,776	$ 1,141,609
Depreciation charge	-	(15,745)	(15,745)
Transfer (Note)	(23,082)	(24,423)	(47,505)
Effect due to changes in exchange rates	-	(50,228)	(50,228)
Closing net book amount	$ 321,751	$ 706,380	$ 1,028,131
At September 30, 2016			
Cost	$ 321,751	$ 833,953	$ 1,155,704
Accumulated depreciation	-	(127,573)	(127,573)
	$ 321,751	$ 706,380	$ 1,028,131

Note: Investment property amounting to $47,505 for the nine months ended September 30, 2016 was transferred to property, plant and equipment. Please refer to Note 6(11).

	Land	Buildings	Total
At January 1, 2015			
Cost	$ 349,968	$ 898,656	$ 1,248,624
Accumulated depreciation	-	(99,999)	(99,999)
	$ 349,968	$ 798,657	$ 1,148,625
Nine months ended September 30, 2015			
Opening net book amount	$ 349,968	$ 798,657	$ 1,148,625
Disposals	(5,135)	(5,364)	(10,499)
Depreciation charge	-	(16,239)	(16,239)
Transfer (Note)	-	404	404
Effect due to changes in exchange rates	-	26,497	26,497
Closing net book amount	$ 344,833	$ 803,955	$ 1,148,788
At September 30, 2015			
Cost	$ 344,833	$ 922,090	$ 1,266,923
Accumulated depreciation	-	(118,135)	(118,135)
	$ 344,833	$ 803,955	$ 1,148,788

Property, plant and equipment amounting to $404 for the nine months ended September 30, 2015 was transferred to investment property. Please refer to Note 6(11).

A. Rental income from investment property and direct operating expenses arising from the

investment property are shown below:

	Three months ended September 30,	
	2016	2015
Rental revenue from investment property	$ 12,840	$ 6,864
Direct operating expenses arising from the investment property that generated rental income in the period	$ 4,322	$ 4,141
Direct operating expenses arising from the investment property that did not generate rental income in the period	$ 1,608	$ 1,308

	Nine months ended September 30,	
	2016	2015
Rental income from investment property	$ 31,596	$ 22,578
Direct operating expenses arising from the investment property that generated rental income in the period	$ 10,694	$ 8,868
Direct operating expenses arising from the investment property that did not generate rental income in the period	$ 5,051	$ 7,322

B. The fair value of the investment property held by the Group as of September 30, 2016, December 31, 2015 and September 30, 2015 was $1,536,660, $1,647,280 and $1,712,984, respectively. The fair value as of September 30, 2016, December 31, 2015 and September 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. Investment property that is pledged for guarantee, please refer to Note 8.

(13) Intangible assets

	Operating right	Software	Goodwill	Others	Total
At January 1, 2016					
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)
	$ 7,225	$ 34,706	$ 5,617,518	$ 11,705	$5,671,154
Nine months ended September 30, 2016					
Opening net book amount	$ 7,225	$ 34,706	$ 5,617,518	$ 11,705	$5,671,154
Additions-acquired separately	-	11,663	-	-	11,663
Effect of consolidated entity's movement	-	-	(1,718)	-	(1,718)
Amortisation charge	(6,149)	(16,978)	-	(5,010)	(28,137)
Impairment loss	-	-	(55,580)	-	(55,580)
Effect due to changes in exchange rates	1,281	(1,021)	(14,490)	(1,617)	(15,847)
Closing net book amount	$ 2,357	$ 28,370	$ 5,545,730	$ 5,078	$5,581,535
At September 30, 2016					
Cost	$ 342,952	$ 208,489	$ 5,666,607	$ 67,774	$6,285,822
Accumulated amortisation and impairment	(340,595)	(180,119)	(120,877)	(62,696)	(704,287)
	$ 2,357	$ 28,370	$ 5,545,730	$ 5,078	$5,581,535

	Operating right	Software	Goodwill	Others	Total
At January 1, 2015					
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)
	$ 127,035	$ 54,638	$ 5,553,792	$ 21,092	$5,756,557
Nine months ended September 30, 2015					
Opening net book amount	$ 127,035	$ 54,638	$ 5,553,792	$ 21,092	$5,756,557
Additions-acquired separately	-	5,979	-	-	5,979
Additions-acquired from business combinations	-	3,171	53,657	-	56,828
Reclassifications	-	289	-	-	289
Amortisation charge	(43,810)	(35,185)	-	(8,295)	(87,290)
Other	(64,664)	-	-	-	(64,664)
Effect due to changes in exchange rates	(1,799)	212	10,454	1,833	10,700
Closing net book amount	$ 16,762	$ 29,104	$ 5,617,903	$ 14,630	$5,678,399
At September 30, 2015					
Cost	$ 371,794	$ 187,280	$ 5,683,584	$ 70,820	$6,313,478
Accumulated amortisation and impairment	(355,032)	(158,176)	(65,681)	(56,190)	(635,079)
	$ 16,762	$ 29,104	$ 5,617,903	$ 14,630	$5,678,399

The details of amortisation charge are as follows:

	Three months ended September 30,	
	2016	2015
Selling and marketing expenses	$ 4,036	$ 9,392
General and administrative expenses	4,417	7,645
	$ 8,453	$ 17,037

	Nine months ended September 30,	
	2016	2015
Selling and marketing expenses	$ 13,057	$ 56,719
General and administrative expenses	15,368	32,104
	$ 28,425	$ 88,823

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:

	September 30, 2016	December 31, 2015	September 30, 2015
Yosun subgroup	$ 4,706,504	$ 4,714,529	$ 4,714,775
Aeco subgroup	472,290	472,290	472,290
Others	366,936	430,699	430,837
	$ 5,545,730	$ 5,617,518	$ 5,617,902

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, and Genuine C&C (South Asia) Pte Ltd which incurred impairment loss of $55,580 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 September 30, 2016, December 31, 2015 and September 30, 2015, the key valuations used for pre-tax discount rate were 5.55%, 5.05% and 5.20%, respectively.

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

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

The Group recognised impairment loss amounting to $7,811, $0, $62,103 and $3,275 for the three months ended September 30, 2016 and 2015, and nine months ended September 30, 2016 and 2015, respectively. Details of such loss are as follows:

	Three months ended September 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	$ 5,249	$ -	$ -	$ -
Impairment loss - goodwill	2,562	-	-	-
	$ 7,811	$ -	$ -	$ -

	Nine months ended September 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	$ 6,523	$ -	$ 3,275	$ -
Impairment loss - goodwill	55,580	-	-	-
	$ 62,103	$ -	$ 3,275	$ -

(15) Overdue receivables (Shown as "Other non-current assets")

	September 30, 2016	December 31, 2015	September 30, 2015
Overdue receivables	$ 737,304	$ 648,790	$ 657,362
Less: Allowance for doubtful accounts	(737,304)	(648,790)	(657,362)
	$ -	$ -	$ -

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	-	5,837
Reversal of impairment loss	(4,726)	-
Write-off of bad debts	(62,897)	(18,065)
Transferred from accounts receivable	171,475	389,409
Effect due to changes in exchange rates	(15,338)	16,871
At September 30	$ 737,304	$ 657,362

(16) Short-term borrowings

Type of borrowings	September 30, 2016	December 31, 2015	September 30, 2015
Loans for overseas purchases	$ 25,440,832	$ 30,297,718	$ 24,413,856
Short-term loans	22,045,931	24,277,634	28,992,095
	$ 47,486,763	$ 54,575,352	$ 53,405,951
Annual interest rates	0.95%~5.00%	0.88%~4.85%	0.65%~4.59%

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

(17) Short-term notes and bills payable

	September 30, 2016	December 31, 2015	September 30, 2015
Commercial papers payable	$ 4,045,000	$ 3,710,000	$ 4,618,000
Less: Unamortised discount	(1,955)	(1,803)	(1,920)
	$ 4,043,045	$ 3,708,197	$ 4,616,080
Annual interest rates	0.45%~1.43%	0.63%~1.33%	0.63%~1.27%

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

(18) Bonds payable

	September 30, 2016	December 31, 2015	September 30, 2015
Bonds payable	$ 4,687,600	$ 6,000,000	$ 6,000,000
Less: discount on bonds payable	(50,339)	(124,617)	(144,529)
	4,637,261	5,875,383	5,855,471
Less: current portion of bonds payable (shown as 'Other current liabilities')	(4,637,261)	-	-
	$ -	$ 5,875,383	$ 5,855,471

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 September 30, 2016, the conversion price was $35.4.

(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 $181,879 were separated from the liability component and were recognised in 'capital surplus-stock warrants' in accordance with IAS 32.

C. As of September 30, 2016, convertible bonds face value $1,312,400 has been converted to 37,073 thousand ordinary shares.

D. The amortisation of discount on bonds payable was $17,976, $19,843 $58,003 and $59,331 for the three months ended September 30, 2016 and 2015, and nine months ended September 30, 2016 and 2015, respectively.

(19) Long-term borrowings

Type of borrowings	Borrowing period / repayment term	September 30, 2016	December 31, 2015	September 30, 2015
Secured bank borrowings (Note 1 and Note 2)	2012.01.02~ 2027.01.02	$ 559,544	$ 589,852	$ 591,851
Unsecured bank borrowings (Note 3~ Note 9)	2012.12.07~ 2018.11.09	12,072,400	12,858,075	11,470,684
		12,631,944	13,447,927	12,062,535
Less : current portion of long-term borrowings (shown as other current liabilities)		(6,107,976)	(1,321,268)	(4,490,312)
		$ 6,523,968	$ 12,126,659	$ 7,572,223
Interest rate range		1.25%~1.94%	1.22%~1.79%	1.22%~1.79%

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 $78,452 and $83,323, 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.

Within the contract period, World Peace Industrial Co., Ltd. met all the financial commitments stated in 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 drawndown 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 Commerical 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.

This contract was expired on April 12, 2016. Within the contract period, Asian Information Technology Inc. met all the financial commitments stated in the contract.

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.

Within the contract period, World Peace Industrial Co., Ltd. met all the financial commitments stated in the contract.

Note 9: The Company's subsidiary, World Peace Industrial Co., Ltd. (WPI), had entered into a long-term loan agreement with Taipei Fubon Commercial Bank, Bank of Taiwan, E. SUN Commercial Bank and other financial institutions on December 7, 2012. The terms and conditions of the contract were as follows:

(a) Contract term: Within three years from the first drawdown

(b) 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 ne t 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.

The contract has been changed to new contract mentioned in Note 8 on October 26, 2015. Within the contract period, World Peace Industrial Co., Ltd. met all the financial commitments stated in the contract.

(20) <u>Pensions</u>

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 $4,984, $3,730 $15,240 and $13,047 for the three months ended September 30, 2016 and 2015, and nine months ended September 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 September 30, 2016 and 2015, and nine months ended September 30, 2016 and 2015 were $85,719, $96,734, $262,244 and $264,669, respectively.

(21) Share capital

A. As of September 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 $16,927,825 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 nine months ended September 30, 2016 and 2015 are as follows:

	2016	2015
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	-
Convetible bonds converted to shares	37,073	-
At September 30	1,692,782	1,655,670

B. Treasury stock

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

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

		September 30, 2015	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
Indirect subsidiary - Hat-Trick Co., Ltd.	Note	39,481	$ 1,252

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.

(22) 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 (18).

	2016					
	Share premium	Treasury share transaction	Recognised changes in subsidiaries' equity	Changes in associates' net net equity	Stock warrant	Total
January 1	$ 14,886,934	$ 45,182	$ 431	$ 21,831	$232,800	$ 15,187,178
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	(144)	-	(144)
Convertible bonds converted to shares	976,313	-	-	-	(50,921)	925,392
Disposal of company's share by subsidiaries recognised as treasury share transaction	-	449	-	-	-	449
September 30	$ 15,863,247	$ 45,631	$ 431	$ 21,687	$181,879	$ 16,112,875

	2015					
	Share premium	Treasury share transaction	Recognised changes in subsidiaries' equity	Changes in associates' net net equity	warrant	Total
January 1	$ 14,886,934	$ 45,083	$ 464	$ 20,521	$232,800	$ 15,185,802
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	958	-	958
Capital increase in Subsidiaries not recognised proportionately to ownership	-	-	(33)	-	-	(33)
Cash dividends received by subsidiaries from treasury shares	-	99	-	-	-	99
September 30	$ 14,886,934	$ 45,182	$ 431	$ 21,479	$232,800	$ 15,186,826

(23) 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	3,973,702	2.40	4,139,274	2.5
	$ 4,515,749	$ 2.40	$ 2,782,240	$ 2.5

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(30).

(24) Other equity items

	2016		
	Available-for-sale investment	Currency translation	Total
At January 1	($ 20,974)	$ 2,574,750	$ 2,553,776
Revaluation - gross	11,504	-	11,504
Revaluation transfer-gross	(375)	-	(375)
Cumulative translation differences:			
- Group	-	(3,199,583)	(3,199,583)
- Tax on Group	-	40,367	40,367
- Associates	-	(4,814)	(4,814)
At September 30	($ 9,845)	($ 589,280)	($ 599,125)

	2015		
	Available-for-sale investment	Currency translation	Total
At January 1	$ 75,012	$ 908,749	$ 983,761
Revaluation - gross	(55,055)	-	(55,055)
Revaluation transfer - gross	(55,519)	-	(55,519)
Cumulative translation differences:			
- Group	-	1,891,937	1,891,937
- Tax on Group	-	(19,997)	(19,997)
- Associates	-	3,148	3,148
At September 30	($ 35,562)	$ 2,783,837	$ 2,748,275

(25) Operating revenue

	Three months ended September 30,	
	2016	2015
Sales revenue	$ 142,232,284	$ 140,456,195
Service revenue	26,483	12,954
	$ 142,258,767	$ 140,469,149

	Nine months ended September 30,	
	2016	2015
Sales revenue	$ 397,495,467	$ 372,854,834
Service revenue	55,368	80,953
	$ 397,550,835	$ 372,935,787

(26) Other income

	Three months ended September 30,	
	2016	2015
Rental revenue	$ 15,721	$ 13,626
Dividend income	22,327	15,159
Interest income	9,650	8,523
Other income	40,870	7,982
	$ 88,568	$ 45,290

	Nine months ended September 30,	
	2016	2015
Rental revenue	$ 42,111	$ 37,872
Dividend income	40,952	46,654
Interest income	27,088	25,063
Other income	164,011	28,268
	$ 274,162	$ 137,857

(27) Other gains and losses

	Three months ended September 30,	
	2016	2015
Gain (loss) on disposal of investments	$ 3,390	($ 10,840)
(Loss) gain on financial assets and liabilities at fair value through profit or loss	(30,302)	16,230
(Loss) gain on disposal of property, plant and equipment and investment property	(1,181)	16,183
Currency exchange gain (loss)	60,980	(27,339)
Impairment loss	(7,811)	-
Other losses	(26,112)	(76,312)
	($ 1,036)	($ 82,078)

	Nine months ended September 30,	
	2016	2015
Gain on disposal of investments	$ 976	$ 72,692
(Loss) gain on financial assets and liabilities at fair value through profit or loss	(21,917)	43,301
(Loss) gain on disposal of property, plant and equipment and investment property	(4,252)	15,341
Currency exchange gain (loss)	136,955	(14,455)
Impairment loss	(62,103)	(3,275)
Other losses	(52,467)	(97,892)
	($ 2,808)	$ 15,712

(28) Finance costs

	Three months ended September 30,	
	2016	2015
Interest expense:		
Bank borrowings	$ 306,282	$ 294,432
Convertible bonds	17,976	19,843
Others	55,612	46,126
	$ 379,870	$ 360,401

	Nine months ended September 30,	
	2016	2015
Interest expense:		
Bank borrowings	$ 923,222	$ 837,261
Convertible bonds	58,003	59,331
Others	156,894	134,204
	$ 1,138,119	$ 1,030,796

(29) Additional information of expenses by nature

	Three months ended September 30,	
	2016	2015
Employee benefit expense	$ 2,153,726	$ 1,916,028
Depreciation charges on property and equipment (including investment property)	$ 56,314	$ 53,027
Amortisation charges on intangible assets and other non-current assets	$ 8,453	$ 17,037

	Nine months ended September 30,	
	2016	2015
Employee benefit expense	$ 6,098,861	$ 5,430,153
Depreciation charges on property and equipment (including investment property)	$ 175,256	$ 174,552
Amortisation charges on intangible assets and other non-current assets	$ 28,425	$ 88,823

(30) Employee benefit expense

	Three months ended September 30,	
	2016	2015
Wages and salaries	$ 1,918,489	$ 1,655,397
Labor and health insurance fees	82,672	88,055
Pension costs	90,703	100,464
Other personnel expenses	61,862	72,112
	$ 2,153,726	$ 1,916,028

	Nine months ended September 30,	
	2016	2015
Wages and salaries	$ 5,386,195	$ 4,672,447
Labor and health insurance fees	253,363	264,294
Pension costs	277,484	277,716
Other personnel expenses	181,819	215,696
	$ 6,098,861	$ 5,430,153

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 September 30, 2016 and 2015, and nine months ended September 30, 2016 and 2015, employees' compensation was accrued at $5,223, $5,223, $15,669 and $15,669, respectively; while directors' remuneration was accrued at $7,500, $7,500, $22,500 and $22,500, respectively. The aforementioned amounts were recognised in salary expenses.

For the three months ended September 30, 2016 and nine months ended September 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' remuneration of $30,000 as resolved by the Board of Directors and employees' compensation of $20,892 and directors' 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 November 8, 2016.

Employees' bonus and directors' and 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.

(31) Income tax

A. Income tax expense

a) Components of income tax expense:

	Three months ended September 30,	
	2016	2015
Current tax		
Current tax on profits for the period	$ 368,155	$ 377,851
Tax on undistributed surplus earnings	-	73
Adjustments in respect of prior years income tax	3,361	(59,725)
Total current tax	371,516	318,199
Deferred tax		
Origination and reversal of temporary differences	26,331	22,890
Income tax expense	$ 397,847	$ 341,089

	Nine months ended September 30,	
	2016	2015
Current tax		
Current tax on profits for the period	$ 1,121,288	$ 1,082,440
Tax on undistributed surplus earnings	76,807	305,029
Adjustments in respect of prior years income tax	2,227	(53,721)
Total current tax	1,200,322	1,333,748
Deferred tax		
Origination and reversal of temporary differences	12,787	52,802
Income tax expense	$ 1,213,109	$ 1,386,550

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

	Three months ended September 30,	
	2016	2015
Currency translation differences	($ 18,754)	$ 37,968

	Nine months ended September 30,	
	2016	2015
Currency translation differences	($ 40,367)	$ 19,997

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

C. Unappropriated retained earnings:

	September 30, 2016	December 31, 2015	September 30, 2015
Earnings generated after 1998	$ 10,462,460	$ 10,002,877	$ 8,894,398

D. As of September 30, 2016, December 31, 2015 and September 30, 2015, the balance of the imputation tax credit account was $849,212, $579,338 and $579,824, respectively.

E. Creditable ratio of appropriated retained earnings:

	2015 (Actual)	2014 (Actual)
Creditable ratio	15.50%	12.32%

(32) Earnings per share

	Three months ended September 30, 2016		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,867,350	1,674,464	$ 1.12
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,867,350	1,674,464	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	1,627	146,466	
Employees' compensation	-	805	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,868,977	1,821,735	$ 1.03

	Three months ended September 30, 2015		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,617,130	1,655,670	$ 0.98
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,617,130	1,655,670	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	19,769	154,180	
Employees' bonus	-	1,128	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,636,899	1,810,978	$ 0.90

	Nine months ended September 30, 2016		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 4,975,368	1,661,991	$ 2.99
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 4,975,368	1,661,991	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	41,505	154,899	
Employees' compensation	-	676	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 5,016,873	1,817,566	$ 2.76

	Nine months ended September 30, 2015		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 4,175,335	1,655,685	$ 2.52
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 4,175,335	1,655,685	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	59,107	150,424	
Employees' compensation	-	913	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 4,234,442	1,807,022	$ 2.34

(33) Transactions with non-controlling interest

Acquisition of additional equity interest in a subsidiary

On August 23, 2016, the Group acquired additional 25% shares of its subsidiary-Taibaoo Creation Co., Ltd. (abbreviated as Taibaoo) at total cash consideration of $3,498. The carrying amount of non-controlling interest in Taibaoo was $3,498 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by $3,498 and an increase in

the equity attributable to owners of the parent by $3,498. The effect of changes in interests in Taibaoo on the equity attributable to owners of the parent for the nine months ended September 30, 2016 is shown below:

	Nine months ended September 30, 2016
Carrying amount of non-controlling interest acquired	$ 3,498
Consideration paid to non-controlling interest	(3,498)
Capital surplus	
-difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount	$ -

(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 US$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:

	April 15, 2015
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	486,396
	1,185,065
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	(45,448)
Total identifiable net assets	1,133,045
Goodwill	$ 52,020

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:

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

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:

	Three months ended September 30, 2015	Nine months ended September 30, 2015
Operating revenue	$ 140,469,149	$ 376,282,468
Profit before tax	1,958,986	5,569,893

(35) Supplemental cash flow information

A. Partial payment of cash from investing activities

	Nine months ended September 30, 2016	Nine months ended September 30, 2015
Acquisition of property, plant and equipment and intangible assets	$ 105,457	$ 79,872
Add: accounts payable at the beginning of period	3,019	10,892
Less: accounts payable at the end of period	(1,789)	(2,082)
Cash paid during the period for property, plant and equipment	$ 106,687	$ 88,682

B. Fair value information relating to acquisition of subsidiary:

	September 30, 2015
Cash and bank deposit	$ 500,278
Other current assets	1,938,570
Property, plant and equipment	20,920
Intangible assets and other assets	82,569
Other current liabilities	(1,286,283)
Other non-current liabilities	(47,536)
	$ 1,208,518

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

	August 1, 2016 (Note 1)	January 1, 2016 (Note 2)	Total
Consideration received			
Other receivable	$ 22,229	$ -	$ 22,229
Carrying amount of the assets and liabilities of the subsidiary			
Cash	$ 4,172	$ 29,939	$ 34,111
Other current assets	34,820	245,084	279,904
Property, plant and equipment	2,080	13	2,093
Other non-current assets	8,447	220	8,667
Short-term borrowings	(6,170)	(52,520)	(58,690)
Other current liabilities	(12,630)	(157,936)	(170,566)
Non-controlling interests	(5,121)	(32,400)	(37,521)
Total net assets	$ 25,598	$ 32,400	$ 57,998

Note 1: As the Company sold all shares in Hubei Xinsheng Technology Investment Management Co., Ltd., the Company lost control of Hubei Xinsheng Technology Investment Management Co., Ltd.

Note 2: 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

	Three months ended September 30,	
	2016	2015
Sales of goods		
Others	$ 189,045	$ 226,283
Associates	66,878	11,146
	$ 255,923	$ 237,429

	Nine months ended September 30,	
	2016	2015
Sales of goods		
Others	$ 589,419	$ 785,697
Associates	186,649	52,068
	$ 776,068	$ 837,765

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

	Three months ended September 30,	
	2016	2015
Purchases of goods		
Associates	$ 1,295	$ 561

	Nine months ended September 30,	
	2016	2015
Purchases of goods		
Associates	$ 1,721	$ 10,877

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

	September 30, 2016	December 31, 2015	September 30, 2015
Accounts receivable			
Others	$ 165,948	$ 297,338	$ 316,779
Associates	25,657	21,720	7,097
	$ 191,605	$ 319,058	$ 323,876

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

	September 30, 2016	December 31, 2015	September 30, 2015
Other receivables:			
Associates	$ 52,659	$ 95,876	$ 89,109

The above pertain mainly to advance payments.

E. Payables to related parties

	September 30, 2016	December 31, 2015	September 30, 2015
Accounts payable			
Associates	$ 1,289	$ 2,121	$ 59

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:

	September 30, 2016	December 31, 2015	September 30, 2015
Associates	$ 70,560	$ -	$ -

G. Others

The Group's donations to other related parties were $1,500, $1,500, $4,500 and $4,500 for the three months ended September 30, 2016 and 2015, and nine months ended September 30, 2016 and 2015, respectively.

(3) Key management compensation

	Three months ended September 30,	
	2016	2015
Salaries and other short-term employee benefits	$ 55,069	$ 51,117
Post-employment benefits	921	1,048
	$ 55,990	$ 52,165

	Nine months ended September 30,	
	2016	2015
Salaries and other short-term employee benefits	$ 151,229	$ 130,923
Post-employment benefits	2,409	2,342
	$ 153,638	$ 133,265

8. PLEDGED ASSETS

Pledged assets (Note 1)	September 30, 2016	December 31, 2015	September 30, 2015	Purpose of Collateral
Other current assets and other non-current assets				
-Bank deposits	$ 1,973,943	$ 853,493	$ 1,695,018	Ddeposits for litigation and limited impounded account for disposal of accounts receivable
-Time deposits	228,637	258,808	39,567	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
-Refundable deposits	20	21	887	Tariff security deposit
Available-for-sale financial assets-non-current (Note 2)	9,014	9,014	9,014	Security for purchases
Property, plant and equipment (including investment property)				
-Land	1,325,854	1,316,215	1,334,667	Long-term and short-term loans, import loans and security for purchases
-Buildings	634,432	639,221	674,188	〃
	$ 4,171,900	$ 3,076,772	$ 3,753,341	

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 September 30, 2016, December 31, 2015 and September 30, 2015.

Note 2: As of September 30, 2016, December 31, 2015 and September 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:

	September 30, 2016	December 31, 2015	September 30, 2015
Property, plant and equipment and intangible assets	$ 16,620	$ 18,891	$ 21,199

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:

	September 30, 2016	December 31, 2015	September 30, 2015
Not later than one year	$ 423,045	$ 475,455	$ 433,449
Later than one year but not later than five years	906,030	1,075,573	951,574
Later than five years	44,761	136,197	164,227
	$ 1,373,836	$ 1,687,225	$ 1,549,250

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

September 30, 2016	December 31, 2015	September 30, 2015
$ 1,013,950	$ 852,378	$ 815,763
USD 56,004,000	USD 51,477,000	USD 268,395,000

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The Company's subsidiary, WPG International (CI) Ltd. intends to invest USD $25,000 thousand in private equity fund whose name is Wise Road Industry Investment Fund I, L.P.

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).

	September 30, 2016			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial assets:				
Equity and investments in bonds without active markets:				
Financial assets measured at cost - non-current	$ 441,527	$ -	$ -	$ -

	December 31, 2015			
		Fair value		
	Book value	Level 1	Level 2	Level 3
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
	$ 473,031	$ -	$ -	$ 5,000

	September 30, 2015			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial assets:				
Equity and investments in bonds without active markets:				
Financial assets measured at cost - non-current	$ 453,953	$ -	$ -	$ -
Investments in bonds without active makets-non-current	5,000	-	-	5,000
	$ 458,953	$ -	$ -	$ 5,000

b) The methods and assumptions of fair value measurement are as follows:

i. 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.

ii. 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

<u>Foreign exchange risk</u>

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:

	September 30, 2016		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Foreign currency: functional currency			
Financial assets			
Monetary items			
USD：TWD	$ 475,302	31.36	$ 14,905,469
USD：RMB	15,369	6.68	481,986
USD：HKD	36,213	7.75	1,135,650
USD：KRW	24,316	1,093.83	762,537
USD：JPY	13,335	100.87	418,178
USD：MYR	4,237	4.14	132,882
HKD：USD	139,644	0.13	564,722
Non-monetary items			
RMB：USD	28,813	0.15	111,752
Financial liabilities			
Monetary items			
USD：TWD	360,760	31.36	11,313,425
USD：RMB	143,402	6.68	4,497,076
USD：KRW	32,953	1,093.83	1,033,408
USD：JPY	13,092	100.87	410,550
USD：MYR	4,288	4.14	134,463
USD：INR	10,119	66.73	317,346
HKD：USD	115,838	0.13	468,449
SGD：USD	6,563	0.73	150,745

	December 31, 2015		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Foreign currency: functional currency			
Financial assets			
Monetary items			
USD：TWD	$ 451,107	32.83	$ 14,807,574
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	158,132	0.13	669,687
Non-monetary items			
RMB：USD	24,439	0.15	122,073
Financial liabilities			
Monetary items			
USD：TWD	685,980	32.83	22,517,286
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	72,611	0.13	307,510
RMB：USD	90,653	0.15	452,812
SGD：USD	6,498	0.71	151,081

	September 30, 2015		
	Foreign Currency Amount (In Thousands)	Exchange rate	Book Value (NTD)
Foreign currency: functional currency			
Financial assets			
Monetary items			
USD：TWD	$ 481,535	32.87	$ 15,828,055
USD：RMB	14,853	6.35	488,213
USD：HKD	35,678	7.75	1,172,734
USD：KRW	20,764	1,175.82	682,526
USD：JPY	38,845	120.01	1,276,835
USD：MYR	3,371	4.44	110,802
RMB：USD	421,832	0.16	2,183,402
HKD：USD	104,146	0.13	441,685
Non-monetary items			
RMB：USD	23,272	0.16	120,456
Financial liabilities			
Monetary items			
USD：TWD	402,971	32.87	13,245,666
USD：RMB	84,102	6.35	2,764,442
USD：KRW	28,167	1,175.82	925,863
USD：JPY	38,369	120.01	1,261,182
USD：MYR	7,424	4.44	244,039
USD：INR	6,463	65.54	212,444
HKD：USD	73,712	0.13	312,613
RMB：USD	76,002	0.16	393,386
SGD：USD	6,021	0.70	139,091
EUR：USD	2,811	36.77	103,384

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 September 30, 2016 and 2015, and nine months ended September, 30, 2016 and 2015 amounted to $60,980, ($27,339), $136,955 and ($14,455), respectively.

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

	Nine months ended September 30, 2016		
	Sensitivity Analysis		
	Degree of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Income
Foreign currency: functional currency			
Financial assets			
Monetary items			
USD：TWD	1%	$ 149,055	$ -
USD：RMB	1%	4,820	-
USD：HKD	1%	11,357	-
USD：KRW	1%	7,625	-
USD：JPY	1%	4,182	-
USD：MYR	1%	1,329	-
HKD：USD	1%	5,647	-
Financial liabilities			
Monetary items			
USD：TWD	1%	113,134	-
USD：RMB	1%	44,971	-
USD：KRW	1%	10,334	-
USD：JPY	1%	4,106	-
USD：MYR	1%	1,345	-
USD：INR	1%	3,173	-
HKD：USD	1%	4,684	-
SGD：USD	1%	1,507	-

	Nine months ended September 30, 2015		
	Sensitivity Analysis		
	Degree of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Income
Foreign currency: functional currency			
Financial assets			
Monetary items			
USD：TWD	1%	$ 158,280	$ -
USD：RMB	1%	4,882	-
USD：HKD	1%	11,727	-
USD：KRW	1%	6,825	-
USD：JPY	1%	12,768	-
USD：MYR	1%	1,108	-
RMB：USD	1%	21,834	-
HKD：USD	1%	4,417	-
Financial liabilities			
Monetary items			
USD：TWD	1%	132,457	-
USD：RMB	1%	27,644	-
USD：KRW	1%	9,259	-
USD：JPY	1%	12,612	-
USD：MYR	1%	2,440	-
USD：INR	1%	2,124	-
HKD：USD	1%	3,126	-
RMB：USD	1%	3,934	-
SGD：USD	1%	1,391	-
EUR：USD	1%	1,034	-

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 nine months ended September 30, 2016 and 2015 would have increased/decreased by $207 and $321, 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 $3,544 and $3,573 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 nine months ended September 30, 2016 and 2015, the Group's borrowings at variable rate were mainly denominated in the NTD and USD.
- At September 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 nine months ended September 30, 2016 and 2015 would have been $114,552 and $91,863 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 nine months ended September 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:

September 30, 2016	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term loans	$ 47,567,141	$ -	$ -	$ -
Short-term notes and bills payable	4,045,000	-	-	-
Financial liabilities measured at fair value through profit or loss	19,124	-	-	-
Notes payable	925,392	-	-	-
Accounts payable	51,772,550	-	-	-
Accounts payable - related parties	1,289	-	-	-
Other payables	5,748,331	-	-	-
Bonds payable	4,687,600	-	-	-
Long-term loans (including current portion)	6,318,478	1,410,054	4,967,270	280,022

December 31, 2015	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
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

September 30, 2015	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term loans	$ 53,550,894	$ -	$ -	$ -
Short-term notes and bills payable	4,618,000	-	-	-
Financial liabilities measured at fair value through profit or loss	8,424	-	-	-
Notes payable	883,788	-	-	-
Accounts payable	55,126,956	-	-	-
Accounts payable-related parties	59	-	-	-
Other payables	6,052,386	-	-	-
Bonds payable	6,000,000	-	-	-
Long-term loans (including current portion)	4,615,649	4,780,506	2,596,310	340,651

Derivative financial liabilities:

As of September 30, 2016, December 31, 2015 and September 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 September 30, 2016, December 31, 2015 and September 30, 2015 is as follows:

September 30, 2016	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 20,723	$ -	$ -	$ 20,723
Forward exchange contracts	-	2,115	-	2,115
Available-for-sale financial assets				
Equity securities	278,074	69,604	6,684	354,362
	$ 298,797	$ 71,719	$ 6,684	$ 377,200
Liabilities				
Recurring fair value measurements				
Forward exchange contracts	$ -	$ 19,124	$ -	$ 19,124

December 31, 2015	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
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	288,213	76,185	6,684	371,082
	$ 320,770	$ 105,894	$ 6,684	$ 433,348
Liabilities				
Recurring fair value measurements				
Forward exchange contracts	$ -	$ 26,719	$ -	$ 26,719

September 30, 2015	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 32,059	$ -	$ -	$ 32,059
Forward exchange contracts	-	22,259	-	22,259
Available-for-sale financial assets				
Equity securities	273,762	76,825	6,684	357,271
	$ 305,821	$ 99,084	$ 6,684	$ 411,589
Liabilities				
Recurring fair value measurements				
Forward exchange contracts	$ -	$ 8,424	$ -	$ 8,424

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:

	Listed shares
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 nine months ended September 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 nine months ended September 30, 2016 and 2015:

	2016	2015
At January 1	$ 6,684	$ 6,684
Losses recognised in profit or loss	-	-
At September 30	$ 6,684	$ 6,684

G. For the nine months ended September 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:

	Fair value at September 30, 2016	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
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

	Fair value at December 31, 2015	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
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

	Fair value at September 30, 2015	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
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:

			September 30, 2016			
			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

			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

			September 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: Pleasse 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: Please refer to table 4.

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 5.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 6.

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 7.

(2) Information on investee companies

Names, locations and other information of investee companies (including investees in Mainland China): Please refer to table 8.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 9.

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 nine months ended September 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 September 30, 2016 and 2015, and nine months ended September 30, 2016 and 2015 is as follows:

Three months ended September 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	$ 67,674,902	$ 16,411,694	$ 23,172,627	$ 21,549,035	$ 2,475,704	$ 10,974,805	$ -	$142,258,767
Revenue from internal customers	3,113,432	1,030,291	474,811	1,945,929	9,185	1,080,297	(7,653,945)	-
Total revenue	$ 70,788,334	$ 17,441,985	$ 23,647,438	$ 23,494,964	$ 2,484,889	$ 12,055,102	($ 7,653,945)	$142,258,767
Segment profit (loss)	$ 1,542,356	$ 358,539	$ 636,163	$ 496,757	$ 64,740	$ 150,559	$ 378,047	$ 3,627,161
Net income	$ 943,188	$ 188,882	$ 337,597	$ 310,576	$ 7,920	$ 1,971,779	($ 1,886,744)	$ 1,873,198

Three months ended September 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	$ 62,044,132	$ 16,784,183	$ 22,027,654	$ 26,847,650	$ 2,668,346	$ 10,097,184	$ -	$140,469,149
Revenue from internal customers	2,978,404	983,743	385,453	2,692,863	928	1,050,483	(8,091,874)	-
Total revenue	$ 65,022,536	$ 17,767,926	$ 22,413,107	$ 29,540,513	$ 2,669,274	$ 11,147,667	($ 8,091,874)	$140,469,149
Segment profit (loss)	$ 1,406,884	$ 425,179	$ 632,858	$ 371,219	$ 46,596	$ 64,369	$ 576,604	$ 3,523,709
Net income	$ 865,621	$ 335,547	$ 337,279	$ 202,175	($ 1,838)	$ 1,505,528	($ 1,626,415)	$ 1,617,897

Nine months ended September 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	$ 184,895,950	$ 42,349,247	$ 65,142,159	$ 66,024,481	$ 7,968,172	$ 31,170,826	$ -	$ 397,550,835
Revenue from internal customers	8,356,199	2,922,613	1,732,555	6,955,222	27,534	3,548,000	(23,542,123)	-
Total revenue	$ 193,252,149	$ 45,271,860	$ 66,874,714	$ 72,979,703	$ 7,995,706	$ 34,718,826	($ 23,542,123)	$ 397,550,835
Segment profit (loss)	$ 4,325,955	$ 878,817	$ 1,785,097	$ 1,478,512	$ 161,343	$ 386,636	$ 1,158,859	$ 10,175,219
Net income	$ 2,553,832	$ 419,353	$ 1,032,522	$ 861,907	$ 20,277	$ 5,166,546	($ 5,063,337)	$ 4,991,100

Nine months ended September 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	$ 159,245,762	$ 46,219,743	$ 58,259,729	$ 78,825,113	$ 4,961,872	$ 25,423,568	$ -	$372,935,787
Revenue from internal customers	7,384,640	2,561,640	1,074,408	7,168,961	944	2,685,251	(20,875,844)	-
Total revenue	$ 166,630,402	$ 48,781,383	$ 59,334,137	$ 85,994,074	$ 4,962,816	$ 28,108,819	($ 20,875,844)	$372,935,787
Segment profit (loss)	$ 3,733,270	$ 1,198,386	$ 1,744,976	$ 1,441,610	$ 79,216	($ 845)	$ 1,576,468	$ 9,773,081
Net income	$ 2,276,079	$ 763,544	$ 887,489	$ 723,083	($ 3,615)	$ 4,078,043	($ 4,543,301)	$ 4,181,322

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

WPG Holdings Limited and Subsidiaries

Loans to others

Nine months ended September 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 nine months ended September 30, 2016	Balance at September 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	Apache Korea Corp.	WPG Korea Co., Ltd.	Other receivables - related parties	Y	$ 68,808	$ 68,808	$ 68,808	2.5	Short-term financing	-	Operation	$ -	None	-	$ 78,058	$ 78,058	Note 1
2	Genuine C&C (South Asia) Pte Ltd	World Peace International (South Asia) Pte Ltd	Other receivables - related parties	Y	62,720	-	-	0.00	Short-term financing	-	Operation	-	None	-	16	16	Note 3
3	Richpower Electronic Devices Pte., Ltd.	Yosun Singapore Pte Ltd.	Other receivables - related parties	Y	219,520	219,520	203,840	1.85	Short-term financing	-	Operation	-	None	-	431,659	431,659	Note 9
4	Silicon Application (BVI) Corporation	Silicon Application Corp.	Other receivables - related parties	Y	1,223,040	1,223,040	1,223,040	1.00	Short-term financing	-	Operation	-	None	-	1,262,657	3,156,643	Note 7
4	Silicon Application (BVI) Corporation	WPG Korea Co., Ltd	Other receivables - related parties	Y	78,400	-	-	0.00	Short-term financing	-	Operation	-	None	-	3,156,643	3,156,643	Note 7
5	World Peace International (South Asia) Pte Ltd	World Peace International Pte Ltd	Other receivables - related parties	Y	313,600	-	-	0.00	Short-term financing	-	Operation	-	None	-	5,549,962	5,549,962	Note 3
5	World Peace International (South Asia) Pte Ltd	WPG Americas Inc.	Other receivables - related parties	Y	909,440	909,440	815,360	3.37	Short-term financing	-	Operation	-	None	-	5,549,962	5,549,962	Note 3
5	World Peace International (South Asia) Pte Ltd	WPG South Asia Pte. Ltd.	Other receivables - related parties	Y	156,800	-	-	0.00	Short-term financing	-	Operation	-	None	-	5,549,962	5,549,962	Note 3
5	World Peace International (South Asia) Pte Ltd	WPG China Inc.	Other receivables - related parties	Y	627,200	313,600	313,600	3.00	Short-term financing	-	Operation	-	None	-	5,549,962	5,549,962	Note 3
5	World Peace International (South Asia) Pte Ltd	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	1,254,400	627,200	627,200	1.85	Short-term financing	-	Operation	-	None	-	5,549,962	5,549,962	Note 3

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the nine months ended September 30, 2016	Balance at September 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			
6	World Peace International Pte Ltd	World Peace International (South Asia) Pte Ltd	Other receivables - related parties	Y	$ 125,440	$ 125,440	$ 119,168	1.85	Short-term financing	-	Operation	$ -	None	-	$ 2,294,455	$ 2,294,455	Note 3
7	WPG South Asia Pte. Ltd.	Yosun Singapore Pte Ltd.	Other receivables - related parties	Y	407,680	250,880	172,480	1.85	Short-term financing	-	Operation	-	None	-	1,293,863	1,293,863	Note 3
7	WPG South Asia Pte. Ltd.	WPG Korea Co., Ltd	Other receivables - related parties	Y	564,480	282,240	188,160	2.62	Short-term financing	-	Operation	-	None	-	1,293,863	1,293,863	Note 3
7	WPG South Asia Pte. Ltd.	World Peace International (South Asia) Pte Ltd	Other receivables - related parties	Y	313,600	156,800	62,720	1.85	Short-term financing	-	Operation	-	None	-	1,293,863	1,293,863	Note 3
8	AIO Component Co., Limited	WPI International Trading (Shanghai) Ltd.	Other receivables - related parties	Y	46,930	46,930	46,930	2.8	Short-term financing	-	Operation	-	None	-	56,981	56,981	Note 7
9	AECO Technology Co., Ltd.	World Peace Industrial Co., Ltd.	Other receivables - related parties	Y	400,000	300,000	83,500	1.55	Short-term financing	-	Operation	-	None	-	431,736	431,736	Note 2
10	AECO Electronic Co., Ltd.	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	752,640	752,640	696,192	2.12	Short-term financing	-	Operation	-	None	-	775,537	775,537	Note 7
11	AECO Electronic (Ningbo) Co., Ltd.	WPI International Trading (Shanghai) Ltd.	Other receivables - related parties	Y	42,237	42,237	-	0.00	Short-term financing	-	Operation	-	None	-	58,242	58,242	Note 7
12	WPG China Inc.	WPG China (SZ) Inc.	Other receivables - related parties	Y	156,800	-	-	0.00	Short-term financing	-	Operation	-	None	-	2,078,845	2,078,845	Note 7
12	WPG China Inc.	WPI International Trading (Shanghai) Ltd.	Other receivables - related parties	Y	46,930	-	-	0.00	Short-term financing	-	Operation	-	None	-	2,078,845	2,078,845	Note 7
13	Yosun Industrial Corp.	WPG China Inc.	Other receivables - related parties	Y	188,160	-	-	0.00	Short-term financing	-	Operation	-	None	-	2,359,654	4,719,307	Note 6
13	Yosun Industrial Corp.	Yosun Singapore Pte. Ltd.	Other receivables - related parties	Y	313,600	-	-	0.00	Short-term financing	-	Operation	-	None	-	2,359,654	4,719,307	Note 6

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the nine months ended September 30, 2016	Balance at September 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			
14	Yosun South China Corp. Ltd.	WPG China (SZ) Inc.	Other receivables - related parties	Y	$ 178,334	$ 117,325	$ 117,325	2.8	Short-term financing	-	Operation	$ -	None	-	$ 207,744	$ 207,744	Note 7
14	Yosun South China Corp. Ltd.	WPG China Inc.	Other receivables - related parties	Y	70,395	70,395	70,395	2.8	Short-term financing	-	Operation	-	None	-	207,744	207,744	Note 7
15	Yosun Shanghai Corp. Ltd.	WPG China (SZ) Inc.	Other receivables - related parties	Y	314,431	187,720	187,720	2.8	Short-term financing	-	Operation	-	None	-	368,532	368,532	Note 7
15	Yosun Shanghai Corp. Ltd.	WPG China Inc.	Other receivables - related parties	Y	150,176	150,176	150,176	2.8	Short-term financing	-	Operation	-	None	-	368,532	368,532	Note 7
16	Giatek Corp. Ltd.	Yosun Hong Kong Corp. Ltd.	Other receivables - related parties	Y	1,128,960	1,128,960	1,128,960	1.2	Short-term financing	-	Operation	-	None	-	1,136,543	1,136,543	Note 4
17	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	-	199,235	199,235	Note 2
18	WPI International Trading (Shanghai) Ltd.	Hubei Xinsheng Technology Investment Management Co., Ltd.	Other receivables - related parties	N	46,930	-	-	0.00	Short-term financing	-	Operation	-	None	-	110,732	276,831	Notes 7 and 11
19	WPI International (Hong Kong) Limited	WPG C&C Limited	Other receivables - related parties	Y	1,662,080	1,128,960	354,368	2.12	Short-term financing	-	Operation	-	None	-	14,374,288	14,374,288	Note 7
19	WPI International (Hong Kong) Limited	Long-Think International (Hong Kong) Limited	Other receivables - related parties	Y	439,040	439,040	72,128	2.12	Short-term financing	-	Operation	-	None	-	14,374,288	14,374,288	Note 7
19	WPI International (Hong Kong) Limited	WPG Gain Tune Ltd.	Other receivables - related parties	Y	1,097,600	-	-	0.00	Short-term financing	-	Operation	-	None	-	5,749,715	14,374,288	Note 7
19	WPI International (Hong Kong) Limited	WPG China Inc.	Other receivables - related parties	Y	376,320	376,320	376,320	3.00	Short-term financing	-	Operation	-	None	-	14,374,288	14,374,288	Note 7
20	World Peace Industrial Co., Ltd.	WPG China Inc.	Other receivables - related parties	Y	188,160	188,160	-	0.00	Short-term financing	-	Operation	-	None	-	3,980,471	7,960,943	Note 6

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the nine months ended September 30, 2016	Balance at September 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 Item	Collateral Value	Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
20	World Peace Industrial Co., Ltd.	Long-Think International Co., Ltd.	Other receivables - related parties	Y	$ 141,120	$ 141,120	$ 26,029	1.9	Short-term financing	-	Operation	$ -	None	-	$ 3,980,471	$ 7,960,943	Note 6
20	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	1,568,000	1,568,000	-	0.00	Short-term financing	-	Operation	-	None	-	3,980,471	7,960,943	Note 6
21	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	-	201,717	201,717	Note 2
22	Silicon Application Company Limited	Silicon Application Corp.	Other receivables - related parties	Y	689,920	689,920	689,920	1.00	Short-term financing	-	Operation	-	None	-	705,932	1,764,830	Note 7
22	Silicon Application Company Limited	WPG China Inc.	Other receivables - related parties	Y	250,880	-	-	0.00	Short-term financing	-	Operation	-	None	-	1,764,830	1,764,830	Note 7
22	Silicon Application Company Limited	WPG China (SZ) Inc.	Other receivables - related parties	Y	62,720	-	-	0.00	Short-term financing	-	Operation	-	None	-	1,764,830	1,764,830	Note 7
22	Silicon Application Company Limited	Dstar Electronic Company Limited	Other receivables - related parties	Y	21,952	21,952	21,952	1.00	Short-term financing	-	Operation	-	None	-	1,764,830	1,764,830	Note 7
22	Silicon Application Company Limited	WPG Gain Tune Ltd.	Other receivables - related parties	Y	501,760	-	-	0.00	Short-term financing	-	Operation	-	None	-	705,932	1,764,830	Note 7
22	Silicon Application Company Limited	WPG Electronics (HK) Limited	Other receivables - related parties	Y	62,720	62,720	62,720	2.12	Short-term financing	-	Operation	-	None	-	1,764,830	1,764,830	Note 7
22	Silicon Application Company Limited	WPG Korea Co., Ltd.	Other receivables - related parties	Y	313,600	313,600	313,600	2.3	Short-term financing	-	Operation	-	None	-	1,764,830	1,764,830	Note 7
22	Silicon Application Company Limited	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	533,120	533,120	533,120	1.2	Short-term financing	-	Operation	-	None	-	1,764,830	1,764,830	Note 7
23	Sertek Limited	Yosun Hong Kong Corp. Ltd.	Other receivables - related parties	Y	432,768	432,768	432,768	1.2	Short-term financing	-	Operation	-	None	-	437,800	437,800	Note 7

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the nine months ended September 30, 2016	Balance at September 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 Item	Collateral Value	Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
24	Sertek Incorporated	Yosun Hong Kong Corp. Ltd.	Other receivables - related parties	Y	$ 470,400	$ -	$ -	0.00	Short-term financing	-	Operation	$ -	None	-	$ 587,159	$ 587,159	Note 2
24	Sertek Incorporated	Richpower Electronic Devices Co., Ltd	Other receivables - related parties	Y	313,600	313,600	-	0.00	Short-term financing	-	Operation	-	None	-	587,159	587,159	Note 2
25	Frontek Technology Corporation	Apache Communication Inc.	Other receivables - related parties	Y	470,400	470,400	470,400	1.46	Short-term financing	-	Operation	-	None	-	659,305	1,054,888	Note 5
25	Frontek Technology Corporation	Asian Information Technology Inc.	Other receivables - related parties	Y	501,760	501,760	-	0.00	Short-term financing	-	Operation	-	None	-	659,305	1,054,888	Note 5
26	Genuine C&C Inc.	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Other receivables - related parties	Y	93,860	93,860	93,860	2.8	Short-term financing	-	Operation	-	None	-	103,212	412,850	Note 10
27	Richpower Electronic Devices Co., Limited	WPG Korea Co., Ltd.	Other receivables - related parties	Y	156,800	156,800	94,080	2.5	Short-term financing	-	Operation	-	None	-	1,632,849	1,632,849	Note 7
28	Asian Information Technology Inc.	Apache Communication Inc.	Other receivables - related parties	Y	313,600	-	-	0.00	Short-term financing	-	Operation	-	None	-	1,368,322	2,189,316	Note 5
29	Longview Technology Inc.	Long-Think International Co., Ltd.	Other receivables - related parties	Y	130,000	50,000	-	0.00	Short-term financing	-	Operation	-	None	-	218,634	218,634	Note 7
30	Mec Technology Co., Limited	Richpower Electronic Divices Co., Ltd.	Other receivables - related parties	Y	141,120	-	-	0.00	Short-term financing	-	Operation	-	None	-	148,902	148,902	Note 2
31	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Hubei Xinsheng Technology Investment Management Co., Ltd.	Other receivables - related parties	N	23,465	-	-	0.00	Short-term financing	-	Operation	-	None	-	39,020	39,020	Notes 2 and 11
31	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Yosun Shanghai Corp.Ltd	Other receivables - related parties	Y	7,040	7,040	-	0.00	Short-term financing	-	Operation	-	None	-	39,020	39,020	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 assts.

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.

Note 11: On August 1, 2016, the Company 's subsidiary company, Genuine Trading (Hong Kong) Company Limited, sold all of its equity interest in Hubei Xinsheng Technology Investment Management Co., Ltd., thus Hubei Xinsheng Technology Investment Management Co., Ltd. is not related party of the Company any more.

WPG Holdings Limited and Subsidiaries

Provision of endorsements and guarantees to others

Nine months ended September 30, 2016

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of September 30, 2016	Outstanding endorsement/ guarantee amount at September 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
0	WPG Holdings Limited	World Peace Industrial Co., Ltd.	Note 1	$ 23,458,411	$ 179,335	$ 89,646	$ 89,646	$ 89,646	0.19	23,458,411	Y	N	N	Notes 4 and 5
1	World Peace International Pte. Ltd.	WPG Americas Inc.	Note 3	6,073,749	188,160	188,160	3,298	-	6.20	6,073,749	N	N	N	Note 7
1	World Peace International Pte. Ltd.	WPG C&C Computers and Peripheral (India) Private Ltd.	Note 1	6,073,749	241,472	241,472	-	-	7.95	6,073,749	N	N	N	Note 7
1	World Peace International Pte. Ltd.	World Peace International (South Asia) Pte. Ltd.	Note 1	6,073,749	2,587,200	2,493,120	1,774,220	-	82.09	6,073,749	N	N	N	Note 7
2	WPG South Asia Pte. Ltd.	WPG India Electronics Private Limited	Note 1	1,293,863	15,680	15,680	-	-	2.42	1,293,863	N	N	N	Note 12
3	Yosun Industrial Corp.	Yosun Singapore Pte. Ltd.	Note 1	11,798,268	1,504,160	1,248,128	547,150	-	10.58	23,596,536	N	N	N	Note 10
3	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	Note 1	11,798,268	1,787,520	1,787,520	629,355	-	15.15	23,596,536	N	N	N	Note 10
3	Yosun Industrial Corp.	Sertek Incorporated	Note 1	11,798,268	1,568,000	1,568,000	1,041,849	-	13.29	23,596,536	N	N	N	Note 10
3	Yosun Industrial Corp.	RichPower Electronic Devices Co., Limited	Note 1	11,798,268	700,000	350,000	-	-	2.97	23,596,536	N	N	N	Note 10
4	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	Note 1	9,951,179	3,712,638	2,482,458	1,027,509	-	12.47	15,921,886	N	N	N	Note 6
4	World Peace Industrial Co., Ltd.	Vitec WPG Limited	Note 3	9,951,179	70,560	70,560	70,560	-	0.35	15,921,886	N	N	N	Note 6

Number	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of September 30, 2016	Outstanding endorsement/ guarantee amount at September 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
4	World Peace Industrial Co., Ltd.	WPI International Trading (Shanghai) Ltd.	Note 1	$ 9,951,179	$ 1,551,108	$ 1,551,108	$ 1,145,892	$ -	7.79	15,921,886	N	N	Y	Note 6
4	World Peace Industrial Co., Ltd.	World Peace International (South Asia) Pte. Ltd.	Note 1	9,951,179	689,920	689,920	689,920	-	3.47	15,921,886	N	N	N	Note 6
4	World Peace Industrial Co., Ltd.	WPG China Inc.	Note 3	9,951,179	193,178	-	-	-	0.00	15,921,886	N	N	Y	Note 6
4	World Peace Industrial Co., Ltd.	Long-Think International (Hong Kong) Limited	Note 1	9,951,179	344,960	-	-	-	0.00	15,921,886	N	N	N	Note 6
5	Silicon Application Corp.	SAC Components (South Asia) Pte. Ltd.	Note 1	4,805,519	62,720	-	-	-	0.00	6,006,899	N	N	N	Note 9
6	Frontek Technology Corporation	Asian Information Technology Inc.	Note 2	1,054,888	320,000	320,000	156,456	-	12.13	1,318,609	N	N	N	Note 8
7	Genuine C&C Inc.	Hubei Xinsheng Technology Investment Management Co., Ltd.	Note 1	412,850	265,844	-	-	-	0.00	516,063	N	N	Y	Notes 11 and 13
7	Genuine C&C Inc.	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Note 1	412,850	282,020	93,860	-	-	9.09	516,063	N	N	Y	Note 11
8	Asian Information Technology Inc.	Frontek Technology Corporation	Note 1	2,189,316	1,462,040	1,462,040	329,286	-	26.71	2,736,645	N	N	N	Note 8
8	Asian Information Technology Inc.	WPG China Inc.	Note 3	2,189,316	15,680	15,680	1,124	-	0.29	2,736,645	N	N	Y	Note 8
8	Asian Information Technology Inc.	AIT Japan Inc.	Note 1	2,189,316	627,200	627,200	161,460	-	11.46	2,736,645	N	N	N	Note 8

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 $89,646.

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.

Note 13: On August 1, 2016, the Company 's subsidiary, Genuine Trading (Hong Kong) Company Limited, sold all of its equity interest in Hubei Xinsheng Technology Investment Management Co., Ltd., thus Hubei Xinsheng Technology Investment Management Co., Ltd. is not related party of the Company any more.

WPG Holdings Limited and Subsidiaries

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

Nine months ended September 30, 2016

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of September 30, 2016				Footnote
				Number of shares (in thousands)	Book value	Ownership (%)	Fair value (Note 1)	
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.	-	15,703	-	15,703	Note 2
World Peace Industrial Co., Ltd.	Prohubs International Corp., etc. - Equity securities	None	Financial assets at cost - non-current, etc.	-	26,149	-	26,149	
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		3,511	-	3,511	
Yosun Industrial Corp.	Nichidenbo Corporation	None	Available-for-sale financial assets - non-current	9,647	230,565	5.78	230,565	
Genuine C&C Inc.	Systemweb Technology - Equity securities	None	Financial assets at cost - non-current	700	8,800	9.90	8,800	
Hat-Trick Co., Ltd.	Mega Diamond Money Market		Financial assets measured at fair value through profit or loss	-	20,723	-	20,723	
Richpower Electronic Devices Co., Ltd.	Promaster Technology Co., Ltd., etc. - Equity securities	None	Available-for-sale financial assets - non-current, etc.	-	24,020	-	24,020	
Mec Technology Co., Limited	Promaster Technology Co., Ltd. - Equity securities	None	Available-for-sale financial assets - non-current	1,368	8,867	4.00	8,867	
WPG Investment Co., Ltd.	CDIB CME Fund Ltd., etc. - Equity securities	None	Financial assets at cost - non-current, etc.	-	146,127	-	146,127	
WPG Investment Co., Ltd.	Murad Chia Jei Biotechnology Co., Ltd, etc. - Equity securities	None	Available-for-sale financial assets - non-current	-	42,053	-	42,053	
Silicon Application (BVI) Corp.	Apollo Electronics Group Ltd.	None	Available-for-sale financial assets - non-current, etc.	6,825	33,973	15.17	33,973	
Silicon Application (BVI) Corp.	MCUBE, Inc., etc. - Equity securities	None	Financial assets at cost - non-current	-	6,272	-	6,272	
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 September 30, 2016.

WPG Holdings Limited and Subsidiaries

Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital

Nine months ended September 30, 2016

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

					Balance as at January 1, 2016		Addition		Disposal				Balance as at September 30, 2016	
Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Number of shares (thousand)	Amount	Number of shares (thousand)	Amount	Number of shares (thousand)	Selling price	Book value	Gain (loss) on disposal	Number of shares (thousand)	Amount
WPG China Inc.	CECI Technology Co. Ltd	Note	Participated in capital increase	Investment under the equity method	-	$ -	-	$ 115,615	-	$ -	$ -	$ -	-	$ 115,615
"	CECI Technology Co. Ltd	Note	Parent of an electronic	Investment under the equity	-	-	-	457,455	-	-	-	-	-	457,455

Note: Accounted for under the equity method.

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

Nine months ended September 30, 2016

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Same parent company	Sales	($ 230,752)	(46.32)	Note 7	Note 7	Note 7	$ 25,688	47.16	
World Peace Industrial Co., Ltd.	AECO Technology Co., Ltd.	"	"	(260,802)	(0.35)	Note 3	Note 3	Note 3	42,165	0.18	
"	WPI International (Hong Kong) Limited	"	"	(15,313,647)	(20.50)	"	"	"	4,930,764	21.59	
"	WPG Electronics (HK) Limited	"	"	(1,302,977)	(1.74)	"	"	"	330,572	1.45	
Longview Technology Inc.	WPI International (Hong Kong) Limited	"	"	(711,488)	(40.55)	"	"	"	100,313	23.96	
Genuine C&C (IndoChina) Pte Ltd.	P.T. WPG Electrindo Jaya	Investment under equity method	"	(589,420)	(73.15)	"	"	"	165,948	96.30	
World Peace International (South Asia) Pte Ltd.	World Peace Industrial Co., Ltd.	Same parent company	"	(149,663)	(0.75)	"	"	"	22,102	0.50	
"	Genuine C&C (IndoChina) Pte Ltd	"	"	(518,158)	(2.60)	"	"	"	66,918	1.52	
"	WPG SCM Limited	"	"	(3,207,541)	(16.11)	"	"	"	1,607,001	36.47	
"	WPG C&C (Malaysia) Sdn Bhd	"	"	(540,312)	(2.71)	"	"	"	127,000	2.88	
"	WPG C&C (Thailand) Co., Ltd.	"	"	(118,364)	(0.59)	"	"	"	24,208	0.55	
"	WPG C&C Computers and Peripheral (India) Private Limited	"	"	(1,033,517)	(5.19)	"	"	"	208,097	4.72	
WPI International (Hong Kong) Limited	WPG China Inc.	"	"	(280,259)	(0.26)	"	"	"	90,843	0.32	
"	World Peace Industrial Co., Ltd.	"	"	(4,434,770)	(4.14)	"	"	"	583,085	2.08	
"	WPG Korea Co., Ltd.	"	"	(226,728)	(0.21)	"	"	"	57,588	0.21	
"	World Peace International (South Asia) Pte Ltd	"	"	(1,439,902)	(1.34)	"	"	"	150,293	0.54	
"	WPG SCM Limited	"	"	(700,558)	(0.65)	"	"	"	110,492	0.39	
"	WPI International Trading (Shanghai) Ltd.	"	"	(238,796)	(0.22)	"	"	"	35,941	0.13	

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)	
WPI International (Hong Kong) Limited	WPG China (SZ) Inc.	Same parent company	Sales	($ 2,153,904)	(2.01)	Note 3	Note 3	Note 3	$ 1,242,480	4.44	
"	VITEC WPG Limited	Investment under equity method	"	(104,050)	(0.10)	"	"	"	17,137	0.06	
WPG C&C Limited	WPI International (Hong Kong) Limited	Same parent company	"	(470,822)	(8.14)	"	"	"	27,859	3.28	
"	WPI International Trading (Shanghai) Ltd.	"	"	(1,082,414)	(18.71)	"	"	"	196,753	23.18	
Long-Think International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	"	"	(148,420)	(13.64)	"	"	"	41,730	16.29	
"	Longview Technology Inc.	"	"	(144,998)	(13.32)	"	"	"	14,393	5.62	
"	WPI International (Hong Kong) Limited	"	"	(269,404)	(24.76)	"	"	"	29,749	11.61	
Silicon Application Corp.	WPG SCM Limited	"	"	(167,482)	(0.42)	30 days after monthly billings	Note 4	Note 4	31,130	0.33	
"	WPG Electronics (HK) Limited	"	"	(1,627,284)	(4.05)	90 days after monthly billings	"	"	712,284	7.48	
"	WPG China (SZ) Inc.	"	"	(743,506)	(1.85)	120 days after monthly billings	"	"	318,302	3.34	
Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	"	"	(462,108)	(17.17)	90 days after monthly billings	"	"	135,078	14.00	
Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	"	"	(1,100,857)	(34.53)	90 days after monthly billings	"	"	327,299	41.28	
"	WPG China (SZ) Inc.	"	"	(144,749)	(4.54)	120 days after monthly billings	"	"	58,719	7.41	
Asian Information Technology Inc.	Silicon Application Corp.	"	"	(194,513)	(0.70)	Note 2	Note 2	Note 2	1,417	0.02	
"	WPG China (SZ) Inc.	"	"	(132,267)	(0.47)	"	"	"	60,188	0.93	
"	Apache Communication Inc.	"	"	(392,845)	(1.41)	"	"	"	-	-	
"	Frontek Technology Corporation	"	"	(252,772)	(0.91)	"	"	"	10,379	0.16	
"	AIT Japan Inc.	"	"	(1,489,613)	(5.35)	"	"	"	244,815	3.79	
Apache Communication Inc.	Asian Information Technology Inc.	"	"	(492,705)	(2.05)	"	"	"	175,686	3.73	
"	WPI International (Hong Kong) Limited	"	"	(412,627)	(1.72)	"	"	"	131,767	2.80	
"	WPG Electronics (HK) Limited	"	"	(111,958)	(0.47)	"	"	"	49,768	1.06	

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)	
Apache Communication Inc.	WPG China (SZ) Inc.	Same parent company	Sales	($ 121,768)	(0.51)	Note 2	Note 2	Note 2	$ 34,437	0.73	
Frontek Technology Corporation	Asian Information Technology Inc.	"	"	(264,332)	(1.65)	"	"	"	86,168	2.54	
"	WPG Electronics (HK) Limited	"	"	(288,174)	(1.80)	"	"	"	155,075	4.57	
AIT Japan Inc.	Asian Information Technology Inc.	"	"	(1,333,419)	(46.53)	"	"	"	156,828	38.42	
Yosun Industrial Corp.	WPG China Inc.	"	"	(332,121)	(1.31)	Note 6	Note 6	Note 6	125,423	2.88	
"	WPG China (SZ) Inc.	"	"	(271,087)	(1.07)	"	"	"	123,463	2.84	
"	Yosun Hong Kong Corp. Ltd.	"	"	(3,302,222)	(13.07)	Credit 75 days	Note 5	Note 5	214,228	4.92	
Sertek Incorporated	Yosun Industrial Corp.	"	"	(210,189)	(1.93)	"	"	"	14,002	2.00	
"	Yosun Hong Kong Corp. Ltd.	"	"	(369,906)	(3.39)	"	"	"	17,117	2.45	
Yosun Hong Kong Corp. Ltd.	WPG China Inc.	"	"	(3,052,883)	(12.02)	Note 6	Note 6	Note 6	991,455	19.21	
"	Yosun Industrial Corp.	"	"	(520,083)	(2.05)	Credit 75 days	Note 5	Note 5	18,863	0.37	
"	WPG SCM Limited	"	"	(290,560)	(1.14)	Credit 60 days	"	"	42,531	0.82	
"	WPG China (SZ) Inc.	"	"	(1,493,734)	(5.88)	Note 6	Note 6	Note 6	528,226	10.24	
"	RichPower Electronic Devices Co., Limited	"	"	(817,437)	(3.22)	Credit 75 days	Note 5	Note 5	90,902	1.76	
Yosun Singapore Pte Ltd.	WPG SCM Limited	"	"	(137,504)	(3.89)	"	"	"	19,428	1.99	
"	Yosun Hong Kong Corp. Ltd.	"	"	(425,654)	(12.05)	"	"	"	64,385	6.61	
Richpower Electronic Devices Co., Ltd	WPG Electronics (HK) Limited	"	"	(832,133)	(15.61)	Note 6	Note 6	Note 6	382,853	23.43	
"	RichPower Electronic Devices Co., Limited	"	"	(223,314)	(4.19)	"	"	"	7,766	0.48	
Mec Technology Co., Limited	WPG Electronics (HK) Limited	"	"	(272,485)	(13.71)	"	"	"	38,372	24.83	
"	Richpower Electronic Devices Co., Ltd	"	"	(309,808)	(15.59)	"	"	"	(1,355)	(0.88)	
RichPower Electronic Devices Co., Limited	Yosun Hong Kong Corp. Ltd.	"	"	(170,458)	(2.39)	"	"	"	13,780	0.89	
Peng Yu (Shanghai) Digital Technology Co., Ltd	WPG Electronics (HK) Limited	"	"	(583,622)	(51.08)	30 days after monthly billings	Note 4	Note 4	107,160	35.81	
WPG China Inc.	WPG China (SZ) Inc.	"	"	(388,290)	(6.16)	90 days after monthly billings	Note 5	Note 5	103,133	4.74	
WPG Americas Inc.	World Peace Industrial Co., Ltd.	"	"	(199,817)	(6.50)	30 days after monthly billings	Note 4	Note 4	1,276	0.17	

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 Americas Inc.	WPI International (Hong Kong) Limited	Same parent company	Sales	($ 146,910)	(4.78)	30 days after monthly billings	Note 4	Note 4	$ 13,859	1.83	
WPG South Asia Pte. Ltd.	World Peace International (South Asia) Pte Ltd	"	"	(347,672)	(80.81)	60 days after monthly billings	Note 2	Note 2	-	-	
WPG Electronics (HK) Limited	World Peace Industrial Co., Ltd.	"	"	(130,393)	(2.15)	Note 7	Note 7	Note 7	-	-	
"	Silicon Application Corp.	"	"	(102,376)	(1.69)	"	"	"	-	-	
"	WPI International (Hong Kong) Limited	"	"	(191,558)	(3.15)	"	"	"	-	-	
"	Yosun Hong Kong Corp. Ltd.	"	"	(105,487)	(1.74)	"	"	"	-	-	
WPG China (SZ) Inc.	WPG China Inc.	"	"	(326,894)	(3.45)	60 days after monthly billings	Note 5	Note 5	202,736	5.88	

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

Nine months ended September 30, 2016

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 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		
World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	Same parent company	$ 4,930,764	4.77	$ -	-	$ 2,070,786	$ -
World Peace Industrial Co., Ltd.	WPG Electronics (HK) Limited	"	330,572	5.48	-	-	55,296	-
Longview Technology Inc.	WPI International (Hong Kong) Limited	"	100,313	7.24	-	-	100,313	-
Genuine C&C (IndoChina) Pte Ltd	P.T. WPG Electrindo Jaya	Investment under equity method	165,948	3.39	-	-	33,545	-
World Peace International (South Asia) Pte Ltd	WPG SCM Limited	Same parent company	1,607,001	2.62	-	-	297,918	-
World Peace International (South Asia) Pte Ltd	WPG C&C (Malaysia) Sdn Bhd	"	127,000	3.72	-	-	28,219	-
World Peace International (South Asia) Pte Ltd	WPG C&C Computers and Peripheral (India) Private Limited	"	208,097	6.10	-	-	45,223	-
WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	"	583,085	12.01	-	-	582,985	-
WPI International (Hong Kong) Limited	World Peace International (South Asia) Pte Ltd	"	150,293	7.97	-	-	150,293	-
WPI International (Hong Kong) Limited	WPG SCM Limited	"	110,492	6.95	-	-	110,492	-
WPI International (Hong Kong) Limited	WPG Electronics (HK) Limited	"	187,944	0.11	-	-	186,519	-
WPI International (Hong Kong) Limited	WPG China (SZ) Inc.	"	1,242,480	2.74	-	-	291,632	-
WPG C&C Limited	WPI International Trading (Shanghai) Ltd.	"	196,753	6.03	-	-	102,885	-
Silicon Application Corp.	WPG Electronics (HK) Limited	"	712,284	3.22	-	-	141,063	-
Silicon Application Corp.	WPG China (SZ) Inc.	"	318,302	3.04	-	-	71,022	-
Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	"	135,078	4.15	-	-	61,276	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 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	$ 327,299	3.68	$ -	-	$ 174,327	$ -
Asian Information Technology Inc.	AIT Japan Inc.	"	244,815	5.30	-	-	-	-
Apache Communication Inc.	Asian Information Technology Inc.	"	175,686	6.83	-	-	175,686	-
Apache Communication Inc.	WPI International (Hong Kong) Limited	"	131,767	7.90	-	-	-	-
Frontek Technology Corporation	WPG Electronics (HK) Limited	"	155,075	2.27	-	-	32,198	-
AIT Japan Inc.	Asian Information Technology Inc.	"	156,828	11.52	-	-	129,454	-
Yosun Industrial Corp.	WPG China Inc.	"	125,423	5.58	-	-	37,489	-
Yosun Industrial Corp.	WPG China (SZ) Inc.	"	123,463	3.27	-	-	30,516	-
Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	"	214,228	24.42	-	-	214,228	-
Yosun Hong Kong Corp. Ltd.	WPG China Inc.	"	991,455	2.65	-	-	323,753	-
Yosun Hong Kong Corp. Ltd.	WPG China (SZ) Inc.	"	528,226	3.13	-	-	142,096	-
Richpower Electronic Devices Co., Ltd	WPG Electronics (HK) Limited	"	382,853	2.78	-	-	77,392	-
Peng Yu (Shanghai) Digital Technology Co., Ltd	WPG Electronics (HK) Limited	"	107,160	10.21	-	-	62,971	-
WPG China Inc.	WPG China (SZ) Inc.	"	103,133	3.83	-	-	60,496	-
WPG China (SZ) Inc.	WPG China Inc.	"	202,736	3.58	-	-	62,950	-
World Peace International Pte Ltd	World Peace International (South Asia) Pte Ltd	"	119,352	0.00	-	-	184	-
World Peace International (South Asia) Pte Ltd	WPG China Inc.	"	315,455	0.00	-	-	-	-
World Peace International (South Asia) Pte Ltd	WPG Americas Inc.	"	821,029	0.00	-	-	376,320	-
World Peace International (South Asia) Pte Ltd	WPI International (Hong Kong) Limited	"	628,167	0.00	-	-	1,603	-
World Peace International (South Asia) Pte Ltd	WPG South Asia Pte. Ltd.	"	171,471	0.00	-	-	171,471	-
WPI International (Hong Kong) Limited	WPG China Inc.	"	377,794	0.00	-	-	-	-
WPI International (Hong Kong) Limited	WPG C&C Limited	"	355,890	0.00	-	-	687	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 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		
AECO Electronic Co., Ltd.	WPI International (Hong Kong) Limited	Same parent company	$ 702,030	0.00	$ -	-	$ -	$ -
Silicon Application (BVI) Corp.	Silicon Application Corp.	"	1,226,301	0.00	-	-	-	-
Silicon Application Company Limited	Silicon Application Corp.	"	711,731	0.00	-	-	-	-
Silicon Application Company Limited	WPG Korea Co., Ltd.	"	316,479	0.00	-	-	-	-
Silicon Application Company Limited	WPI International (Hong Kong) Limited	"	535,257	0.00	-	-	-	-
Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	"	150,811	0.00	-	-	-	-
Frontek Technology Corporation	Apache Communication Inc.	"	474,716	0.00	-	-	318,429	-
Sertek Limited	Yosun Hong Kong Corp. Ltd.	"	434,722	0.00	-	-	-	-
Giatek Corp. Ltd.	Yosun Hong Kong Corp. Ltd.	"	1,129,035	0.00	-	-	-	-
Yosun South China Corp.Ltd	WPG China (SZ) Inc.	"	117,599	0.00	-	-	117,599	-
Yosun Shanghai Corp.Ltd	WPG China Inc.	"	150,176	0.00	-	-	-	-
Yosun Shanghai Corp.Ltd	WPG China (SZ) Inc.	"	188,152	0.00	-	-	-	-
Richpower Electronic Devices Pte., Ltd.	Yosun Singapore Pte Ltd.	"	204,154	0.00	-	-	204,154	-
WPG South Asia Pte. Ltd.	WPG Korea Co., Ltd.	"	188,571	0.00	-	-	369	-
WPG South Asia Pte. Ltd.	World Peace International (South Asia) Pte Ltd	"	109,937	0.00	-	-	49,816	-
WPG South Asia Pte. Ltd.	Yosun Singapore Pte Ltd.	"	183,234	0.00	-	-	183,234	-
WPG Investment Co., Ltd.	WPG Holdings Limited	Parent company	110,455	0.00	-	-	-	-

Note 1: Balance as at September 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 November 8, 2016.

WPG Holdings Limited and Subsidiaries

Significant inter-company transactions during the reporting periods

Nine months ended September 30, 2016

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	WPG Holdings Limited	World Peace Industrial Co., Ltd.	1	Sales	$ 230,752	Note 11	0.06
1	World Peace Industrial Co., Ltd.	AECO Technology Co., Ltd.	3	"	260,802	Note 5	0.07
1	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	3	"	15,313,647	Note 5	3.85
1	World Peace Industrial Co., Ltd.	WPG Electronics (HK) Limited	3	"	1,302,977	Note 5	0.33
2	Longview Technology Inc.	WPI International (Hong Kong) Limited	3	"	711,488	Note 5	0.18
3	World Peace International (South Asia) Pte Ltd	World Peace Industrial Co., Ltd.	3	"	149,663	Note 11	0.04
3	World Peace International (South Asia) Pte Ltd	Genuine C&C (IndoChina) Pte Ltd	3	"	518,158	Note 5	0.13
3	World Peace International (South Asia) Pte Ltd	WPG SCM Limited	3	"	3,207,541	Note 5	0.81
3	World Peace International (South Asia) Pte Ltd	WPG C&C (Malaysia) Sdn Bhd	3	"	540,312	Note 5	0.14
3	World Peace International (South Asia) Pte Ltd	WPG C&C (Thailand) Co., Ltd.	3	"	118,364	Note 11	0.03
3	World Peace International (South Asia) Pte Ltd	WPG C&C Computers and Peripheral (India) Private Limited	3	"	1,033,517	Note 5	0.26
4	WPI International (Hong Kong) Limited	WPG China Inc.	3	"	280,259	Note 5	0.07
4	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	"	4,434,770	Note 5	1.12
4	WPI International (Hong Kong) Limited	WPG Korea Co., Ltd.	3	"	226,728	Note 5	0.06
4	WPI International (Hong Kong) Limited	World Peace International (South Asia) Pte Ltd	3	"	1,439,902	Note 5	0.36
4	WPI International (Hong Kong) Limited	WPG SCM Limited	3	"	700,558	Note 5	0.18

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
4	WPI International (Hong Kong) Limited	WPI International Trading (Shanghai) Ltd.	3	Sales	$ 238,796	Note 5	0.06
4	WPI International (Hong Kong) Limited	WPG China (SZ) Inc.	3	"	2,153,904	Note 5	0.54
5	WPG C&C Limited	WPI International (Hong Kong) Limited	3	"	470,822	Note 5	0.12
5	WPG C&C Limited	WPI International Trading (Shanghai) Ltd.	3	"	1,082,414	Note 5	0.27
6	Long-Think International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	"	148,420	Note 11	0.04
6	Long-Think International (Hong Kong) Limited	Longview Technology Inc.	3	"	144,998	Note 11	0.04
6	Long-Think International (Hong Kong) Limited	WPI International (Hong Kong) Limited	3	"	269,404	Note 5	0.07
7	Silicon Application Corp.	WPG SCM Limited	3	"	167,482	Notes 9 and 11	0.04
7	Silicon Application Corp.	WPG Electronics (HK) Limited	3	"	1,627,284	Notes 9 and 13	0.41
7	Silicon Application Corp.	WPG China (SZ) Inc.	3	"	743,506	Notes 6 and 9	0.19
8	Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	3	"	462,108	Notes 9 and 19	0.12
9	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	"	1,100,857	Notes 9 and 19	0.28
9	Everwiner Enterprise Co., Ltd.	WPG China (SZ) Inc.	3	"	144,749	Notes 9 and 19	0.04
10	Asian Information Technology Inc.	Silicon Application Corp.	3	"	194,513	Note 4	0.05
10	Asian Information Technology Inc.	WPG China (SZ) Inc.	3	"	132,267	Note 4	0.03
10	Asian Information Technology Inc.	Apache Communication Inc.	3	"	392,845	Note 4	0.10
10	Asian Information Technology Inc.	Frontek Technology Corporation	3	"	252,772	Note 4	0.06
10	Asian Information Technology Inc.	AIT Japan Inc.	3	"	1,489,613	Note 4	0.37
11	Apache Communication Inc.	Asian Information Technology Inc.	3	"	492,705	Note 4	0.12
11	Apache Communication Inc.	WPI International (Hong Kong) Limited	3	"	412,627	Note 4	0.10
11	Apache Communication Inc.	WPG Electronics (HK) Limited	3	"	111,958	Note 4	0.03

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
11	Apache Communication Inc.	WPG China (SZ) Inc.	3	Sales	$ 121,768	Note 4	0.03
12	Frontek Technology Corporation	Asian Information Technology Inc.	3	"	264,332	Note 4	0.07
12	Frontek Technology Corporation	WPG Electronics (HK) Limited	3	"	288,174	Note 4	0.07
13	AIT Japan Inc.	Asian Information Technology Inc.	3	"	1,333,419	Note 4	0.34
14	Yosun Industrial Corp.	WPG China Inc.	3	"	332,121	Notes 7 and 8	0.08
14	Yosun Industrial Corp.	WPG China (SZ) Inc.	3	"	271,087	Notes 7 and 8	0.07
14	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	3	"	3,302,222	Notes 7 and 16	0.83
15	Sertek Incorporated	Yosun Industrial Corp.	3	"	210,189	Notes 7 and 16	0.05
15	Sertek Incorporated	Yosun Hong Kong Corp. Ltd.	3	"	369,906	Notes 7 and 16	0.09
16	Yosun Hong Kong Corp. Ltd.	WPG China Inc.	3	"	3,052,883	Notes 7 and 8	0.77
16	Yosun Hong Kong Corp. Ltd.	Yosun Industrial Corp.	3	"	520,083	Notes 7 and 16	0.13
16	Yosun Hong Kong Corp. Ltd.	WPG SCM Limited	3	"	290,560	Notes 7 and 10	0.07
16	Yosun Hong Kong Corp. Ltd.	WPG China (SZ) Inc.	3	"	1,493,734	Notes 7 and 8	0.38
16	Yosun Hong Kong Corp. Ltd.	Richpower Electronic Devices Co., Limited	3	"	817,437	Notes 7 and 16	0.21
17	Yosun Singapore Pte Ltd.	WPG SCM Limited	3	"	137,504	Notes 7 and 10	0.03
17	Yosun Singapore Pte Ltd.	Yosun Hong Kong Corp. Ltd.	3	"	425,654	Notes 7 and 16	0.11
18	Richpower Electronic Devices Co., Ltd	WPG Electronics (HK) Limited	3	"	832,133	Note 8	0.21
18	Richpower Electronic Devices Co., Ltd	Richpower Electronic Devices Co., Limited	3	"	223,314	Note 8	0.06
19	Mec Technology Co., Limited	WPG Electronics (HK) Limited	3	"	272,485	Note 8	0.07
19	Mec Technology Co., Limited	Richpower Electronic Devices Co., Ltd	3	"	309,808	Note 8	0.08
20	Richpower Electronic Devices Co., Limited	Yosun Hong Kong Corp. Ltd.	3	"	170,458	Note 8	0.04

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
21	Peng Yu (Shanghai) Digital Technology Co., Ltd	WPG Electronics (HK) Limited	3	Sales	$ 583,622	Note 20	0.15
22	WPG China Inc.	WPG China (SZ) Inc.	3	"	388,290	Notes 9 and 13	0.10
23	WPG Americas Inc.	World Peace Industrial Co., Ltd.	3	"	199,817	Note 20	0.05
23	WPG Americas Inc.	WPI International (Hong Kong) Limited	3	"	146,910	Note 20	0.04
24	WPG South Asia Pte. Ltd.	World Peace International (South Asia) Pte Ltd	3	"	347,672	Notes 9 and 10	0.09
25	WPG Electronics (HK) Limited	World Peace Industrial Co., Ltd.	3	"	130,393	Note 11	0.03
25	WPG Electronics (HK) Limited	Silicon Application Corp.	3	"	102,376	Note 11	0.03
25	WPG Electronics (HK) Limited	WPI International (Hong Kong) Limited	3	"	191,558	Note 11	0.05
25	WPG Electronics (HK) Limited	Yosun Hong Kong Corp. Ltd.	3	"	105,487	Note 11	0.03
26	WPG China (SZ) Inc.	WPG China Inc.	3	"	326,894	Notes 9 and 10	0.08
1	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	3	Accounts receivable	4,930,764	Note 5	2.78
1	World Peace Industrial Co., Ltd.	WPG Electronics (HK) Limited	3	"	330,572	Note 5	0.19
2	Longview Technology Inc.	WPI International (Hong Kong) Limited	3	"	100,313	Note 5	0.06
3	World Peace International (South Asia) Pte Ltd	WPG SCM Limited	3	"	1,607,001	Note 5	0.91
3	World Peace International (South Asia) Pte Ltd	WPG C&C (Malaysia) Sdn Bhd	3	"	127,000	Note 5	0.07
3	World Peace International (South Asia) Pte Ltd	WPG C&C Computers and Peripheral (India) Private Limited	3	"	208,097	Note 5	0.12
4	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	"	583,085	Note 5	0.33

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
4	WPI International (Hong Kong) Limited	World Peace International (South Asia) Pte Ltd	3	Accounts receivable	$ 150,293	Note 5	0.08
4	WPI International (Hong Kong) Limited	WPG SCM Limited	3	"	110,492	Note 5	0.06
4	WPI International (Hong Kong) Limited	WPG Electronics (HK) Limited	3	"	187,944	Note 5	0.11
4	WPI International (Hong Kong) Limited	WPG China (SZ) Inc.	3	"	1,242,480	Note 5	0.70
5	WPG C&C Limited	WPI International Trading (Shanghai) Ltd.	3	"	196,753	Note 5	0.11
6	Silicon Application Corp.	WPG Electronics (HK) Limited	3	"	712,284	Note 5	0.40
6	Silicon Application Corp.	WPG China (SZ) Inc.	3	"	318,302	Notes 6 and 9	0.18
7	Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	3	"	135,078	Notes 9 and 19	0.08
8	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	"	327,299	Notes 9 and 19	0.18
9	Asian Information Technology Inc.	AIT Japan Inc.	3	"	244,815	Note 4	0.14
10	Apache Communication Inc.	Asian Information Technology Inc.	3	"	175,686	Note 4	0.10
10	Apache Communication Inc.	WPI International (Hong Kong) Limited	3	"	131,767	Note 4	0.07
11	Frontek Technology Corporation	WPG Electronics (HK) Limited	3	"	155,075	Note 4	0.09
12	AIT Japan Inc.	Asian Information Technology Inc.	3	"	156,828	Note 4	0.09
13	Yosun Industrial Corp.	WPG China Inc.	3	"	125,423	Note 8	0.07
13	Yosun Industrial Corp.	WPG China (SZ) Inc.	3	"	123,463	Note 8	0.07
13	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	3	"	214,228	Notes 7 and 16	0.12
14	Yosun Hong Kong Corp. Ltd.	WPG China Inc.	3	"	991,455	Note 8	0.56
14	Yosun Hong Kong Corp. Ltd.	WPG China (SZ) Inc.	3	"	528,226	Note 8	0.30
15	Richpower Electronic Devices Co., Ltd	WPG Electronics (HK) Limited	3	"	382,853	Note 8	0.22
16	Peng Yu (Shanghai) Digital Technology Co., Ltd	WPG Electronics (HK) Limited	3	"	107,160	Note 20	0.06
17	WPG China Inc.	WPG China (SZ) Inc.	3	"	103,133	Notes 9 and 13	0.06

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
18	WPG China (SZ) Inc.	WPG China Inc.	3	Accounts receivable	$ 202,736	Notes 9 and 10	0.11
19	World Peace International Pte Ltd	World Peace International (South Asia) Pte Ltd	3	Other receivables	119,352	Note 17	0.07
0	World Peace International (South Asia) Pte Ltd	WPG China Inc.	3	"	315,455	Note 17	0.18
0	World Peace International (South Asia) Pte Ltd	WPG Americas Inc.	3	"	821,029	Note 17	0.46
0	World Peace International (South Asia) Pte Ltd	WPI International (Hong Kong) Limited	3	"	628,167	Note 17	0.35
0	World Peace International (South Asia) Pte Ltd	WPG South Asia Pte. Ltd.	3	"	171,471	Note 17	0.10
1	WPI International (Hong Kong) Limited	WPG China Inc.	3	"	377,794	Note 17	0.21
1	WPI International (Hong Kong) Limited	WPG C&C Limited	3	"	355,890	Note 17	0.20
2	AECO Electronic Co., Ltd.	WPI International (Hong Kong) Limited	3	"	702,030	Note 17	0.40
3	Silicon Application (BVI) Corp.	Silicon Application Corp.	3	"	1,226,301	Note 17	0.69
4	Silicon Application Company Limited	Silicon Application Corp.	3	"	711,731	Note 17	0.40
4	Silicon Application Company Limited	WPG Korea Co., Ltd.	3	"	316,479	Note 17	0.18
4	Silicon Application Company Limited	WPI International (Hong Kong) Limited	3	"	535,257	Note 17	0.30
5	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	"	150,811	Note 17	0.08
6	Frontek Technology Corporation	Apache Communication Inc.	3	"	474,716	Note 17	0.27
7	Sertek Limited	Yosun Hong Kong Corp. Ltd.	3	"	434,722	Note 17	0.24
8	Giatek Corp. Ltd.	Yosun Hong Kong Corp. Ltd.	3	"	1,129,035	Note 17	0.64
9	Yosun South China Corp. Ltd	WPG China (SZ) Inc.	3	"	117,599	Note 17	0.07
10	Yosun Shanghai Corp. Ltd	WPG China Inc.	3	"	150,176	Note 17	0.08
10	Yosun Shanghai Corp. Ltd	WPG China (SZ) Inc.	3	"	188,152	Note 17	0.11
11	Richpower Electronic Devices Pte., Ltd.	Yosun Singapore Pte Ltd.	3	"	204,154	Note 17	0.12

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
12	WPG South Asia Pte. Ltd.	WPG Korea Co., Ltd.	3	Other receivables	$ 188,571	Note 17	0.11
12	WPG South Asia Pte. Ltd.	World Peace International (South Asia) Pte Ltd	3	"	109,937	Note 17	0.06
12	WPG South Asia Pte. Ltd.	Yosun Singapore Pte Ltd.	3	"	183,234	Note 17	0.10
13	WPG Investment Co., Ltd.	WPG Holdings Limited	2	"	110,455	Note 17	0.06

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

Nine months ended September 30, 2016

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2016			Net profit (loss) of the investee for the nine months ended September 30, 2016	Investment income (loss) recognised by the Company for the nine months ended September 30, 2016 (Note 1)	Footnote
				Balance as at September 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	$ 19,904,421	$ 2,552,841	$ 2,552,841	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	5,473,289	1,032,522	1,032,522	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	6,006,899	419,353	419,353	Note 4
WPG Holdings Limited	WPG Electronics Limited	Taiwan	Sales of electronic /electrical components	14,735	14,735	3,920,000	100.00	47,381	5,560	5,560	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	376,460	33,486	33,486	Note 4
WPG Holdings Limited	WPG International (CI) Limited	Cayman Islands	Holding company	3,783,583	3,783,583	124,442,727	100.00	3,577,876	157,957	157,957	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	16,621,596	861,907	859,271	Note 4
WPG Holdings Limited	WPG Investment Co., Ltd.	Taiwan	Investment company	502,997	502,997	50,000,000	100.00	498,089	4,747	3,774	Note 4
WPG Holdings Limited	WPG Core Investment Co., Ltd.	Taiwan	Investment company	45,000	45,000	4,500,000	100.00	(880)	(9,599)	(9,599)	Note 4
WPG Holdings Limited	Genuine C&C Inc.	Taiwan	Computer and its peripheral equipment	510,041	510,041	35,175,221	44.21	494,604	26,841	9,860	Note 4
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	3,156,848	203,314		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	14,428,416	1,702,375		Notes 2 and 5

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at September 30, 2016	Initial investment amount: Balance as at December 31, 2015	Shares held as at September 30, 2016: Number of shares	Shares held as at September 30, 2016: Ownership (%)	Shares held as at September 30, 2016: Book value	Net profit (loss) of the investee for the nine months ended September 30, 2016	Investment income (loss) recognised by the Company for the nine months ended September 30, 2016 (Note 1)	Footnote
World Peace Industrial Co., Ltd.	Longview Technology Inc.	Taiwan	Sales of electronic /electrical components	$ 364,290	$ 364,290	33,900,000	100.00	$ 548,507	$ 37,970		Notes 2 and 5
World Peace Industrial Co., Ltd.	Chainpower Technology Corp.	Taiwan	Sales of electronic /electrical components	66,261	116,650	9,781,452	39.00	145,046	31,202		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	1,684,061	9,579		Notes 2 and 5
World Peace Industrial Co., Ltd.	Genuine C&C Inc.	Taiwan	Computer and its peripheral equipment	149,130	149,130	12,964,098	16.29	168,162	26,841		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	352,586	(26,015)		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	51,177	7,165		Notes 2 and 5
AECO Technology Co., Ltd.	Teco Enterprise Holding (BVI) Co., Ltd.	British Virgin Islands	Investment company	436,280	436,280	12,610,000	100.00	773,554	9,206		Notes 2 and 5
Silicon Application Corp.	Silicon Application (BVI) Corp.	British Virgin Islands	Holding company	706,402	706,402	22,000,000	100.00	3,156,643	30,167		Notes 2 and 5
Silicon Application Corp.	Win-Win Systems Ltd.	British Virgin Islands	Holding company	24,015	24,015	765,000	100.00	25,482	9		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	112,110	1,074		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	9,223	(227)		Notes 2 and 5
Silicon Application Corp.	Pernas Electronics Co., Ltd.	Taiwan	Sales of electronic /electrical components	959,504	959,504	73,500,000	100.00	997,718	92,159		Notes 2 and 5
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	2,637,219	327,002		Notes 2 and 5

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at September 30, 2016	Initial investment amount: Balance as at December 31, 2015	Shares held as at September 30, 2016: Number of shares	Shares held as at September 30, 2016: Ownership (%)	Shares held as at September 30, 2016: Book value	Net profit (loss) of the investee for the nine months ended September 30, 2016	Investment income (loss) recognised by the Company for the nine months ended September 30, 2016 (Note 1)	Footnote
Asian Information Technology Inc.	Apache Communication Inc.	Taiwan	Import and export business for electrical components	$ 680,313	$ 680,313	157,000,000	100.00	$ 2,016,876	$ 339,343		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	116,556	7,818		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	38,126	(46,399)		Notes 2 and 3
Asian Information Technology Inc.	Fame Hall International Co., Ltd.	British Virgin Islands	Investment company	155,558	155,558	4,703,107	100.00	335,666	25,822		Notes 2 and 5
Frontek Technology Corporation	Frontek International Limited	British Virgin Islands	Investment company	101,862	101,862	2,970,000	100.00	122,592	1,542		Notes 2 and 5
Yosun Industrial Corp.	Suntop Investments Limited	Cayman Islands	Investment company	1,812,188	1,812,188	50,700,000	100.00	4,765,474	324,643		Notes 2 and 5
Yosun Industrial Corp.	Sertek Incorporated	Taiwan	Sales of electronic /electrical components	1,616,722	1,616,722	94,828,100	100.00	1,763,318	219,465		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	(4,317)		Notes 2 and 3
Yosun Industrial Corp.	Eesource Corp.	Taiwan	Sales of electronic components	11,520	11,520	1,080,000	20.00	37,514	39,879		Notes 2 and 3
Yosun Industrial Corp.	Yosun Japan Corp.	Japan	Sales of electronic /electrical components	44,172	44,172	15,015	50.00	34,032	(13,965)		Notes 2 and 3
Yosun Industrial Corp.	Richpower Electronic Devices Co., Ltd	Taiwan	Sales of electronic /electrical components	2,092,631	2,092,631	85,000,000	100.00	2,093,716	165,425		Notes 2 and 5
Sertek Incorporated	Sertek Limited	Hong Kong	Sales of electronic /electrical components	83,494	83,494	19,500,000	100.00	437,800	4,049		Notes 2 and 5
Richpower Electronic Devices Co., Ltd	Richpower Electronic Devices Co., Limited	Taiwan	Sales of electronic components	284,898	284,898	63,000,000	100.00	1,632,849	106,401		Notes 2 and 5
Richpower Electronic Devices Co., Ltd	Mec Technology Co., Limited	Taiwan	Sales of electronic components	401,247	401,247	24,300,000	100.00	420,086	42,948		Notes 2 and 5

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at September 30, 2016	Initial investment amount: Balance as at December 31, 2015	Shares held as at September 30, 2016: Number of shares	Shares held as at September 30, 2016: Ownership (%)	Shares held as at September 30, 2016: Book value	Net profit (loss) of the investee for the nine months ended September 30, 2016	Investment income (loss) recognised by the Company for the nine months ended September 30, 2016 (Note 1)	Footnote
Mec Technology Co., Limited	Mec Technology Co., Limited	Hong Kong	Sales of electronic components	$ 1,092	$ 1,092	25,000	100.00	$ 7,077	($ 3,421)		Notes 2 and 5
Mec Technology Co., Limited	Richpower Electronic Devices Pte., Ltd.	Singapore	Sales of electronic components	1,988	1,988	10,000	100.00	215,829	2,764		Notes 2 and 5
WPG Investment Co., Ltd.	Eesource Corp.	Taiwan	Sales of electronic components	11,520	11,520	1,080,000	20.00	37,514	39,879		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	-	(4,317)		Notes 2 and 3
WPG Investment Co., Ltd.	Taibaoo Creation Co., Ltd.	Taiwan	Retail business of other grocery	-	10,000	-	0.00	-	-		Notes 2 and 6
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	65,308	31,333		Notes 2 and 3
Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	Taiwan	Sales of electronic /electrical components	343,959	343,959	28,000,000	100.00	696,555	57,754		Notes 2 and 5
Pernas Electronics Co., Ltd.	Pernas Enterprise (Samoa) Limited	Samoa	International investment	33,287	33,287	1,000,000	100.00	3,851	(69)		Notes 2 and 5
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	33,857	(4,869)		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	84,533	(22,981)		Notes 2 and 5
Genuine C&C Inc.	Taibaoo Creation Co., Ltd.	Taiwan	Retail business of other grocery	26,995	20,000	4,000,000	100.00	13,972	(1,259)		Notes 2, 5 and 6
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	13,951	31,333		Notes 2 and 3

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: On August 1, 2016, WPG Investment Co., Ltd. sold all of its equity interest which was 25% of shares in Taibaoo Creation Co., Ltd. to Genuine C&C Inc..

WPG Holdings Limited and Subsidiaries

Information on investments in Mainland China

Nine months ended September 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)	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 nine months ended September 30, 2016		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2016	Net income of investee for the nine months ended September 30, 2016	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2016 (Note 15)	Book value of investments in Mainland China as of September 30, 2016	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2016	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
WPG China Inc.	Sales of electronic /electrical components	$ 1,827,661	1	$ 1,829,477	-	-	$ 1,829,477	$ 20,751	100.00	$ 20,751	$ 2,081,001	-	
WPG China (SZ) Inc.	Sales of computer software and electronic components	149,628	1	109,633	-	-	109,633	127,718	100.00	127,718	577,917	-	Note 9
Suzhou Xinning Bonded Warehouse Co., Ltd.	Warehousing services	31,360	1	29,425	-	-	29,425	13,197	49.00	6,466	50,763	-	
Gain Tune Logistics (Shanghai) Co., Ltd.	Sales of electronic /electrical components	39,733	1	15,541	-	-	15,541	15,689	40.00	6,276	33,833	-	
Suzhou Xinning Logistics Co., Ltd.	Warehousing services / extra work	66,359	1	19,279	-	-	19,279	10,990	29.40	3,231	32,947	-	
Shenzhen HQPG Electronic Information Co., Ltd.	Sales, import and export trade of electronic related products	-	1	74,879	-	-	74,879	-	-	-	-	-	Note 13
CECI Technology Co. Ltd	Business e-commerce platform	1,098,342	1	-	-	-	-	85,237	15.00	-	573,070	-	Note 17
WPI International Trading (Shanghai) Ltd.	Sales of electronic /electrical components	217,873	1	20,384	-	-	20,384	(43,259)	100.00	(43,259)	276,831	-	

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 nine months ended September 30, 2016		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2016	Net income of investee for the nine months ended September 30, 2016	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2016 (Note 15)	Book value of investments in Mainland China as of September 30, 2016	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2016	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
AIO (Shanghai) Components Company Limited	Sales of electronic /electrical components	$ 7,769	1	$ -	-	-	$ -	$ 707	100.00	$ 707	$ 56,981	-	Note 8
Long-Think International (Shanghai) Limited	Sales of electronic /electrical components	15,539	1	143,490	-	-	143,490	1,093	100.00	(55,225)	99,762	-	Note 7
AECO Electronic (Ningbo) Co., Ltd.	International trade of electronic components and products	141,284	1	122,931	-	-	122,931	113	100.00	113	58,242	-	
WPI International Trading (Shenzhen) Ltd.	Sales of electronic /electrical components	-	1	100,352	-	-	100,352	-	-	-	-	-	Note 12
Silicon Application (Shanghai) Ltd.	Sales of computer software and electronic components	-	1	6,875	-	-	6,875	-	-	-	-	-	Note 3
Silicon Application (Wuhon) Ltd.	Sales of computer software and electronic components	-	1	6,664	-	-	6,664	-	-	-	-	-	Note 5
Sertek (Shanghai) Limited	Sales of electronic components	-	1	-	-	-	-	(48)	100.00	(48)	-	-	Note 18
Yosun Shanghai Corp. Ltd.	Sales of electronic components and warehousing services	241,475	1	241,475	-	-	241,475	6,421	100.00	6,421	368,532	-	
Yosun South China Corp. Ltd	Sales of electronic /electrical components	134,848	1	-	-	-	-	4,301	100.00	4,301	207,744	-	
Software World Limited	Sales of electronic /electrical components	-	1	5,802	-	-	5,802	-	-	-	-	-	Note 4

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 nine months ended September 30, 2016		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2016	Net income of investee for the nine months ended September 30, 2016	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2016 (Note 15)	Book value of investments in Mainland China as of September 30, 2016	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2016	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Mec Technology (Shanghai) Co., Ltd.	Sales of electronic /electrical components	$ -	1	$ 15,680	-	-	$ 15,680	$ -	-	$ -	$ -	-	Note 2
Qegoo Technology Co., Ltd.	Business e-commerce platform	58,016	1	5,028	-	-	5,028	-	15.00	-	5,028	-	
World Components Agent (Shanghai) Inc.	Sales of electronic components	6,574	1	6,272	-	-	6,272	(69)	100.00	(69)	3,830	-	
Arise Component Corp.	Sales of electronic components	-	1	25,088	-	-	25,088	-	-	-	-	-	Note 6
Dalian Kaiyuan Innovations Digital Co., Ltd.	Development, import, export and sales of software and electronic products	46,930	1	24,319	-	-	24,319	-	-	-	-	-	Note 14
Peng Yu (Shanghai) Digital Technology Co., Ltd	Sales of electronic products	72,742	1	41,834	-	-	41,834	20,065	55.00	6,680	32,460	-	
Hubei Xinsheng Technology Management Co., Ltd.	Sales of electronic products and peripherals	-	1	73,904	-	-	73,904	(31,196)	-	(19,642)	-	-	Note 16

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) 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, 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 nine months ended September 30, 2016, accumulated amount of remittance from Taiwan to Mainland China as of September 30, book value of investments in Mainland China as of September 30, 2016, accumulated amount of investment income remitted back to Taiwan as of September 30, 2016, etc., the exchange rates used were USD 1: NTD 31.36, HKD 1: NTD 4.044 RMB 1: NTD 4.693.

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 November 8, 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 nine months ended September 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 durin the same period.

Note 16: On August 1, 2016, Genuine Trading (Hong Kong) Company Limited sold all of its equity interest which was 83.33% of shares in Hubei Xinsheng Technology Investment Management Co., Ltd. in the amount of RMB 4,683 thousand. As of November 8, 2016, the proceed from disposal of investment has not been collected.

Note 17: In August 2016, WPG China Inc. gained 15% of shares in the investee with its own capital.

Note 18: It was liquidated in September 2015.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 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	$ 2,078,234	$ 2,187,330	$ 28,450,096
World Peace Industrial Co., Ltd.	264,226	612,832	11,962,837
AECO Technology Co., Ltd.	122,931	122,931	647,604
Silicon Application Corp.	13,539	19,686	3,604,140
Yosun Industrial Corp.	241,475	462,999	7,078,961
Sertek Incorporated	-	78,400	880,738
Richpower Electronic Devices Co., Ltd	21,482	15,680	1,256,230
WPG Investment Co., Ltd.	5,028	15,316	298,915
Pernas Electronics Co., Ltd.	31,360	31,360	572,963
Genuine C&C Inc.	140,057	139,911	649,567

(1) Exchange rates as of September 30, 2016 were USD 1: NTD 31.36, HKD 1 : NTD 4.044 and RMB 1 : NTD 4.693.

(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.